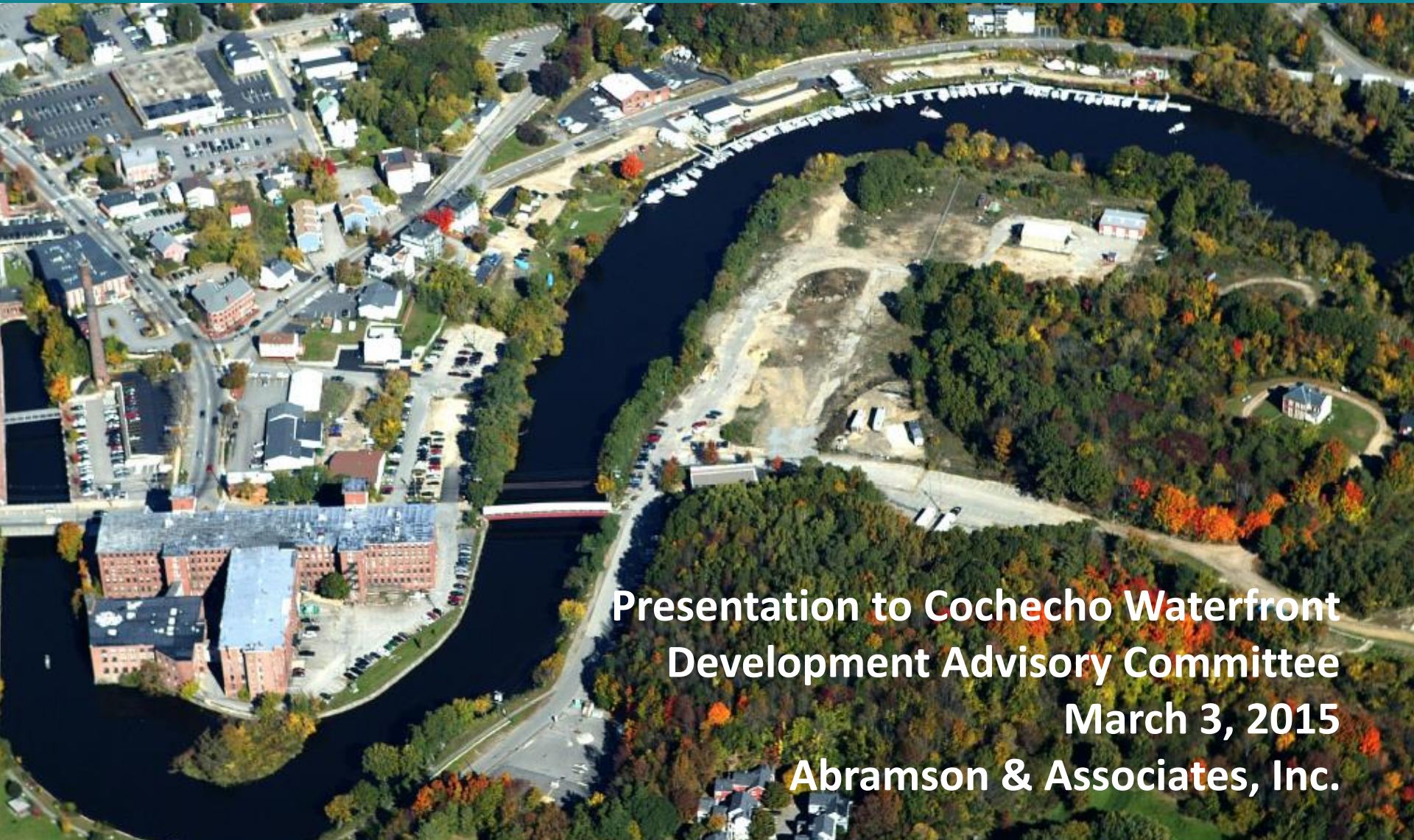


Cochecho Waterfront Market and Development Analysis Dover, NH



Presentation to Cochecho Waterfront
Development Advisory Committee
March 3, 2015
Abramson & Associates, Inc.

