

PSD LLC

Business Park Proposal Requests for City Assistance



Armstrong

Bunker

US 10

THE
CORNER

PSD Projects Summary

(Project A) Mass Site Preparation Improvements

Details: \$3.45M acquisition, \$90K move berm, \$100K mass grading, \$200K regional pond, \$50K grubbing and debris clean up, \$250K internal public road phase 1, \$250K internal public road phase 2, \$100K signage.

Sub Total: \$4.49M

(Project B) Industrial Building #1, 60K SF, Speculative

Sub Total \$5.4M (cost includes site work, building construction, and all soft costs)

(Project C) Industrial Building #2, 56K SF, Adrenaline Sports Center

Sub Total \$5.0M (cost includes site work, building construction, and all soft costs)

City Assistance Requests

Details

City Assistance Request: A

(A) Mass Site Preparation Improvements, Sub Total: \$4.49M

Assistance Request: City pay for 1st phase of public roadway

Assistance Amount: 250K (5.5%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

(B) Industrial Building #1, 60K SF, Speculative, Sub Total: \$5.4M

Assistance Request: City provide 9-year ED TIF District

Assistance Amount: 234K PV (4.3%)

Funding Source: new ED TIF District #16, pay-go only, PSD paid \$10K fee

(C) Industrial Building #2, 56K SF, Adrenaline Sports Center, Sub Total: \$5.0M

Assistance Request: City provide 200K incentive

Assistance Amount: 200K (4.0%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

