

HAVILAND FIELDS

LIVE & GROW

*I am the vine; you are the branches. If you remain in me and I in you,
you will bear much fruit... – John 15:5a*





Project Summary

1. Project Sponsor:

1. Presbyterian Homes & Services (PHS)
2. Minnesota based Christian non-profit organization
3. Currently own/operate 61 senior living communities with over 11,000 apartment homes and 7,400 employees.
4. PHS is a tax-exempt organization, however this housing use is taxable.

2. Project Summary:

1. Redevelopment of the current Lord of Life campus, existing Lord of Life Church building to remain
2. Approximately 35.5 acres total
3. Preserves all existing wetlands and over 600 trees
4. Approximately 180 homes of senior apartments (Housing only, no healthcare) and 55+ park homes (twin homes). Average Age is 75+.
5. Approximately 280 homes of all-age apartments



Current Conditions

Design Intent

Single Level Park Homes



Senior and All-Age Apartments



High Quality Interior Design & Finishes



Project Considerations

1. Project Financials:

1. +/- \$160M total project investment in Ramsey (2023 Dollars)
2. +/- \$50M in private equity and/or fundraising
3. +/- \$98M in newly issued debt taken on by the property
4. Seeking approx. \$10.9M in Tax Increment Financing support. (\$14 private investment for every \$1 TIF). A 25-year district.

2. Property Tax Impact

1. Current property taxes are \$0/yr. (Church property is tax exempt).
2. Taxes will stay as-is if not developed (*PHS has a 10-year purchase agreement*).
3. During TIF period, City is paid approximately \$85,000-105,000/yr. (as an Administration Fee).
4. Upon TIF district expiration, over \$1.3M per year in taxes paid.

3. Positive City Financial Impact:

1. In addition to new taxes, approximately \$5.7M in city fees generated during the project development/construction phase. (Park Fees, Trail Fees, impact fees, permit fees, etc.). (+/- \$8.3M total, Approx. 49% of the \$17M 2023 City Budget).
2. No direct cost impact to the city. Minimizes city risk.
3. TIF note would be a “pay as you go” structure. A “look back” or “look forward” provision would be considered to ensure no excessive profits.

4. Significant Public Benefit

1. 600-700 new residents, local employers need additional workers, business have additional patrons
2. While 20% of the homes are designated as price restricted, the average rent in the project is 57% higher than 2021 median rent. Targeted price sensitivity, without taxing public services.
3. Assists city in achieving policy and planning goals and targets (Comprehensive guide plan, Met Council targets, etc.)

5. But For Test

1. Without support, the project generates a cash-on-cash return of less than 0.5%. With support it generates between 3-4%.
2. While this is low and ideally will improve, as a non-profit PHS has different cash flow return requirements than a for-profit builder.

