

CITY OF SOUTH SIOUX CITY
TAX INCREMENT FINANCING (TIF)
APPLICATION



TIF Application Checklist

Part 1 of the TIF Application..... Non-Confidential Section

- ✓ Project Summary Page
 - ✓ Project Development Team Page
 - ✓ Project Narrative Sections:
 - A. Existing Land Use and Conditions
 - B. Proposed Use and Project Details
 - C. Parking Plan
 - D. Market Demand
 - E. Residential Information
 - F. Employment Information
 - G. Zoning Changes
 - H. Public Improvements; Also any traffic concerns
 - I. Historical Status, if applicable
 - ✓ Development Financing Plan – (Attach bank commitment letters in Part II of the TIF application)
 - ✓ Estimation and Justification of Final Valuation
 - ✓ Construction Budget, with itemized Public Improvements Costs
 - ✓ Development Schedule or Timeline
 - ✓ Three-Year Pro Forma – profit/loss and cash flow statements
 - ✓ Statement of Need - ROI analysis With and Without TIF
 - ✓ Evaluation Criteria: Mandatory Criteria (See and use the Program Criteria of the TIF Guidelines)
 - ✓ Cost – Benefit Analysis (See and use Appendix Five of the TIF Guidelines)
 - ✓ Site Plan(s) and Elevations
 - ✓ Alta Survey and Legal Description
 - ✓ Historic Designation Documentation, *if applicable*
 - ✓ Any Other Supplemental Documentation
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Project Summary

Project Name: RiverWalk, RiverWay Development ?? RoyDon LLC

Project Legal Description: (If too long, attach description with Site Plan) SE1/ 4NW 1/f; PT G.L 1&2&3 comm at NE Corner of SE1 / 4NW ¼ West 20 chains ETC except road R.O.W and Except tracts

Project Address: Riverview Drive

Property Owner/Applicant Name: RoyDon LLC

Owner Address: 2120 N Main Street, Elkhorn NE 68022

Estimated Total Project Cost: \$48,600,000

TIF Request: \$9,720,000

New Construction: Yes (yes or no)

Rehabilitation: No (yes or no)

Proposed Project Size:

Gross Sq. Ft. (Building(s)) Enter Number

Net Sq. Ft. (Building(s)) Enter Number

of Acres 23.5

Lot/Parcel Size 23.5 acres

LIHTC Project ____ (yes or no)

Market-Rate Project Yes (yes or no)

Historic Tax Credit Project No (yes or no)

Current Use: Vacant

Proposed Use: Mixed Use – Commercial and Multifamily

Current Zoning: R3b

Proposed Zoning: Mixed use

Current Annual Real Estate Taxes (2018 tax year): \$ \$2,395.95

Current Assessed Tax Valuation (2019 tax year):	Land:	\$ 86,110.50
	Improvements:	\$ 0
	Total:	\$ 86,110.50

Are Real Estate Taxes Current? Yes (yes or no)

Requested Base Year: 2019 (must be consecutive years)

Requested Division Year: 2020 (must be consecutive years)

Does the applicant entity or do the members comprising the applicant entity have any delinquent taxes due and owing? No(yes or no), if yes explain: _____ (attach a separate sheet)

I) Narrative

A. Project Land Use Plan

A detailed project description should include the type of project – commercial development, mixed-use development, housing development, business expansion, etc., any vacancy history of the property, any code enforcement history, demographic of target market(s) for housing development, summary of employment element, a brief history of the business.

Existing Land Use and Conditions of the Redevelopment Site :

Vacant lot with Pedestrian trail.

Proposed Use and Project Details, *include number of buildings and height(s)*

Mixed use of multifamily, restaurant, and office. There will be 10 structures on the north 23 acres. Buildings will be 4 stories with the first floor being a parking garage. Building A will be mixed use with first floor having 4420 of commercial use.

Parking Plan for Proposed Project :

Apartment buildings will have 36 (288) parking stalls in each building. Paved parking lots will include 396 parking stalls. This will accommodate for apartment residents as well as the mixed use building.