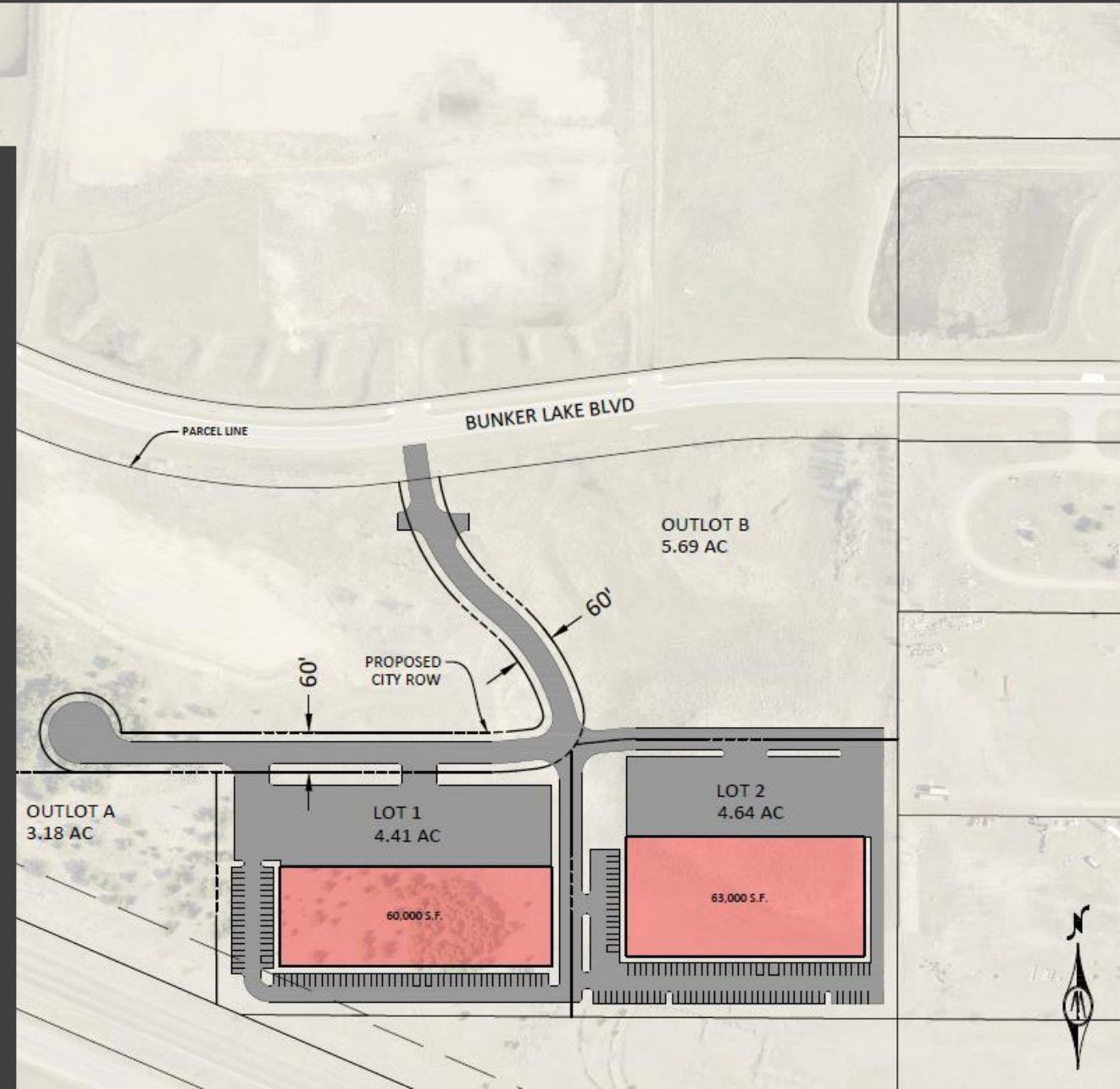
Request A: Mass Site Prep

Project Specifications

PSD will be completing the following mass site work immediately, to prep the business park for both immediate and future development projects. Having a ready-to-go business park is essential to their business model.

- \$3.45M acquisition
- \$90K move berm
- \$100K mass grading
- \$200K regional pond
- \$50K grubbing and debris clean up
- \$500K internal public road
- \$100K signage