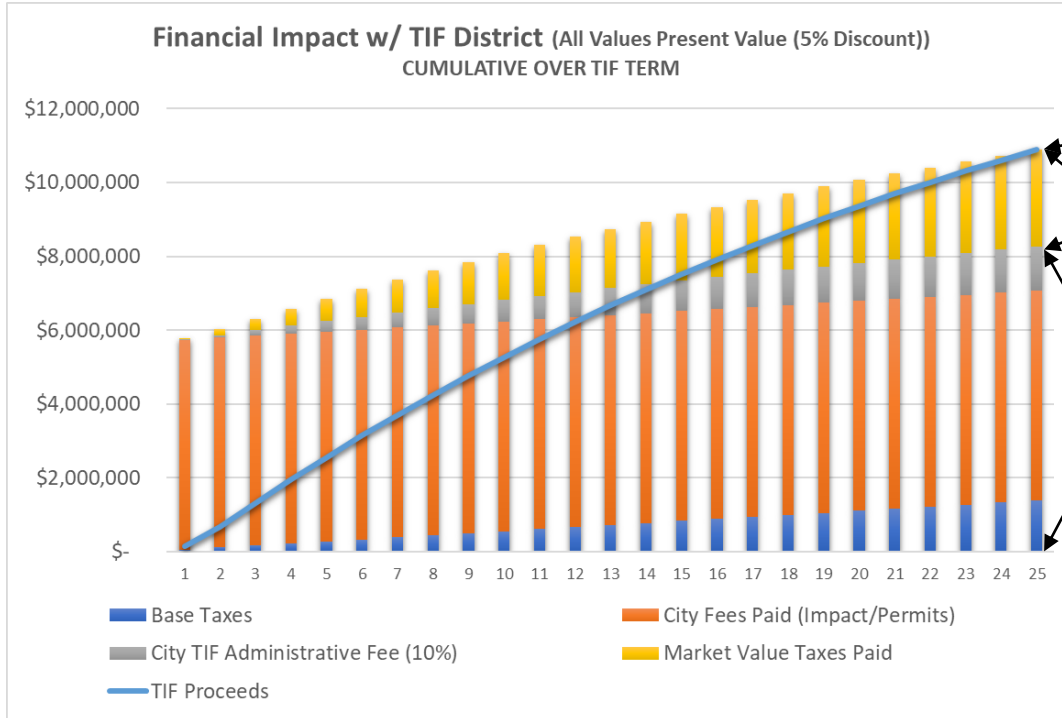
6. SEEKING:

1. A non-binding letter or resolution of support (or similar) from the City indicating support for TIF, so additional capital can be raised.

Financial Impact – w/ TIF

Total Public Financial Benefit, Cumulative

TIF District Period	
Base Tax Capacity	\$1,386,000
City Fees Paid (Impact/Permits)	\$5,682,000
City TIF Admin Fee (10%, PV)	\$1,195,000
Subtotal City Portion	\$8,263,000
Other Market Value Taxes Paid (PV)	\$2,616,000
Total Taxes & Fees Paid (PV)	\$10,879,000
TIF Proceeds (PV)	\$10,925,000



Pay-go TIF Proceeds (\$10.9M)
Other Market Value Taxes Paid (\$2.7M)

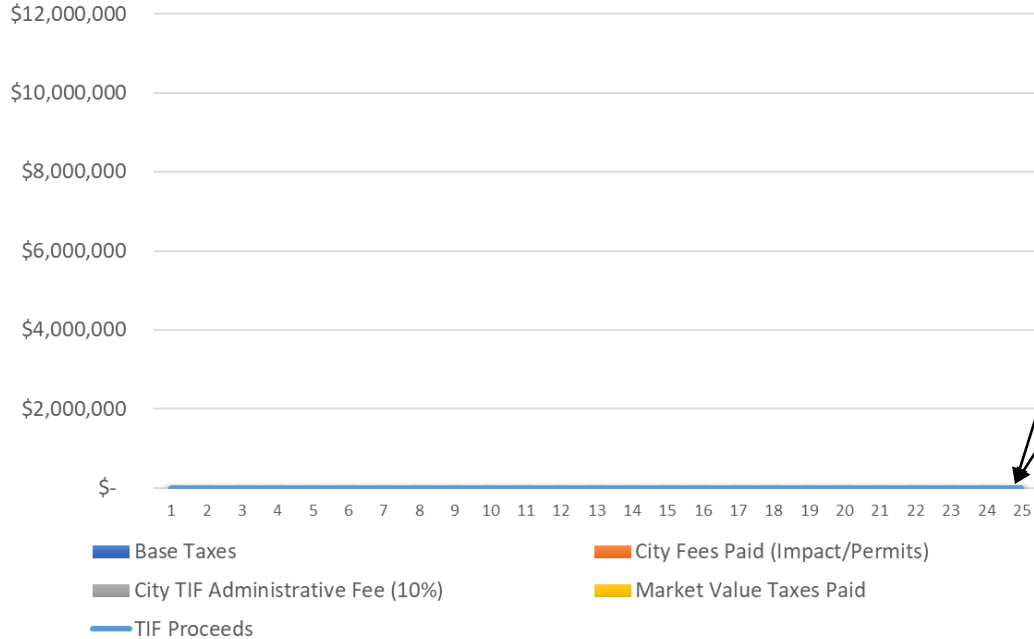
City Fees/ Base Taxes (\$8.3M)