Scope

- Market Analysis
- Development Potentials Analysis
- Development Implications Analysis
- Implementation Strategies

Market Analysis

- What uses/product types/amounts are viable from a market perspective?
 - How site meets locational preferences and prerequisites of alternate uses?
- Potential market performance of those uses
 - Understand downtown market for alternate uses
 - Real estate market interviews re. market comparables, potentials
 - Real estate data collection and analysis
 - Demand data collection and analysis

Development Potentials Analysis

- Understanding the Site
- Financial feasibility
- Comparable land sales
- Reasonable anticipated supportable land pricing or gap subsidy required
- Likelihood / timing
- Site capacity for alternate uses/product types/ M-U programs
- Program and phasing

Development Implications – Cost-Benefit Analysis

- Property tax implications
- Cost-Benefit – TIF Analysis
 - Ability of project to pay for City-financed improvements from:
 - Tax Increment Revenues
 - Potential Land Sale Revenues

Implementation Strategies

- Marketing – RFP Process
- Structuring

Findings



The Site

- Gross Site Area = 21 acres
- Net area available for development 14.5 acres (8.5 acres in North, 6 acres in South)
assuming:
 - excavation of bluff and hill areas
 - subtracting areas for riverfront park and extensions of Washington and River Streets

The Site



Economic Context and Initiatives

- Economic and demographic projections for Strafford County and surrounding area indicate moderate growth
- Indicators of more substantial growth in Dover
 - Strong attraction of companies bringing high value jobs
 - Portsmouth and Pease – high costs, traffic congestion, lack of parking, limited remaining buildable land pushing development to Strafford County
 - Dover has amenity and locational advantages to capture this activity
- Expansion of Little Bay Bridge will significantly reduce peak travel time by 2020
 - some improvement in peak travel time possibly by summer 2015
- Aquatic Center, Land Sea and Space Museum proposed in Maglaras Park
 - could generate considerable visitation if developed

Market and Development Potential Residential

- Site attractive for residential
- Strong market anticipated for condos and rentals in multi-family buildings and townhomes
- Anticipate financing more conducive to condo development
- Multi-family buildings:
 - Condo - \$275/SF , \$275,000 for average 1,000 SF unit
 - Rental - \$1.75/SF, under \$1,600 for average 900 SF unit
- Townhouses:
 - Condo - \$205/SF, under \$380,000 for average 1,850 SF unit
 - Rental - \$1.40/SF, under \$2,400 for average 1,700 SF unit
 - Lower prices attributable to residential components in Live-Work TH's

Market and Development Potential Residential, con't.

- Prospects for feasibility and ability to support significant land sale revenues:
 - For sale (condo) multi-family buildings, townhouses – Strong
 - Also strongest RE tax/tax increment benefit
 - Rental townhouses – Strong
 - Rental multi-family buildings –
 - Marginal feasibility, could possibly attract local developers
 - Minimal supportable land cost
- Absorption
 - Annual absorption 30 multi-family units + 10 townhouses
 - 50:50 mix of for sale and rental
 - Absorption of significant residential component over 5-10 years

Market and Development Potential Office

- Unlikely to attract large corporate office tenants or owner-users
 - also concerns in terms of land utilization (parking), traffic, and vitality
- Could attract limited amount of small local service providers, professional service firms or other very small local companies
 - Couldn't anticipate preleasing, bankable credit tenants, or rent justifying new development
 - Rent – \$12.00 - \$13.00/SF, NNN and allow for significant vacancy
 - Could make sense for ground floor space within M-U buildings in which residential could subsidize it and share parking
 - Absorption capacity constrained to extent market already served by space in Dover

Market and Development Potential

Retail

- Primary locational parameter for most retail is traffic – pedestrian or vehicular
- Site won't offer volume of year-round traffic of either type unless major nearby destination attractions are developed
 - Separated from core of downtown, limits benefit from critical mass of retail
- On-site population supports only minimal on-site retail
- Absent major nearby attractions, minimal demand for retail at site – few thousand SF at most
- Rent – \$10.00 - \$12.00, NNN, with high vacancies
- Require subsidy by other project components
- Limit retail space to reasonable level required to activate site