Market Demand for Proposed Project

Per the market study completed by JEO, there is demand for market rate housing in the proposed area. This will be marketed through a management company.

B. Zoning Plan – Current and Proposed; *include any city staff concerns and comments*

Will need a re-zone for multifamily or mixed use.

C. Public Improvements Plan, also talk about any traffic concerns, if any; *include any city staff concerns and comments*

Add Arbor Drive row street along side of walking path, storm sewer and retention

D. Historical Status: *indicate whether or not the building(s) has been designated as a local landmark and if the building(s) are on the National Register of Historic Places*

Residential Use Information Table, if applicable (*sample table below*)

☐ Check here if this table is not applicable

		Unit Mix		Square Footage	Monthly Rents
Single-Family	Rental	#	1 bedroom	-	-
		#	2 bedroom	-	-
		-	3 bedroom	-	-
	Owner-occupied	-	1 bedroom	-	-
		-	2 bedroom	-	-
		-	3 bedroom	-	-
Multi-Family	Rental	186	1 bedroom	850	875
		150	2 bedroom	1000	1050
		-	3 bedroom	-	-
	Owner-occupied	-	1 bedroom	-	-
	(Condos, Rowhomes, etc.)	-	2 bedroom	-	-
		-	3 bedroom	-	-
Total Units		336		-	-

Non-Residential Use Information Table, if applicable (*sample table below*)

☐ Check here if this table is not applicable

Commercial Uses					
	Gross SF	Rental SF	# of Floors	# of Rooms	# of Bays
Office					
Retail					
Restaurant	4420	12.00	1		
Warehouse					
If other, indicate here: example hotel, flex space, distribution center, etc.					
Comments:					

Employment Information Table, if applicable

Job Creation/Retention Figures		Job Creation/Retention Types	
Permanent Jobs (FTEs)	15	Management	3
Part-Time Jobs	10	Technical	1
TOTALS	25	Sales/Marketing	6
		Clerical/Administration	6
Total Jobs CREATED	25	Production	1
Total Jobs RETAINED	25	Clerk/Service	3
TOTALS	25	General Labor	5
		TOTALS	25
Anticipated Annual Payroll or Average Annual Wage for Full & Part-Time Jobs			\$600,000.00
Estimated number of construction jobs created as a result of this project			55
Anticipated Payroll for Construction Jobs			\$2,200,000.00

II) Development Financing Plan:

A. Sources & Uses/Total Project Costs (example table below)

Sources of Funds (complete where applicable)	
Owner Equity Enter Text	\$2,861.600
Other Financing – indicate source, i.e. bank, type of public or other funding Enter Text	\$36,018,400.00
Other Financing – indicate source, i.e. bank, type of public or other funding Enter Text	\$0.00
TIF Financing – indicate source – bank financing	\$9,720,000.00
Total Sources of Funds	\$48,600,000.00
Uses of Funds (complete where applicable)	
Land Acquisition	\$2,861,600.00
Building Acquisition	\$0.00
Construction Hard Costs or Rehabilitation Costs	\$37,808,400.00
Site work Construction Costs Apt Complex Sewer, parking etc	\$3,750,000.00
Construction Soft Costs (Excluding Architectural & Engineering Fees) Enter Text	\$500,000.00
Architectural & Engineering Fees	\$900,000.00
Capital/Equipment Costs, if applicable	\$0.00
Tenant Improvements/Build-outs, if applicable	\$100,000.00
Developer Fees	\$0.00
Financing Fees	\$80,000.00
Other (describe): new street, storm sewer, water main	\$2,600,000.00
Total Uses of Funds and Total Project Costs	\$48,600,000.00

B. Is there or will there be an application requesting Property Assessment Clean Energy (PACE) financing for this project? No Yes or No

C. **Final Estimated Valuation and Justification** - Add brief discussion regarding what the most probable final valuation will be and the methodology used to establish the final valuation.

