

Mayor
John T. Keis

Council Members
Tom Fischer
Michael McGraw
Christian Torkelson
Teresa Miller



515 Little Canada Road
East
Little Canada, MN
55117
www.littlecanadamn.org

City Administrator
Chris Heineman

**Workshop Meeting of the
Little Canada City Council**
Wednesday, September 22, 2021
6:30 p.m.
City Center Conference Room

AGENDA

1. CALL TO ORDER - Workshop Meeting - 6:30 P.m.
2. Roll Call
3. Workshop Topics
 - A. Spruce Street Development Project

Documents:

[SPRUCE STREET DEVELOPMENT PROJECT.PDF](#)

4. Adjourn

This agenda is subject to change by additions and deletions.



STAFF REPORT

TO: Mayor Keis and Members of City Council
FROM: Chris Heineman, City Administrator
DATE: September 22, 2021
RE: South Owasso & Spruce Street Development Project

BACKGROUND INFORMATION

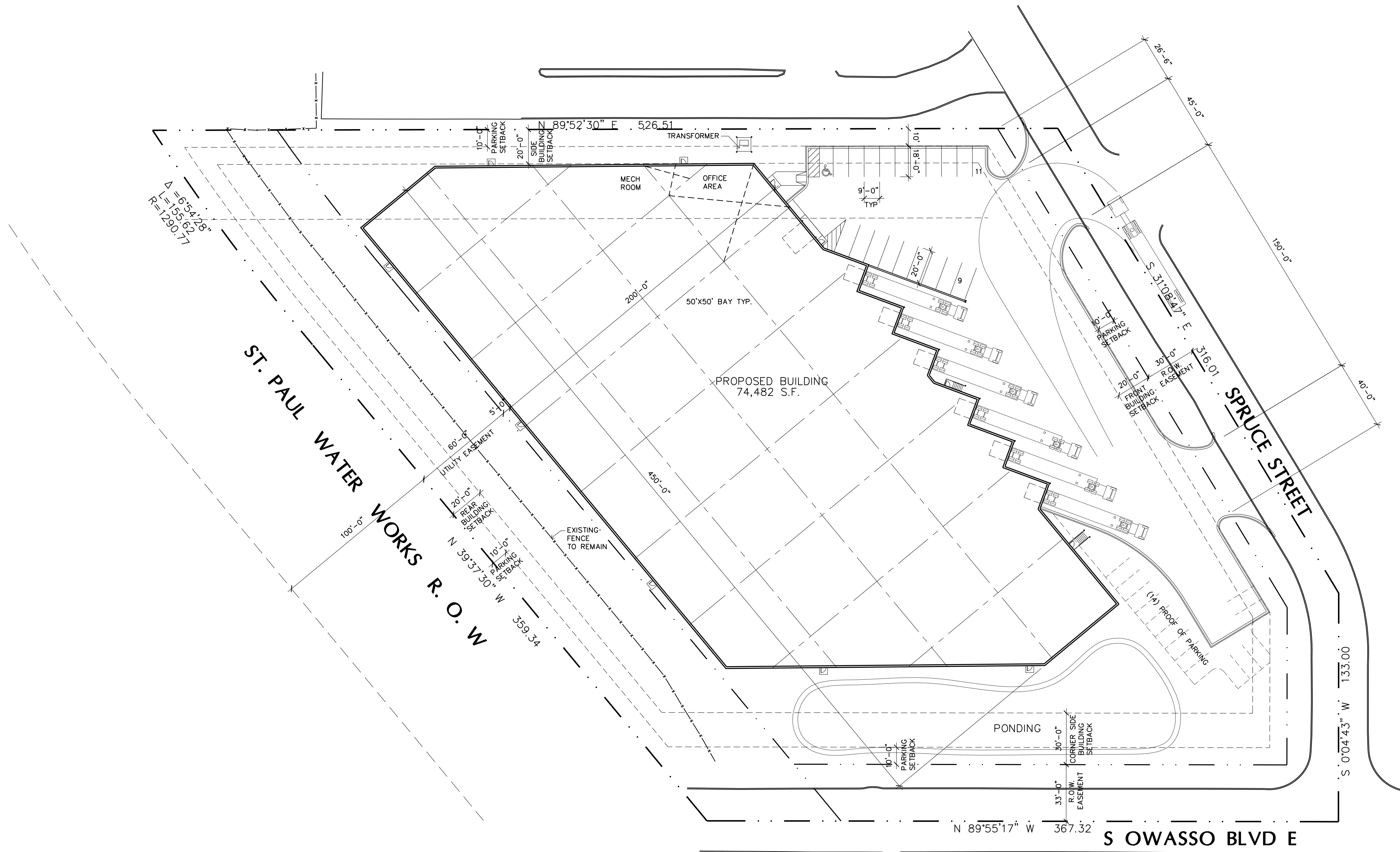
Staff provided preliminary information about a proposed 74,500 square foot industrial facility to be located at the NW corner of South Owasso and Spruce Street. Staff has been working with the proposed developer for the past 6-9 months on a proposed project at the previously undeveloped site. Due to the poor soil conditions on this site, significant subsurface improvements are required for a development of this nature to occur on this site.