\$4.49M



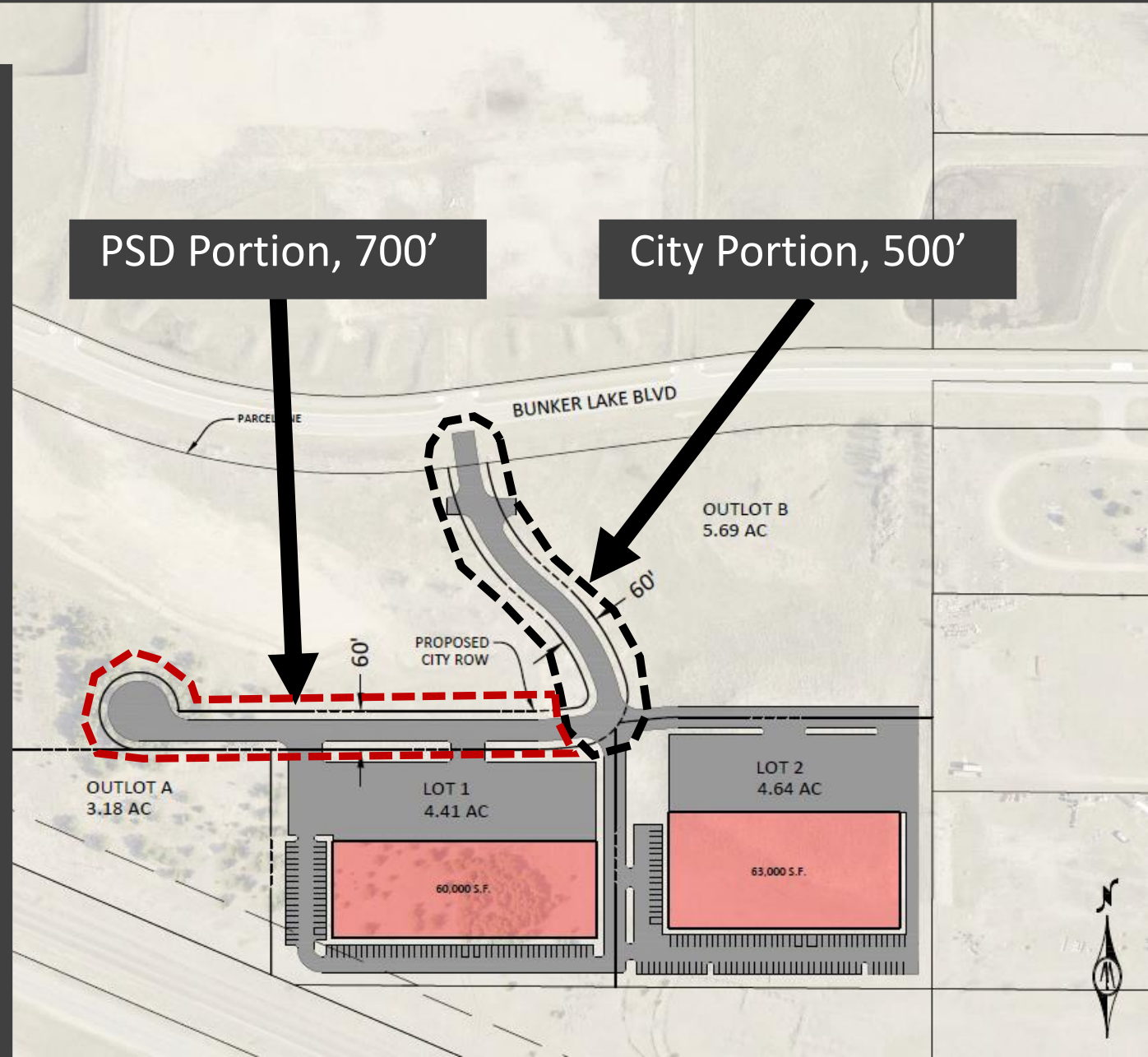
Request A: Mass Site Prep

Request A Staff Notes:

- Proposed public roadway will be about 1,200'. The entire 1,200' roadway will be constructed by PSD immediately.
- PSD is requesting reimbursement from the City for 500' of the internal public roadway (or about 42% of the total lineal feet).