Market and Development Potential Commercial (Combined Office-Retail)

- Ground floor commercial space, while likely negatively impacting development economics, should be included in multi-family buildings at locations which are most marketable and contribute to vitality
- Limit required space to reasonable level required to activate site
- Amount driven by allocation within multi-family buildings with most visible frontage
- Don't want over-supply hurting downtown buildings
- Target 20,000 SF, subject to site planning, reception of initial phase(s)
- L-W TH's could add like amount somewhat public-oriented space

Market and Development Potential Restaurant

- Inclusion of significant size restaurant (4,000 – 5,000 SF) on riverfront important component of making project both attractive to other project occupants and to community
- Location at foot of bridge particularly attractive
- New restaurants expensive to build and fit-out
- Independent restaurant operators often aren't able to make significant contribution to required capital cost of fit-up or pay high rent and provide credit worthiness that building owner would require to make investment
- If a rent of \$20/SF, NNN could be attained for fully fit out restaurant space, would still indicate need for significant subsidy

Market and Development Potential Hotel

- Hotels in Dover operating at room rate (\$90's) and occupancy levels (60%) significantly below those sufficient to support development
- New supply anticipated in Portsmouth and Durham
- When market can support additional supply, hotels will seek sites that best meet one or more of their locational parameters –
 - immediate convenience to and visibility from major highways
 - proximity to major demand generators
 - Within major overnight tourist destination (e.g. downtown Portsmouth)
- Lacking these advantages, site is a secondary location, unlikely to attract hotel development
- Possible very significant subsidy could attract hotel, enabling it to undercut price of competitive hotels in Dover, severely impacting them
- Significant expansion of nearby demand, particularly development of nearby attractions could, perhaps, make site attractive, development feasible, with only favorable or no land cost only required subsidy

Market and Development Potential Banquet/Event Facility

- River Mill at Dover Landing serves some local market demand but unable to accommodate large events, and even many medium size events
- Existing and soon to be developed facilities limit market for development
- UNH operates 10,000 SF of event spaces, largest space of 4,200 SF accommodates 260 for banquet and 300 for lecture
- Indigo Hotel in Portsmouth will have event space accommodating 700
- Development of new stand-alone event spaces outside major metropolitan areas is rare, given challenging operations and economics
- More typically, facilities developed in conjunction with hotels
- Development of stand-alone event facility unlikely
- Possible, should hotel be developed, could be induced to include event facility, perhaps with no subsidy other than free land for combined project
- Additionally, event facility requires a lot of parking (e.g. 250 for 5,000 SF) available both business day and evenings/weekends

Feasibility/Potential Land Revenue/Gap and Property Tax Revenues

Exhibit 4. Per Unit Potential Land Sale Revenues and Property Tax Implications of Alternate Uses

	Residential Multi- Family Flats - For Sale /Unit	Residential LW Townhouses - For Sale /Unit	Residential Multi- Family Flats - Rental /Unit	Residential LW Townhouses - Rental /Unit	Retail/ Office /GBA SF	Restaurant Total /GBA SF		Hotel Total /Unit		Banquet/Event Facility Total /GBA SF	
Potential Land Sale Revenues*											
Current/Near Term Market Conditions											
Low Scenario	\$5,000	\$15,000	\$0	\$15,000	(\$20)	(\$135,000)	(\$30)	(\$2,700,000)	(\$30,000)	(\$1,875,000)	(\$250)
Mid Scenario	\$10,000	\$20,000	\$2,500	\$18,750	(\$10)	(\$67,500)	(\$15)	(\$2,025,000)	(\$22,500)	(\$1,312,500)	(\$175)
High Scenario	\$15,000	\$25,000	\$5,000	\$22,500	\$0	\$0	\$0	(\$1,350,000)	(\$15,000)	(\$750,000)	(\$100)
Potential Favorable Future Conditions	\$15,000	\$25,000	\$5,000	\$22,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
* not incl extraordinary geotech costs											
Property Tax											
Assessed Value	\$275,000	\$379,250	\$100,000	\$140,000	\$80	\$675,000	\$150	\$5,850,000	\$65,000	\$750,000	\$100
Real EstateTax	\$7,153	\$9,864	\$2,601	\$3,641	\$2.08	\$17,557	\$3.90	\$152,159	\$1,691	\$19,508	\$2.60