Mikaela Huot from Baker Tilly provided preliminary revenue projections and financial feasibility for the proposed industrial development project at this site at the workshop on September 8th. City Council members were asked if they would be willing to offer public assistance through a proposed Economic Development Tax Increment Finance (TIF) District if it was determined that this project requires additional funding sources to assist with the subsurface improvements and other extraordinary costs required to construct a 74,500 square foot industrial building on this site.

City Council members indicated that they would be open to offering public assistance if it was determined that such assistance was necessary. Over the past two weeks, Mikaela Huot and her team at Baker Tilly have completed additional financial review. Community Development Director Corrin Wendell has also reviewed the proposal against both our current and the new proposed zoning code regulations, and the proposed project meets all setback, access, dimension, and parking requirements. Corrin stated that there may be additional landscaping requirements for trees along Spruce and South Owasso Streets, but these can be added during the final site plan review process. The following project details are attached for your information:

- 1) Architectural Site Plan
- 2) Scope of Services
- 3) Baker Tilly Memorandum

Additional details and analysis will be provided by Mikaela Huot at the City Council workshop. Please feel free to contact me if you have any additional questions.



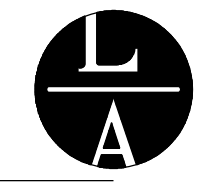
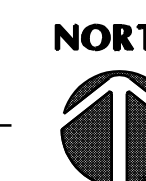
SITE DATA

LOT SIZE - 139,040 S.F. = 3.19 ACRES
 ZONING - I-P, INDUSTRIAL PARK
 WITH SHORELAND OVERLAY
 BUILDING - 74,482 S.F. WAREHOUSE
 PERVIOUS AREA
 25% MINIMUM

PARKING DATA

74,482 S.F. LESS 10% = 67,034 S.F.
 67,034 S.F. AT 1/2,000 = 34 STALLS REQUIRED
 20 STALLS PROVIDED
 14 PROOF STALLS
 34 ULTIMATE STALLS

1 SITE PLAN
 A1 SCALE: 1" = 30'-0"



LAMPERT ARCHITECTS

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 lampert@lampert-arch.com

ARCHITECT CERTIFICATION:
 I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

PRELIMINARY NOT FOR CONSTRUCTION
 SIGNATURE: LEONARD LAMPERT
 PRINT: LEONARD LAMPERT
 LICENSE: 13669
 EXPIRES: 04/01/2022

OWASSO WAREHOUSE
 Little Canada, Minnesota

Copyright 2021
 Leonard Lampert Architects Inc.
 Project Designer: JAMES B
 Drawn By: JRB
 Checked By: LL
 Revisions

8/26/21	PRELIMINARY

SITE PLAN

Sheet Number

A1

**Proposed Scope of Work
Draft for Review**

**South Owassa Industrial Warehouse Facility
City of Little Canada, Minnesota**

Tax Increment Financing and Financial Feasibility Analysis September 2021

The City of Little Canada (the “City”) has received interest from Atlas Real Estate Management (the “Developer”) for the development of an approximate 74,500 square foot industrial bulk warehouse facility. The City and Developer are exploring the need and use for tax increment financing through the establishment of an economic development district as a tool to assist with financing a portion of the extraordinary costs associated with construction of the project. The purpose of this document is to outline a scope of work, estimated fee and time frame for completion. Baker Tilly’s proposed scope of work includes the following activities:

**Phase 1: Preliminary Revenue Estimates and Financial Feasibility
(\$1,500 - \$2,700)**

Objectives

- To prepare preliminary tax increment revenue estimates based on developer provided information
- To provide initial project financial feasibility

Analysis

- 1) Preparation of tax increment revenues
 - a. Review developer-supplied information for reasonableness
 - b. Forecast the projected tax increment revenues to be generated over the life of the tax increment financing district based on those assumptions
 - i. Developer provided total development costs and project assumptions
 - ii. Tested against available comparable-type developments
 - iii. Estimated range of available revenues based on valuations
 - c. Financial Feasibility Review
 - i. Assess the sufficiency of tax increment revenues to support costs