In summary, in the past, the City typically has paid for all (100%) or a portion (60%) of public infrastructure located within industrial parks/commercial areas.

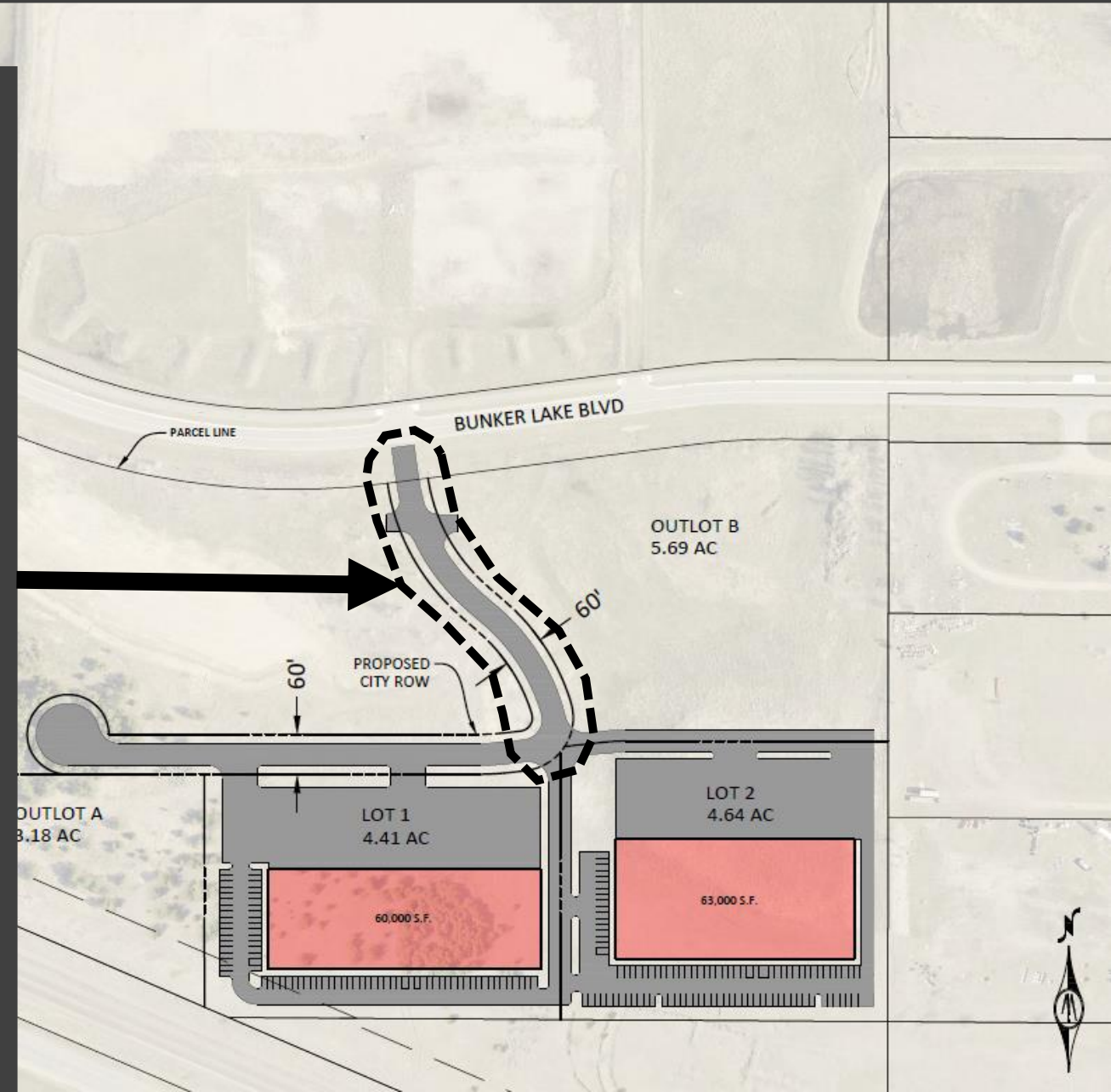
Both staff and Ehlers do not believe this request should be processed as a formal business subsidy request. This request should be considered a stand alone infrastructure negotiation process.