Above estimates are for illustrative purposes and do not represent appraised values
All financial estimates in Constant \$2015

Feasibility of Alternate Uses

Major Conclusions

- Residential strong prospects for feasibility, significant land sale revenues
- Other uses likely infeasible with negative land value (i.e. requiring subsidy)
- However, public-oriented uses (e.g. restaurant, ground floor commercial), important to create thriving neighborhood, extension of downtown
- If projects desired by City infeasible, can't be "cross-subsidized" by other project components, City may be able to fill feasibility gap with relief on taxes or fees, assisting with parking, or other means
- Allocate requirement for non-residential judiciously, so as to not add more supply than necessary to activate key public-oriented pathways or than can be absorbed so as not to harm downtown, impair feasibility, or diminish positive economic outcome to City
- Evolution in real estate, financing, and construction markets can be anticipated to change economics of development and attainable land sale revenues over time

Development Schedule / Phasing

- Public improvement planning, Developer RFP, Development agreement – 2015-2016
- 1st phase public improvements construction – 2016-2017
- Initial phase private development
 - Construction 2017, on line 2018
 - Initial phase of residential with ground floor commercial
 - Pursue major restaurant – start date depends on success of marketing and, as necessary, willingness of City to subsidize
- Later phases
 - Residential with ground floor commercial in multiple phases
 - Hotel, possibly with event facility, potentially upon development of anchor attractions - mid- to tail end of build-out of other components

Illustrative Programs

- Preferred Program
 - Residential with commercial (20,000 SF) plus major restaurant (4,500 SF) starting to come on line in 2018
 - Favorable future conditions support development of hotel with event facility feasible 4 years after initial phase (i.e. coming on line 2022) with only the write off of land
 - Program includes 262 residential units
 - Build-out completed by 2024, with full absorption in 2025, 8 years after construction start of initial phase
- Basic Program
 - Residential with commercial (20,000 SF) plus major restaurant (4,500 SF) starting to come on line in 2018
 - No hotel and event facility
 - Remaining land allocated to additional residential (yielding 378 units)
 - Build-out extended to 2026, with full absorption in 2027, 10 years after construction start of the initial phase

TIF Cash Flow Analysis

TIF Plan Assumptions

- \$6,000,000 of GO bond financing to fund public improvements
- Two financings of \$3,000,000 each
 - one in 2016, 2nd in 2020 - only after firm commitments and tax agreements for development
- Each financing – interest-only payments 1st 5 years, followed by amortization over following 20 years
- Interest rate of 5.0% – average annual P&I debt service of \$241,000 for each of the financings
- A transfer from City's General Fund of \$150,000 per year for 1st 3 years of initial financing

TIF Cash Flow Analysis

TIF Logistics

- Site has assessed value of \$2,236,100 = “base value”
- Base value subject to standard RE tax allocation
 - @ 2014 tax rates, \$10.59/\$1,000 of base value allocated to City’s general fund; \$10.50/\$1,000 to City School district
- Full RE taxes (\$26.01/\$1,000) allocable to incremental value above site’s base value (“captured value”) go to tax increment fund
- Note two conservative elements of analysis:
 - Does not account for increases in AV of other properties in district which would increase captured value from development on Waterfront Site
 - Estimates in \$2015

TIF Cash Flow Analysis

Major Conclusions

- Preferred and Basic Program Scenarios both estimated to generate tax increment of not less than 1.91 x debt service (in 3rd year of bond financing)
- Stabilized tax increment estimated to provide debt service coverage over 3.0 in Preferred Program and over 4.0 in Basic Program
- Estimated annual net cash flow after bond debt service from tax increment = \$216,000 in 4th year of bond financing (2019) in both program scenarios
- In Preferred Program Scenario, net estimated to grow to \$1,100,000 in 10th year of financing (2025)
- In Basic Program Scenario, net estimated to grow to over \$1,500,000 in 12th year of financing
- Above doesn't include \$46,000 annually allocated to City's general fund and school district from RE taxes on base value

