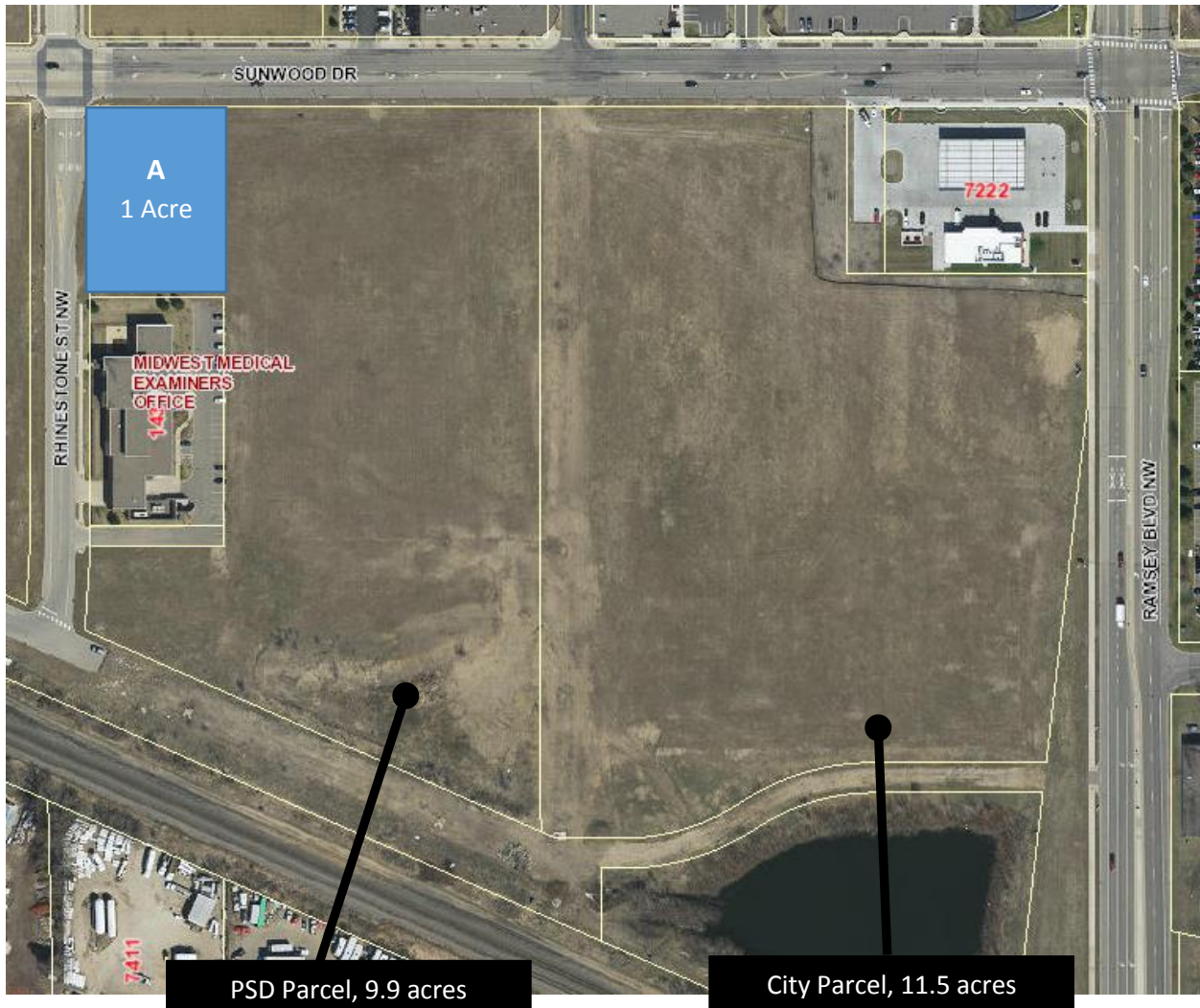


Stone Brook Academy
(previously known as Prestmore Academy)
Site Selection Log

SITE 4
01/17/2017

SITE 4



Site 4 includes several options. Shown above is a logical option. This area is zoned for office park, and has been visioned for a medical office park (or corporate campus). Generally, the proposed use should be able to fit within this zoning district (due to the academy focus)—however, this should be further reviewed from a zoning perspective. This site is nearly pad ready. Infrastructure is in place, perfect shape/ size lot. Good location for Stone Brook—near the center of The COR.