Financial Impact – w/o TIF

Total Public Financial Benefit, Cumulative

TIF District Period (25 Years)	
Base Tax Capacity	\$0
City Fees Paid (Impact/Permits)	\$0
City TIF Admin Fee (10%, PV)	\$0
Subtotal City Portion	\$0
Other Market Value Taxes Paid (PV)	\$0
Total Taxes & Fees Paid (PV)	\$0
TIF Proceeds (PV)	\$0

Financial Impact w/o TIF District



Other Market Value Taxes Paid (\$0M; As Proposed: \$2.7M)

City Fees/ Base Taxes (\$0M; As Proposed: \$8.3M)

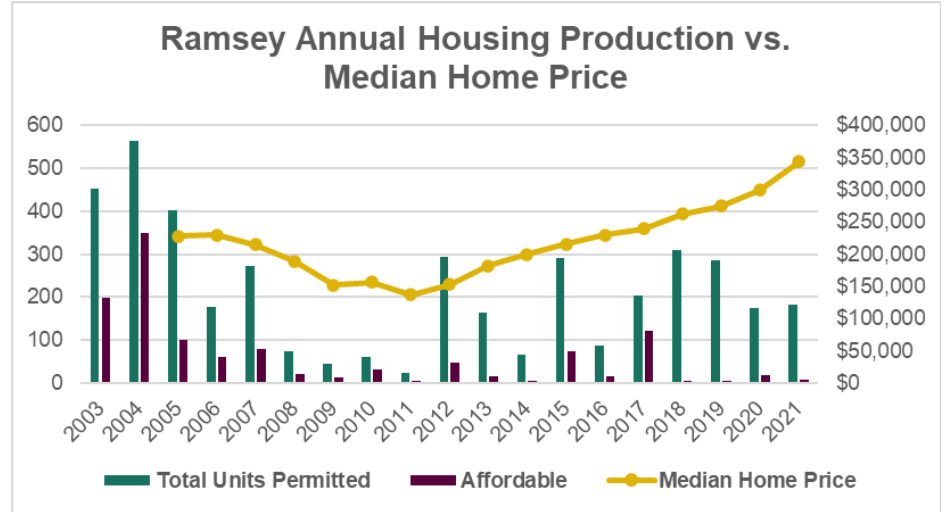
City Revenue from Project (Estimate)

Projected Project Fees/Taxes Payable to the City During Project		
Fees/Taxes Payable	As-Is	As-Proposed
Park Dedication Fee	\$0	\$1,867,000
Base Tax Capacity (Present Value)	\$0	\$1,386,000
City Admin Fee (PV of Projected/10% of Gross Tax Increment (Est.))	\$0	\$1,195,000
Water Trunk Fee (Connection)	\$0	\$980,000
Water Access Charge (WAC)	\$0	\$723,000
Trail Development Fee	\$0	\$732,000
Sanitary Sewer Trunk Fee (Connection)	\$0	\$658,000
Building Permit	\$0	\$461,000
Stormwater Management Fee	\$0	\$261,000
Total	\$0	\$8,263,000

Targeted Product Diversity

Proposal supports housing for seniors and business growth

1. Up to 460 total homes proposed over a multi-year development.
2. Seniors that are dependent upon fixed/limited income, and desire to age in place and stay close to families
 - a) 36 homes are proposed as affordable for age 55+ only.
3. Since 2004, annual housing production affordable to seniors and workers has reduced from approx. 40% to less than 5%. Including fewer than 10 homes in 3 of the last 4 years.
 - a) 54 homes are proposed to be affordable to all ages.
4. Since 2011, home prices have increased by 151%.
5. Employers frequently cite employee availability & retention as a key factor when determining new and continuing investment options.
6. Housing availability supports vibrant and diverse business growth (retail, restaurants, industry, etc.)
7. As requested by the City, term sheet language that TIF funds may not be used to subsidize the financial viability of more than 20% of homes at or below 50% of area median income.