TIF Cash Flow Analysis

Potential Land Sale Revenues

- Low, medium, and high scenarios of potential land sale revenues span wide range of possible outcome
- All in in constant 2015 dollars
- Estimated cumulative land sale revenues:
 - Preferred Program – \$900,000 - \$3,500,000
 - Basic Program – \$1,500,000 - \$5,000,000

TIF Cash Flow Analysis

Preferred Program Scenario

Exhibit 5. Revenue Analysis for TIF Financing
Cocheco Waterfront Development, Dover, NH
Preferred Program Scenario

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Program Components Delivered														
Residential Multi-Family Flat Units				60	-	60	-	60	-	20	-	-	-	200
Live-Work Townhouse Units				10	10	10	10	10	10	2	-	-	-	62
Total Residential Units				70	10	70	10	70	10	22	-	-	-	262
Retail Office/Restaurant SF				10,500	-	6,000	-	6,000	-	2,000	-	-	-	24,500
Hotel Rooms				-	-	-	-	90	-	-	-	-	-	90
Barque Event Facility SF				-	-	-	-	7,500	-	-	-	-	-	7,500
Potential Land Sale Revenues														
Low Scenario *			\$45,000	\$150,000	\$180,000	\$150,000	\$180,000	\$150,000	\$40,000	\$0	\$0	\$0	\$0	\$895,000
Mid Scenario *			\$441,000	\$194,000	\$309,000	\$194,000	\$309,000	\$194,000	\$144,000	\$0	\$0	\$0	\$0	\$2,185,000
High Scenario *			\$838,000	\$238,000	\$338,000	\$238,000	\$338,000	\$238,000	\$248,000	\$0	\$0	\$0	\$0	\$3,476,000
Tax Increment Financing Analysis														
Assessed Value			\$0	\$7,501,000	\$16,299,000	\$24,761,000	\$33,222,000	\$44,983,000	\$56,744,000	\$68,257,000	\$82,472,000	\$82,472,000	\$82,472,000	
RE Taxes			\$0	\$195,101	\$423,937	\$644,034	\$864,104	\$1,170,008	\$1,475,911	\$1,567,285	\$1,624,897	\$1,624,897	\$1,624,897	
Captured Value - Incremental AV for TIF			\$0	\$5,264,900	\$14,062,900	\$22,524,900	\$30,985,900	\$42,746,900	\$54,507,900	\$68,020,900	\$80,235,900	\$80,235,900	\$80,235,900	
TIF Revenues			\$0	\$136,940	\$365,776	\$585,873	\$805,943	\$1,111,847	\$1,417,750	\$1,509,124	\$1,566,736	\$1,566,736	\$1,566,736	
Public Improvement Bond Financing														
1st Phase Bond DS Repayment Year		1	2	3	4	5	6	7	8	9	10	11	12	
2nd Phase Bond DS Repayment Year						1	2	3	4	5	6	7	8	
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Bond Financing	\$3,000,000				\$3,000,000									
Debt Service on Improvement Bond														
1st Phase Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
2nd Phase Bond Debt Service	\$0	\$0	\$0	\$0	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
Total Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$300,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$482,000)	(\$482,000)	(\$482,000)	(\$482,000)	
Transfer from General Fund	\$150,000	\$150,000	\$150,000											
Net Cash Flow														
TIF Revenues + Gen Fund Transfer Less Bond DS	\$0	\$0	\$136,940	\$215,776	\$285,873	\$414,943	\$720,847	\$1,026,750	\$1,118,124	\$1,084,736	\$1,084,736	\$1,084,736	\$1,084,736	
DS Coverage from TIF + Transfer from General Fund	1.00	1.00	1.91	2.44	1.95	2.06	2.84	3.63	3.86	3.25	3.25	3.25	3.25	
TIF Revenues + Gen Fund Transfer Plus Land Sale Revenues Less Bond DS														
With Land Sale Revenues @ Low Scenario	\$0	\$45,000	\$286,940	\$395,776	\$435,873	\$694,943	\$870,847	\$1,066,750	\$1,118,124	\$1,084,736	\$1,084,736	\$1,084,736	\$1,084,736	
With Land Sale Revenues @ Mid Scenario	\$0	\$441,000	\$330,940	\$724,776	\$479,873	\$823,943	\$914,847	\$1,170,750	\$1,118,124	\$1,084,736	\$1,084,736	\$1,084,736	\$1,084,736	
With Land Sale Revenues @ High Scenario	\$0	\$838,000	\$374,940	\$1,053,776	\$523,873	\$1,252,943	\$958,847	\$1,274,750	\$1,118,124	\$1,084,736	\$1,084,736	\$1,084,736	\$1,084,736	