(1) Stone Brook Feedback

A. These site is desired by Stone Brook

- Stone Brook does desire this site (as their second most desired site). Generally, it meets all of their needs. Please see “Site 1 Log” for details.

B. This location is ideal for Stone Brook

- Being located in the center of The COR is very important to Stone Brook. Please see “Site Log 1” for more background on their feedback on location.
- PSD has expressed hesitancy towards this project. They would prefer owning the project and leasing back to Stone Brook. Stone Brook does not want to lease a project. With that said, PSD is willing to discuss selling land only if they can get \$12 psf.

C. Price is an issue with this site

- This site is more expensive than Stone Brook can afford (per square foot)—this site is listed at \$12.00 (\$522,720). “Site Log 1” for more background on their feedback on price.
- Stone Brook would be happy to further consider this site if PSD was willing to drop the price down to \$150,000-\$200,000 per acre, or about \$3 psf (similar to what they want to pay for the site near Yolite).
- PSD is NOT willing to drop the price.

(2) Staff Feedback

- The only major conflict with this site location is the funding gap. The gap here (between what PSD wants, and what the Stone Brook wants) is about \$9 psf or \$392K.
- Staff did a TIF run on this project (for The COR TIF district). Over about 20 years, it would pull about \$510,000 in Future Value (FV) TIF or about \$315K in Present Value (PV) TIF—@4.00% discount rate. The City could use TIF to fill this gap. However, staff would note, this will pull the City's property tax generation on this project for 20 years (and there are *many* projects within The COR that could use TIF funding).
- This route would also require a business subsidy process/ application. Likely, if possible, all parties involved would want to avoid said alternative.
- Lastly, this proposed TIF assistance (\$315,000 PV/ \$500,000 FV) on a roughly \$2.5M project is significant, and may be cause for caution. For example, the roughly \$20M PSD apartment project was subsidized \$500,000 FV; the roughly \$10M Platinum Properties project was subsidized \$455,000 FV; the \$7M Life Fitness project was subsidized at about \$350,000 FV. This subsidy would likely stretch or exceed our policy guidelines for subsidies (based on preliminary staff review).
- With the above in mind, this site does present the least amount of “development/ land use/ infrastructure” concerns of all viable sites. This site is perfectly sized/ shaped, and in an ideal location for Stone Brook. If the City desires, staff may be able to find a creative solution to secure dollars to fill the funding gap on this project (via City subsidy). This alternative will likely delay the development process for Stone Brook by at least 60 days—which they are generally concerned with (as they still need to go through the entitlement/ state licensing processes). This alternative does carry the risk of uncertainty (PSD's official position, business subsidy process, public perception, etc.).

(3) EDA Feedback

- From the perspective of development readiness, the EDA does believe this site is well-suited for this project. From a development perspective, the EDA is comfortable with this site—they are little/ no issues—the site is ready to go (basically pad ready).
- If Stone Brook would be willing to purchase this site, within PSD’s acceptable price range, the EDA would likely support Stone Brook being located on this site. However, Stone Brook has indicated they cannot pay full price for this site.
 - Generally, some EDA members were concerned with the request from Stone Brook to purchase this site at “like cost” in comparison to their preferred site (Site #1). That would be a swing of \$12 psf down to \$3psf roughly. Some EDA members felt that was too much of a gap, and that the City would be required to provide a formal business subsidy to cover the gap—which some EDA members voiced opposition.

(4) Planning Commission Feedback

- The Planning Commission did not discuss other sites in great detail. Generally, they were comfortable with this site location. Generally, the Planning Commission felt this site fits the project better, and meets The COR vision better. The Planning Commission would like to see Stone Brook moved to sites 2-4.