Request A: Mass Site Prep

Request A Specifications:

- City to reimburse PSD for phase 1 of the public roadway upon completion (250K request).
- PSD would design/ construct/ administer/ and upfront fund project.
- PSD would make this an attractive corporate style entrance, divided road, with median, tree plantings, and monument signs.
- PSD is open to discussing maintaining the road.
- City would fund via EDA Fund, ACHRA, or TIF #1. Agreement carried out via MOU. No formal business subsidy needed. This is a negotiable item for funding (i.e. public roadways).



City Assistance Requests: B

(A) Mass Site Preparation Improvements, Sub Total: \$4.49M

Assistance Request: City pay for 1st phase of public roadway

Assistance Amount: 250K (5.5%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

(B) Industrial Building #1, 60K SF, Speculative, Sub Total: \$5.4M

Assistance Request: City provide 9-year ED TIF District

Assistance Amount: 234K PV (4.3%)

Funding Source: new ED TIF District #16, pay-go only, PSD paid \$10K fee

(C) Industrial Building #2, 56K SF, Adrenaline Sports Center, Sub Total: \$5.0M

Assistance Request: City provide 200K incentive

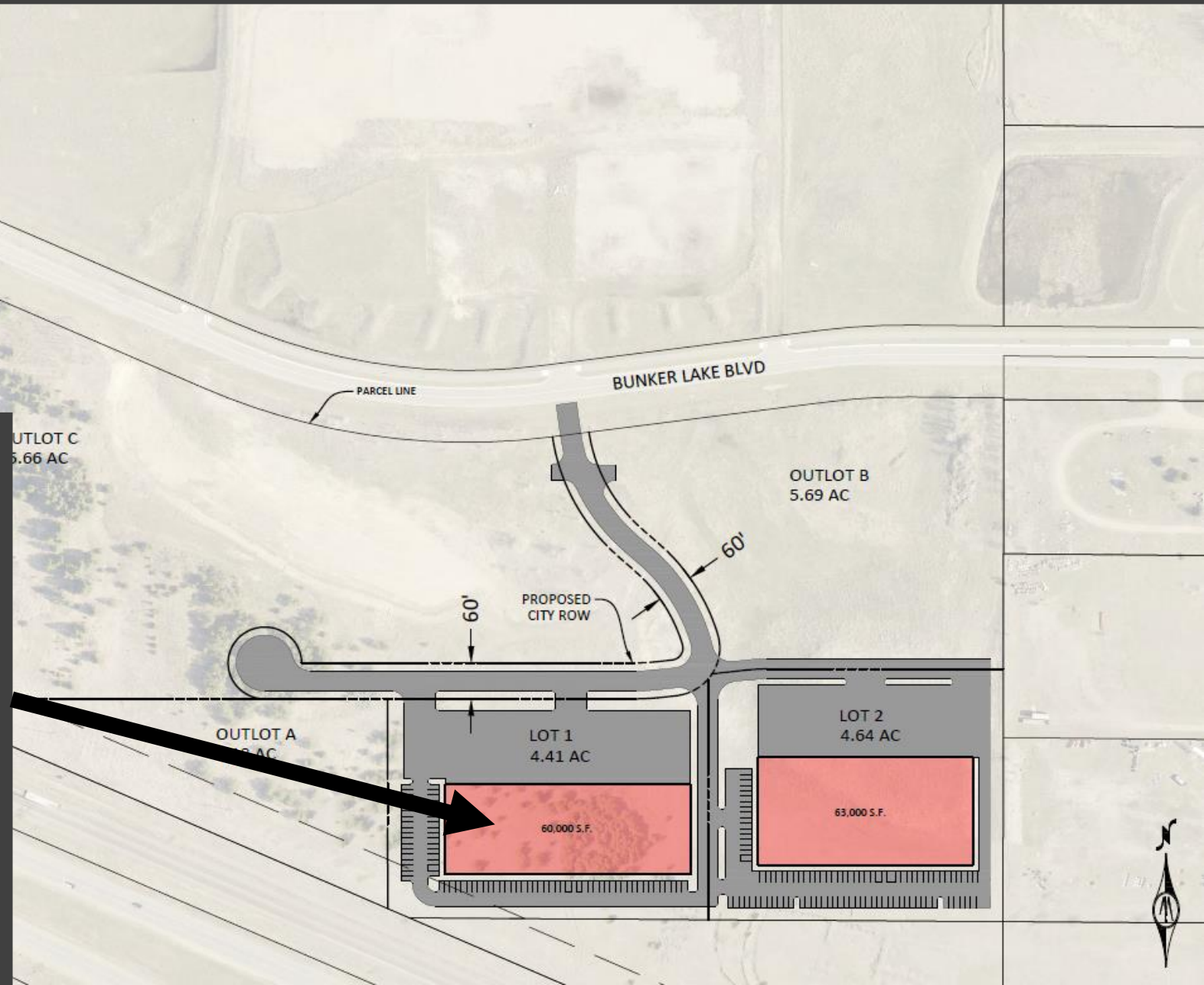
Assistance Amount: 200K (4.0%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