Above estimates are for illustrative purposes and do not represent appraised values
All financial estimates in Constant \$2016

* Land sale revenues assume Hotel and Barque Event Facility in each scenario based on Potential Favorable Future Conditions Scenario (i.e. assumed feasible with no bid coverage)

TIF Cash Flow Analysis

Basic Program Scenario

Exhibit 6. Revenue Analysis for TIF Financing Cochecho Waterfront Development, Dover, NH Basic Program Scenario

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Program Components Delivered														
Residential Multi-Family Flat Units				60	-	60	-	60	-	60	-	48	-	288
Live-Work Townhouse Units				10	10	10	10	10	10	10	10	10	-	90
Total Residential Units				70	10	70	10	70	10	70	10	58	-	378
Retail/Office/Restaurant SF				10,500	-	6,000	-	6,000	-	2,000	-	-	-	24,500
Hotel Rooms				-	-	-	-	0	-	-	-	-	-	0
Banquet/Event Facility SF				-	-	-	-	0	-	-	-	-	-	0
Potential Land Sale Revenues														
Low Scenario			\$45,000	\$150,000	\$180,000	\$150,000	\$180,000	\$150,000	\$260,000	\$150,000	\$270,000	\$0	\$0	\$1,535,000
Mid Scenario			\$441,000	\$194,000	\$509,000	\$194,000	\$509,000	\$194,000	\$549,000	\$194,000	\$494,000	\$0	\$0	\$3,278,000
High Scenario			\$838,000	\$238,000	\$838,000	\$238,000	\$838,000	\$238,000	\$838,000	\$238,000	\$718,000	\$0	\$0	\$5,022,000
Tax Increment Financing Analysis														
Assessed Value			\$0	\$7,501,000	\$16,299,000	\$24,761,000	\$33,222,000	\$41,683,000	\$50,144,000	\$58,446,000	\$66,747,000	\$73,843,000	\$79,641,000	
RE Taxes			\$0	\$195,101	\$423,937	\$644,034	\$864,104	\$1,084,175	\$1,304,245	\$1,520,180	\$1,736,089	\$1,920,656	\$2,071,462	
Captured Value - Incremental AV for TIF			\$0	\$5,264,900	\$14,062,900	\$22,524,900	\$30,985,900	\$39,446,900	\$47,907,900	\$56,209,900	\$64,510,900	\$71,606,900	\$77,404,900	
TIF Revenues			\$0	\$136,940	\$365,776	\$585,873	\$805,943	\$1,026,014	\$1,246,084	\$1,462,019	\$1,677,929	\$1,862,495	\$2,013,301	
Public Improvement Bond Financing														
1st Phase Bond DS Repayment Year		1	2	3	4	5	6	7	8	9	10	11	12	
2nd Phase Bond DS Repayment Year						1	2	3	4	5	6	7	8	
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Bond Financing	\$3,000,000				\$3,000,000									
Debt Service on Improvement Bond														
1st Phase Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
2nd Phase Bond Debt Service	\$0	\$0	\$0	\$0	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
Total Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$300,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$482,000)	(\$482,000)	(\$482,000)	(\$482,000)	
Transfer from General Fund	\$150,000	\$150,000	\$150,000											
Net Cash Flow														
TIF Revenues + Gen Fund Transfer Less Bond DS	\$0	\$0	\$136,940	\$215,776	\$285,873	\$414,943	\$635,014	\$855,084	\$1,071,019	\$1,195,929	\$1,380,495	\$1,531,301		
DS Coverage from TIF + Transfer from General Fund	1.00	1.00	1.91	2.44	1.95	2.06	2.62	3.19	3.74	3.48	3.86	4.18		
TIF Revenues + Gen Fund Transfer Plus Land Sale Revenues Less Bond DS														
With Land Sale Revenues @ Low Scenario	\$0	\$45,000	\$286,940	\$395,776	\$435,873	\$594,943	\$785,014	\$1,115,084	\$1,221,019	\$1,465,929	\$1,380,495	\$1,531,301		
With Land Sale Revenues @ Mid Scenario	\$0	\$441,000	\$330,940	\$724,776	\$479,873	\$923,943	\$829,014	\$1,404,084	\$1,265,019	\$1,689,929	\$1,380,495	\$1,531,301		
With Land Sale Revenues @ High Scenario	\$0	\$838,000	\$374,940	\$1,053,776	\$523,873	\$1,252,943	\$873,014	\$1,693,084	\$1,309,019	\$1,913,929	\$1,380,495	\$1,531,301		