\$48,600,000.00. Valuation of real property is bases upon its acquisition price and its anticipated fair market value. The valuation of the improvement is based upon construction cost and anticipated NOI.

III) Construction Budget, Itemized Public Improvement Costs and Project Timeline; insert here or attach in front of Site Plan

- Provide Itemized Construction Budget here
See Attachment
 - Itemize the Public Improvement Costs in this section
See Attachment
 - Provide Project Timeline in this section
See Attachment
-

Section III

CONSTRUCTION BUDGET, ITEMIZED PUBLIC IMPROVEMENT COSTS AND PROJECT TIMELINE

A. Construction Budget

1. Land: \$2,861,600.00

2. Public Improvements:

- a. Completion of Arbor Drive, Electrical
- b. Storm Sewer and Water Main
- c. Re-do bike path to elevation

\$2,600,000.00

3. Site Improvements:

- a. Grading
- b. Landscaping, parking, utilities site improvement

\$3,750,000.00

4. Structures:

- a. Apartments and Apartment Garages
- b. Retail/Office Building
- c. Kitchen build out

\$37,908,400

5. Construction Soft Costs:

- a. Architect/ Engineering fee
 - i. Design, Supervision, and legal

\$1,480,000.00

Total Construction Budget: \$48,600,000.00

B. Timeline: Commence Construction in September 2019 and complete construction by
December 31, ~~2020~~

2021

- IV) **Three-Year Pro-Formas - profit/loss and cash flow statements; insert here or attach in front of Site Plan**
See Attachment IV

SECTION IV

3-YEAR PRO-FORMA – PROFIT LOSS AND CASH FLOW STATEMENT

3-Year Pro-Forma – Profit Loss and Cash Flow Statement is as follows:

<u>Income (Annual):</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Annual Rental Income:	\$1,315,033	\$3,947,500	\$3,947,500
Vacancy Rate 5%	N/A	\$197,375	\$197,375
Gross Income	\$1,315,033	\$3,750,125	\$3,750,125
<u>Expenses (Annual):</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administration/Operating:	\$310,251	\$310,251	\$310,251
Maintenance/Repair/Utilities:	\$185,459	\$485,459	\$485,459
Debt Service:	\$1,200,000	\$2,665,728	\$2,665,728
Real Estate:	_____	<u>\$420,000</u>	<u>\$420,000</u>
Total Expenses:	\$1,795,710	\$3,881,438	\$3,881,438
Cash Flow:	-\$380,677	-\$131,313	-\$131,313
Cash Flow before TIF:	-\$380,677	-\$131,313	-\$131,313
Annual TIF Revenue to Project:	0.00	\$400,000	\$400,000
Cash Flow with TIF Revenue to Project:	-\$380,677	\$268,687	\$268,687

- V) **Statement of Need and ROI Analysis (with and without TIF)** – In the Statement of Need section, talk about the challenging conditions of the redevelopment site which require the assistance of TIF. The ROI Analysis is “with” and “without TIF”.
See Attachment V

SECTION V

STATEMENT OF NEED AND ROI ANALYSIS

STATEMENT AND DEMONSTRATION THAT THE PROJECT WOULD NOT PROCEED WITHOUT THE USE OF TAX INCREMENT FINANCING

Without the successful incorporation of Tax Increment Financing, it would not be economically feasible to proceed with this project. TIF blended with equity forms the critical basis for the project to be economically viable.

	WITH TIF	WITHOUT TIF
Gross Annual Income	\$3,947,500.00	\$3,947,500.00
Less: Vacancy (5%)	(197,375.00)	(197,375.00)
Less: Expenses (including RE taxes)	(796,130.00)	(796,130.00)
Less: Primary Debt Service	(2,665,728.00)	(2,665,728.00)
TIF Payment	(400,000.00)	0.00
Annual Cash flow	\$268,687	(131,313.00)
Return on Investment	10%	Negative

Summary Conclusion: Without Tax Increment Financing there would be insufficient cash flow and partner return and the project would not be feasible. Therefore, the partners have determined that they cannot complete the project without Tax Increment Financing.