Request B: Building 1

Building #1 Specifications

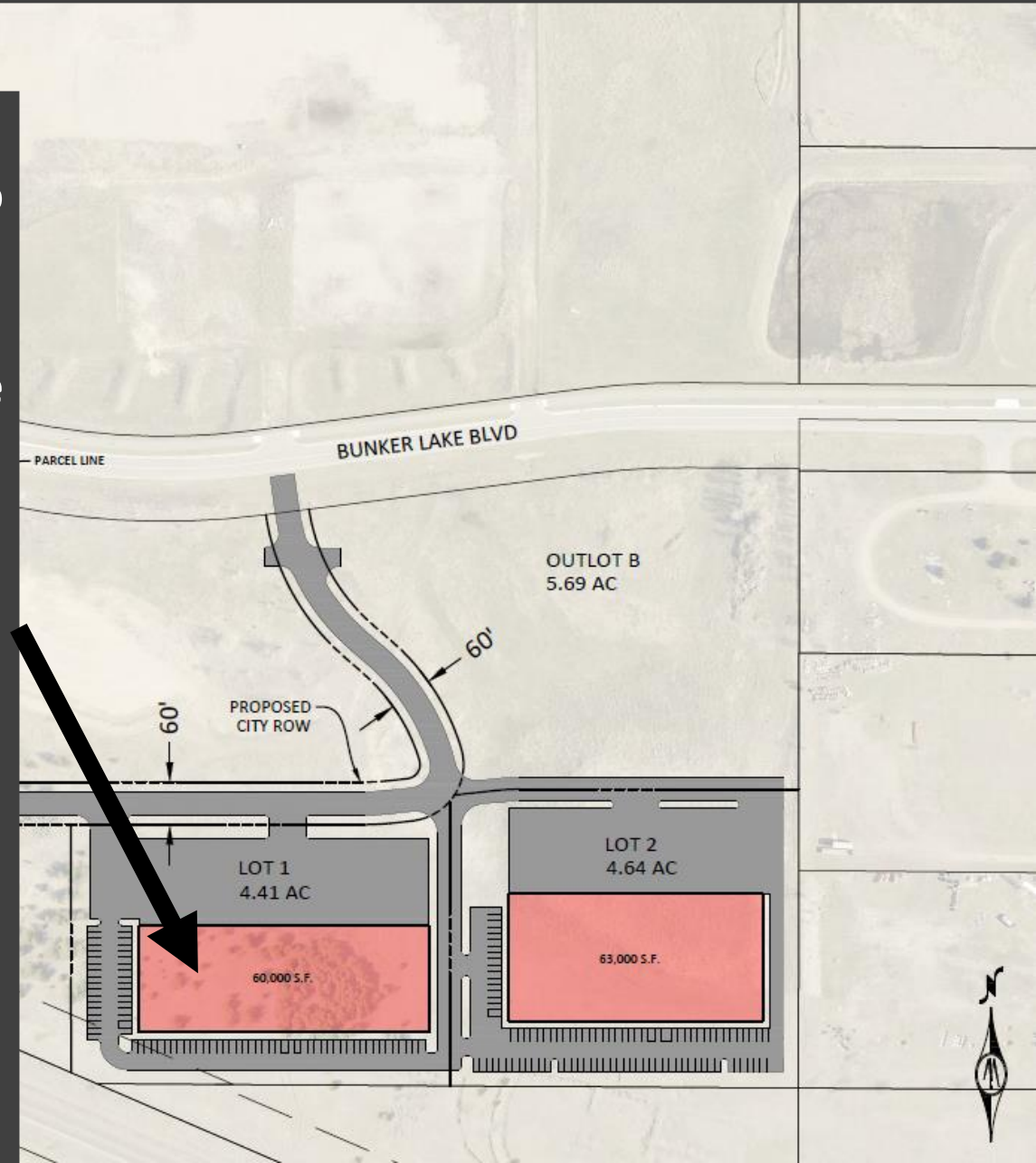
- 100% speculative industrial building
- Multi-tenant
- 60,000 square feet total size
- 10,000 square foot bays
- 24' clear, tilt-up concrete
- Glass accented
- Built-in below and at-grade mechanical doors
- About 115K per yr total prop taxes



Request B: Building 1

Request B Specifications:

- City to establish TIF district #16 and provide PSD pay-go TIF, over 9 years (234K request).
- TIF would be used by PSD for reimbursement of eligible TIF costs (site work, parking, storm water, etc.).
- PSD paid \$10K to apply for, and to set up, a new TIF district. Ehlers has completed underwriting, and has made a recommendation.
- Existing tax base remains in place (frozen). New tax base created by PSD (TIF) is repaid back to PSD for 9 years. NOTE: Fiscal Disparities is not included in TIF payments back to PSD, which means PSD will be contributing new dollars, which benefits the city.



City Assistance Request: C

(A) Mass Site Preparation Improvements, Sub Total: \$4.49M

Assistance Request: City pay for 1st phase of public roadway

Assistance Amount: 250K (5.5%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

(B) Industrial Building #1, 60K SF, Speculative, Sub Total: \$5.4M

Assistance Request: City provide 9-year ED TIF District

Assistance Amount: 234K PV (4.3%)