Above estimates are for illustrative purposes and do not represent appraised values
All financial estimates in Constant \$2015

TIF Cash Flow Analysis

Conservative Sensitivity Analysis

- Assumes Basic Program built out, absorbed at pace 2 x as long (1/2 absorption pace) as above scenarios; restaurant 1/2 size
 - Upon full build-out, yields approx same TIF, land sale revenues, though stabilized revenues not achieved until 15th year of financing, 2031
- TIF revenues fall just short of covering bond debt service in 4th – 6th years of bond financing – combined total negative cash flow of (\$71,000)
 - approx equal to share of taxes on base valuation going to City's general fund over that period (\$23,000 per year)
- If land sale revenues are considered, net cash flow far in excess of bond debt service in those years
- 7th financing year – positive net cash flow just from tax increment revenues = \$84,000
- Increases to more than double that in following year, and growing substantially thereafter

TIF Cash Flow Analysis

Conservative Sensitivity Scenario

Exhibit 7. Revenue Analysis for TIF Financing
 Cochecho Waterfront Development, Dover, NH
 Conservative Sensitivity Test - Basic Program Scenario With Residential/Commercial Absorption Pace @ 50%

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
Program Components Delivered														
Residential Multi-Family Flat Units				30	-	30	-	30	-	30	-	30	-	288
Live-Work Townhouse Units				5	5	5	5	5	5	5	5	5	5	90
Total Residential Units				35	5	35	5	35	5	35	5	35	5	378
Retail/Office/Restaurant SF				3,208	-	2,083	-	2,083	-	2,083	2,083	2,083	2,083	21,125
Hotel Rooms				-	-	-	-	0	-	-	-	-	-	0
Banquet/Event Facility SF				-	-	-	-	0	-	-	-	-	-	0
Potential Land Sale Revenues														
Low Scenario			\$109,000	\$76,000	\$109,000	\$76,000	\$109,000	\$76,000	\$109,000	\$34,000	\$109,000	\$34,000	\$109,000	\$1,685,000
Mid Scenario			\$264,000	\$97,000	\$264,000	\$97,000	\$264,000	\$97,000	\$264,000	\$76,000	\$264,000	\$76,000	\$264,000	\$3,349,000
High Scenario			\$419,000	\$119,000	\$419,000	\$119,000	\$419,000	\$119,000	\$419,000	\$119,000	\$419,000	\$119,000	\$419,000	\$5,022,000
Tax Increment Financing Analysis														
Assessed Value			\$0	\$3,629,000	\$7,908,000	\$12,102,000	\$16,295,000	\$20,491,000	\$24,684,000	\$28,878,000	\$33,155,000	\$37,433,000	\$41,709,000	
RE Taxes			\$0	\$94,390	\$205,687	\$314,773	\$423,833	\$532,971	\$642,031	\$751,117	\$862,362	\$973,632	\$1,084,851	
Captured Value - Incremental AV for TIF			\$0	\$1,392,900	\$5,671,900	\$9,865,900	\$14,058,900	\$18,254,900	\$22,447,900	\$26,641,900	\$30,918,900	\$35,196,900	\$39,472,900	
TIF Revenues			\$0	\$36,229	\$147,526	\$256,612	\$365,672	\$474,810	\$583,870	\$692,956	\$804,201	\$915,471	\$1,026,690	
Public Improvement Bond Financing														
1st Phase Bond DS Repayment Year		1	2	3	4	5	6	7	8	9	10	11	12	
2nd Phase Bond DS Repayment Year						1	2	3	4	5	6	7	8	
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Budgeted Public Improvements	\$2,200,000	\$800,000	\$0	\$0	\$3,000,000									
Bond Financing	\$3,000,000				\$3,000,000									