VI) Evaluation Criteria: Mandatory Criteria - A project must meet each of the following criteria; briefly discuss how this project meets each criteria. Include each statement with your response.

1. The project must be located within a community redevelopment area or an area eligible for a designation of community redevelopment area as required and set forth by State Statute. The project must be located within a community redevelopment area prior to the preparation of a Redevelopment Plan, refer to Attachment 1 – Community Redevelopment Area map. Requirements for community redevelopment areas are found in Appendix One and Two.

The project is located within a community redevelopment area.

2. The use of TIF for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions.

The use of TIF for this project will not result in a loss of pre-existing tax revenue to the City and other taxing jurisdictions.

3. The developer is able to demonstrate that the project would not be **economically feasible** without the use of TIF. In addition, when the project has site alternatives, the proposal must demonstrate that it would not occur in the area without TIF. Return on investment assists in determining the economic feasibility of the project.

The project is not economically feasible without the use of Tax Increment Financing.

4. The project must further the objectives of the City's Master Plan. This may include job creation, application/implementation of Urban Design elements of the project and related/adjacent public areas, preservation of historic sites and structures, revitalization of older neighborhood communities, business start-ups, business growth and expansion, and the densification of the urban core.

The project furthers the objective of the City's need for more housing and entertainment district. The project shall provide for job creation, provide for the completion of start-up of a new business, provide for business growth and expansion in the area.

Section VII

COST BENEFIT ANALYSIS

The request meets the necessary requirement for consideration. The site is an area that has been declared Blighted and Substandard. The TIF proceeds are to be used to cover specific TIF eligible project cost and to assist in the improvement of the public infrastructure within the Riverview Drive area.

The site is not being utilized at the fullest and best economic use. The site is underutilized with marginal tax value as the property has limited assessed value. The project will provide additional, affordable residential rental apartment units into the market and assist in redevelopment of the area. The project will also provide for the needed public storm sewer, and the addition of a city street.

The use of TIF will not result in tax shifts.

No additional community public service need will be generated as a result of this Project

The development of the project site will provide employment by employing personnel to operate and maintain the apartment project and retain/ office areas. The development impact existing business within the boundaries of the area by providing additional residential density and public improvements. Overall, the development will increase employment opportunities and other economic opportunities within the development project area by increasing the demand for goods and services.

By providing additional residential units and density, and the expansion of commercial service within the Riverview Drive area, the immediate area outside the boundaries of the development project will be benefited by increasing the demand for goods and service.

The development will cause an increase in traffic in the area; however, the street system is able to accommodate the Project. The creation of additional, market rate housing opportunities, the public improvements consisting of the new city street, storm sewer improvement, and water mains, the increased demand for goods and services, justify the cost associated with the project. The long-term benefits resulting from the increase in the tax base due to the development are other valid justification to provide assistance to the Project.

Applicant – Property Owner Signature(s)

To the best of my knowledge, the statements made above are complete, true and accurate. I hereby certify that I am authorized to submit this application and affix my signature below. I recognize that submission of this application does not guarantee approval for funding.

DON GARDINER

Printed Name of Owner

Don Gardiner

Owner's Signature

6-31-2019

Date

Printed Name of Applicant

Applicant's Signature

(if not the property owner, the applicant certifies with this signature to be the authorized agent of the property owner.)

Date



SO. SIOUX CITY, NEBRASKA
MULTI-FAMILY / MIXED USE

PLAN ARCHITECTURE
SCHEMATIC
6.16.2019



June 6, 2019
14:18 PM

DISCLAIMER: This map is not intended for conveyances, nor is it a legal survey. The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments.

- Fiber Vault
- 12" Fiber Lines
- 24" Fiber Lines
- 48" Fiber Lines
- 54" Fiber Lines
- 96" Empty Duct
- 144" Empty Duct
- 288" Empty Duct
- 1-1/4" Empty Duct
- 2" Empty Duct
- Parcels