Funding Source: new ED TIF District #16, pay-go only, PSD paid \$10K fee

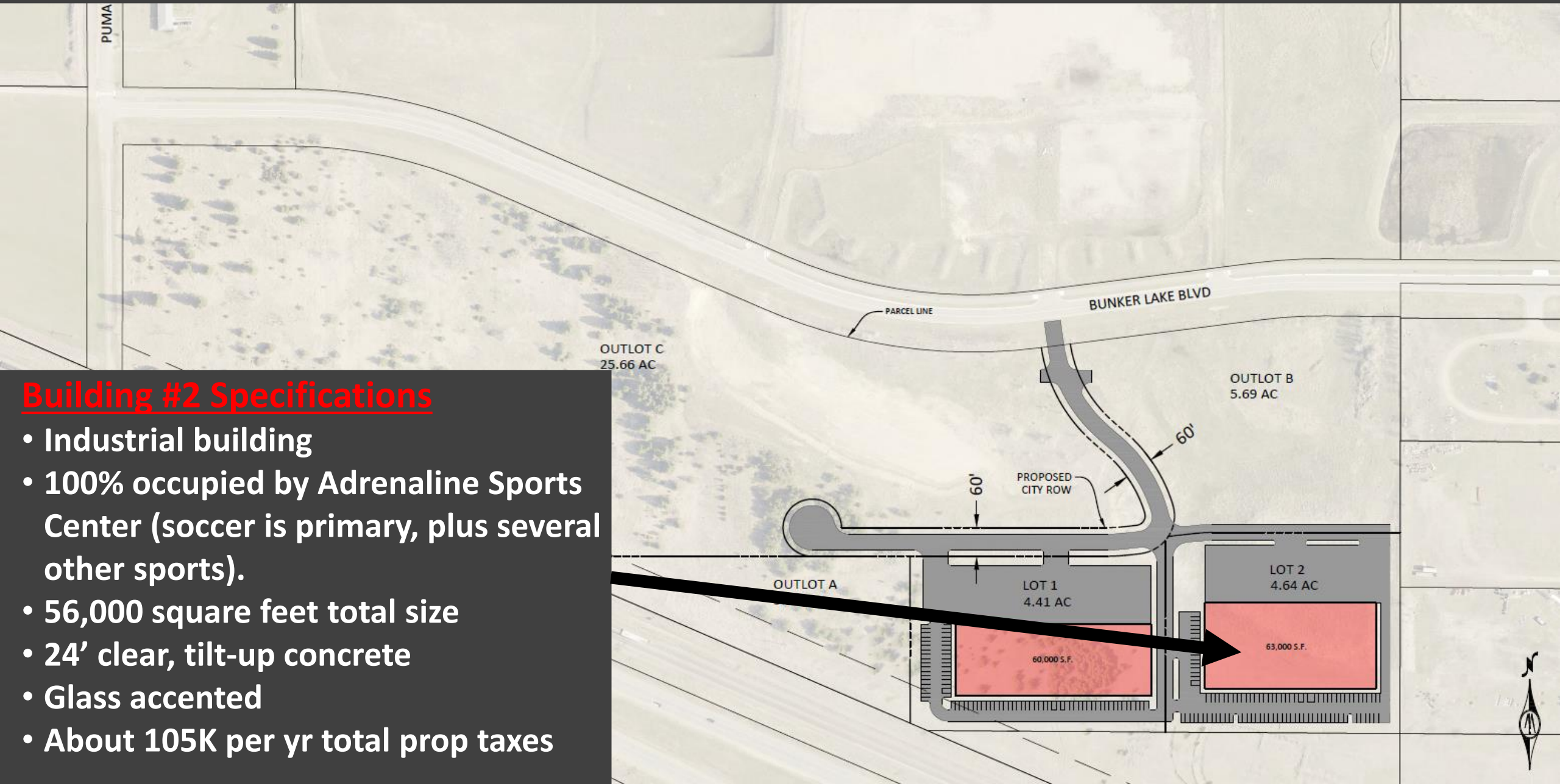
(C) Industrial Building #2, 56K SF, Adrenaline Sports Center, Sub Total: \$5.0M

Assistance Request: City provide 200K incentive

Assistance Amount: 200K (4.0%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