Debt Service on Improvement Bond														
1st Phase Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
2nd Phase Bond Debt Service	\$0	\$0	\$0	\$0	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$241,000)	(\$241,000)	(\$241,000)	(\$241,000)	
Total Bond Debt Service	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$300,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$391,000)	(\$482,000)	(\$482,000)	(\$482,000)	(\$482,000)	
Transfer from General Fund	\$150,000	\$150,000	\$150,000											
Net Cash Flow														
TIF Revenues + Gen Fund Transfer Less Bond DS	\$0	\$0	\$36,229	(\$2,474)	(\$43,388)	(\$25,328)	\$83,810	\$192,870	\$301,956	\$322,201	\$433,471	\$544,690		
DS Coverage from TIF + Transfer from General Fund	1.00	1.00	1.24	0.98	0.86	0.94	1.21	1.49	1.77	1.67	1.90	2.13		
TIF Revenues + Gen Fund Transfer Plus Land Sale Revenues Less Bond DS														
With Land Sale Revenues @ Low Scenario	\$0	\$109,000	\$112,229	\$106,526	\$32,612	\$83,672	\$159,810	\$301,870	\$335,956	\$431,201	\$467,471	\$653,690		
With Land Sale Revenues @ Mid Scenario	\$0	\$264,000	\$133,229	\$261,526	\$53,612	\$238,672	\$180,810	\$456,870	\$377,956	\$586,201	\$509,471	\$808,690		
With Land Sale Revenues @ High Scenario	\$0	\$419,000	\$155,229	\$416,526	\$75,612	\$393,672	\$202,810	\$611,870	\$420,956	\$741,201	\$552,471	\$963,690		

Above estimates are for illustrative purposes and do not represent appraised values
 All financial estimates in Constant \$2015

Implementation Strategies

- City's funding and construction of major site work and infrastructure give it option of marketing and transacting disposition of development pads in stages to multiple developers or contracting with a master developer for entire project
- RFP can invite proposals for both approaches, enabling City, CWDAC to get best insight on potential advantages of alternate approaches
- Two-stage RFP process particularly appropriate for attracting potential developers

Implementation Strategies, con't

- Manage RFP process carefully to avoid shortlisting and selection based on unrealistic visions that proposers might ultimately not consider worth pursuing through process
- CWDAC and community engaged as active and well-informed participant in the process
 - Community's understanding of what is and is not realistic and implications and trade-offs will facilitate wise decision-making and encourage developer response

Implementation Strategies, con't

- Establish design and development objectives and parameters that are essential elements of project but allow developer(s) reasonable flexibility as to how such objectives can be fulfilled
- Structure disposition process and development agreement(s) to exert some control over later stage programming by means of development plan approval, land pricing and/or possible assistance
 - maintain ability to reserve particular sites appropriate for hotel and event center and determine in a few years whether conditions appear likely to be conducive to such development or the sites should be freed for other uses

Discussion