Note: Metropolitan Council defines "affordable" as costing not more than 30% of annual income for households earning 60% of AMI for rental housing, and 80% of AMI for owned housing.

Public Benefit

What does the City receive?

1. \$150M in private investment, \$14 of private investment for every \$1 in TIF
2. \$8.3M in fees and taxes; \$5.7M of which is “front loaded” in the project schedule.
3. Significant future tax revenue (Onboarding the developable portion of tax-exempt church property onto future tax rolls, \$1.3M/yr. upon expiration of district).
4. New resident population to support local businesses as both customers and employees.
5. High quality housing, which includes a component of price restricted homes, supporting employees of existing local businesses, a high area of need.
6. A long-term committed local non-profit housing partner as lead developer and owner.
7. No risk city support (Pay-go financing)
8. 16 FTE’s of new jobs with average wages of \$26/hr.+.
9. Public access to on-site amenities (Pickleball courts). (Can be private or city owned)

Why is support needed?

1. Cost of expanded site infrastructure.
2. Market rents in Ramsey are not sufficient to support the operating costs of new apartment housing.
3. High construction costs
4. High interest rates



Questions?





Exhibit B - Mixed-Income Housing

1. We recognize the desire to build high quality housing stock that, while reasonable in price, doesn't create situations that burden city services.
2. As proposed 20% of homes would be priced as attainable for households earning 50% of AMI.
3. Including price restricted homes, projected average rents are \$926 or 57% higher than City of Ramsey median rent.

Ramsey Median Rent 2021	1BD 50% AMI Rate	2BD 50% AMI Rate	1BD Market Rate	2BD Market Rate	Project Average Rent
\$1,635	\$1,287	\$1,551	\$1,755-2,025	\$3,105-3,375	\$2,561

Proposed Unit Mix					
Multifamily Apartments	Unit Type	Unit SF	# Units	Monthly Rate	\$/SF
Market Rate	Studio	550	32	\$ 1,485	\$2.70
Market Rate	1BD	650	104	\$ 1,755	\$2.70
Market Rate	2BD	1,150	88	\$ 3,105	\$2.70
		-	0	\$ -	\$ -
50% AMI	Studio	550	8	\$ 1,201	\$2.18
50% AMI	1BD	650	26	\$ 1,287	\$1.98
50% AMI	2BD	1,150	22	\$ 1,551	\$1.35
Total Multi-Family			280		
Senior Apartments	Unit Type	Unit SF	# Units	Monthly Rate	\$/SF
Market Rate (62+)	Studio	550	8	\$ 1,485	\$2.70
Market Rate (62+)	1BD	750	24	\$ 2,025	\$2.70
Market Rate (62+)	1BD+	950	44	\$ 2,565	\$2.70
Market Rate (62+)	2BD	1,250	48	\$ 3,375	\$2.70
		-	0	\$ -	\$ -
50% AMI (62+)	Studio	550	16	\$ 1,201	\$2.18
50% AMI (62+)	1BD	650	10	\$ 1,287	\$1.98
50% AMI (62+)	2BD	1,150	10	\$ 1,551	\$1.35
Brownstone/Townhomes	Unit Type	Unit SF	# Units	Monthly Rate	\$/SF
Market Rate (62+)	Park Homes	1,500	20	\$ 3,900	\$2.60
Total Senior Housing			180		

Exhibit C - Sources and Uses

Source	Amount
Bank Loan	\$95,219,834
Owner Equity	\$48,439,841
Tax Incremental Financing	\$10,900,000
Fundraising	\$3,000,000
Total	\$157,559,675

Use	Amount
Land Acquisition	\$5,570,000
Site Development	\$11,103,641
Construction	\$107,756,100
Machinery & Equipment	\$2,720,000
Architecture & Engineering Fees	\$5,094,854
Contingencies	\$5,387,805
Other	\$19,927,275
Total	\$157,559,675