Request C: Building 2



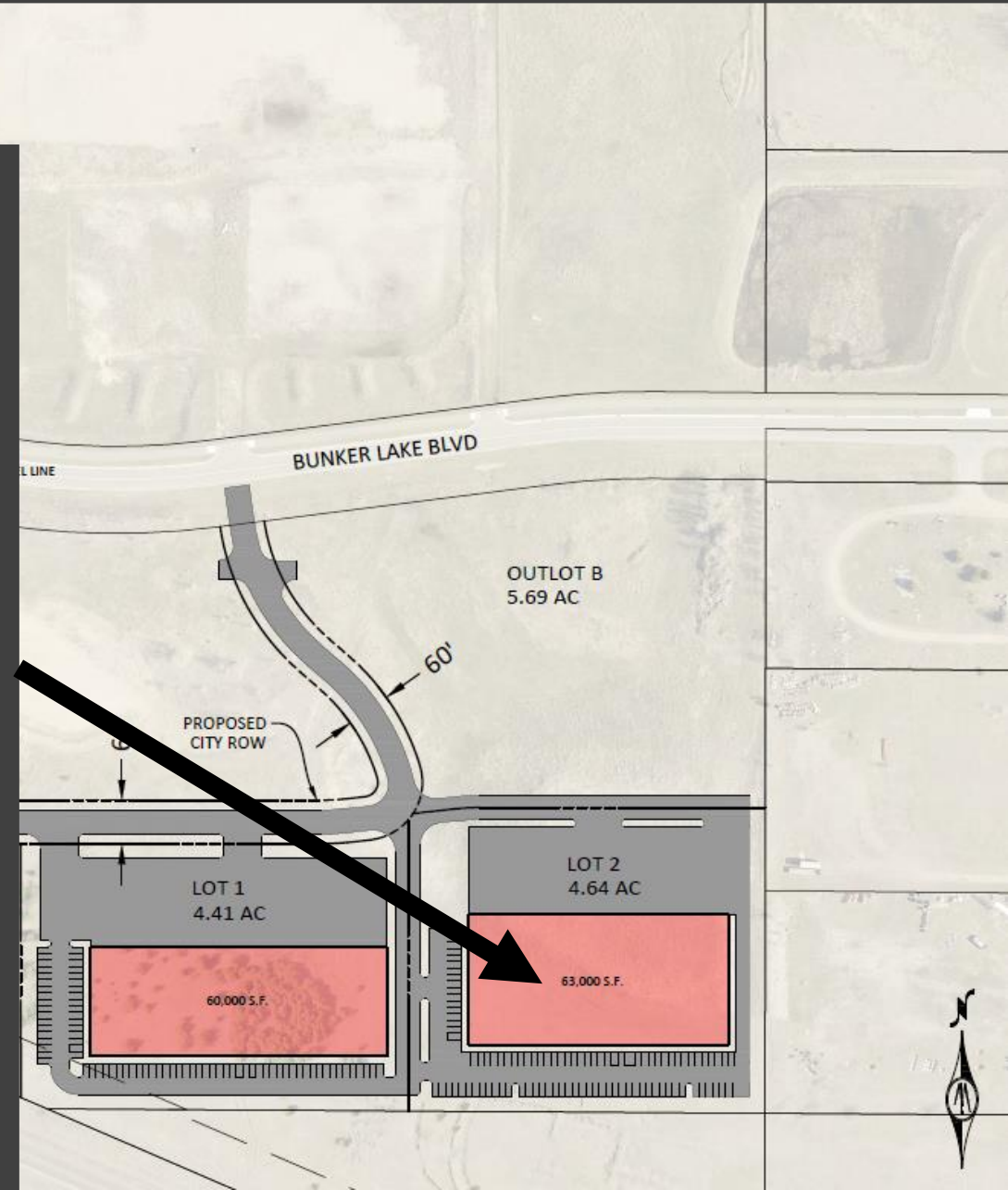
Building #2 Specifications

- Industrial building
- 100% occupied by Adrenaline Sports Center (soccer is primary, plus several other sports).
- 56,000 square feet total size
- 24' clear, tilt-up concrete
- Glass accented
- About 105K per yr total prop taxes

Request C: Building 2

Request C Specifications:

- City to provide PSD one-time incentive payment (200K request).
- Payment would be used by PSD for reimbursement of eligible costs (site work, parking, storm water, etc.).
- PSD paid \$7.5K to apply for this assistance. City needs to decide on accepting PSD application, process in July.
- Because this is not a TIF request, 100% of the new and existing tax base will immediately benefit the City.
- Funding source will be the EDA Fund, ACHRA Fund, or TIF #1. Staff will narrow this down, if project moves forward.



City Assistance Requests: ALL

(A) Mass Site Preparation Improvements, Sub Total: \$4.49M

Assistance Request: City pay for 1st phase of public roadway

Assistance Amount: 250K (5.5%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1

(B) Industrial Building #1, 60K SF, Speculative, Sub Total: \$5.4M

Assistance Request: City provide 9-year ED TIF District

Assistance Amount: 234K PV (4.3%)

Funding Source: new ED TIF District #16, pay-go only, PSD paid \$10K fee

(C) Industrial Building #2, 56K SF, Adrenaline Sports Center, Sub Total: \$5.0M

Assistance Request: City provide 200K incentive

Assistance Amount: 200K (4.0%)

Funding Source: EDA Fund, ACHRA Fund, and/or TIF #1