Deliverable

- Summary of preliminary revenue estimates and initial feasibility
- Preliminary financial feasibility analysis

**Phase 2: Financial Review and Needs Analysis and Development Agreement
(\$2,500-\$3,950)**

Objectives

- To review and analyze the request for assistance as related to the proposed development project to determine necessity and appropriateness
- To assist in negotiations of the development agreement
- Finalize term sheet

Analysis

- 1) Financial Feasibility Review
 - a. Suggest alternative assumptions and provide sensitivity analysis
 - b. Assess the sufficiency of the tax increment to support costs either on a pay-as-you-go basis or through upfront financial support
 - c. Prepare cash flow analysis based on sensitivity analysis
- 2) Financial Needs (But For) Analysis
 - a. Review developer information and comment on the reasonableness of assumptions
 - i. Suggest alternative assumptions and provide sensitivity analysis as necessary
 - b. Complete a rate of return calculation
 - i. Cash-on-Cash Return
 - ii. Internal Rate of Return
 - iii. Identify alternative assumptions if appropriate
 - iv. Recalculate the return with alternative assumptions, as necessary
 - v. Define appropriate level of assistance based on developer's rate of return
 - c. Compare developer rate of return to the "market" return for similar projects, comment on reasonableness of return considering type of project, current market and developer at risk equity
 - d. Complete sensitivity analysis with respect to developer return and need for assistance (as appropriate)
- 3) Development Agreement Negotiations
 - a. Provide proposed business points between the City and the developer in conjunction with City staff
 - b. Assist City staff with review of developer request as it relates to business points for the development agreement to maximize redevelopment and maintain City security – including:
 - i. Pay as You Go Financing shifts financing risk from City to developer
 - ii. Look Back Provisions to verify actual returns to projected returns following project commencement
 - iii. Claw Back Provisions to ensure developer proceeds as proposed
 - c. Assist in negotiation of the development agreement, and prepare financing exhibits as necessary

Deliverable

- Financial analysis with determination of need for public assistance
- Preliminary term sheet with recommended public assistance amounts

Phase 3: Drafting of TIF Plan

(\$4500 +)

Objectives

- To establish TIF District and TIF Plan

Analysis

- 1) TIF Plan and TIF District
 1. Draft TIF Plan for the Tax Incremental Financing District for consideration
 - a. Gather parcel base value and development project information
 - b. Size, type, and value of project

- c. Phasing of construction and value assessments
 - d. Construct tax increment analysis including revenue estimates and impacts on other taxing jurisdictions
 - e. Review draft plans with City Staff and Attorney
 - f. Send required notifications and information to City and School District officials
 - g. Prepare and send required publication notice to local newspaper
 - h. Present tax increment and project plans at proposed public hearing
 - i. Complete certification of TIF plan with City and notification to State
2. Prepare required notices and documents related to TIF establishment
 3. Prepare and submit certification documents to State

Deliverable

- Draft TIF Plan and related documents
- TIF establishment correspondence, as required by Statute

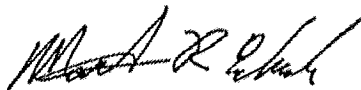
Compensation

The work as described will be completed with an estimated fee in the range of \$7,750 - \$9,950+ for all phases. Excluded from the fee indicated above is any out-of-pocket expenses such as travel, copies, faxes, conference calls, or other expenses necessary to complete the project. Additional work requested and authorized by the City outside the scope of services described in this proposal will be invoiced at our standard hourly rates.

Completion Date

Upon full receipt of the requested information, Baker Tilly will complete Phase 1 of the above work processes and outcomes within two (2) weeks. The remaining phases and steps of analysis will be subject to outcomes of phase 1 and timing needs of both the City and developer. We will be successful in meeting the requested time frames for completion recognizing it is highly dependent on the timing and completeness of the information received. A delay in receipt of critical material may result in an extension of the completion date.

Sincerely,



Matthew R. Eckerle
Principal

Signature Section:

The services and terms as set forth in this Scope Appendix are agreed to on behalf of the Client by:

City of Little Canada
 Name: Christopher Heinicke
 Title: CITY ADMINISTRATOR
 Date: 9/7/2021

Financial Feasibility Review: Additional Details for Financial Analysis

Project Details

- To include commercial-industrial building details
- To include cost per square footage of construction
- To include site improvement and public infrastructure costs
- To include detailed breakdown of all costs

Project Phasing

- To include commencement and completion for building construction, or each site improvement, or public infrastructure
- To include date for sale of unit or lease of unit, occupancy start and full occupancy, etc.

Project Financing

- To include development of complete sources and uses of funds
- To include detail on bank financing, i.e., principal, term, rate
- To include equity amount and timing of equity in project
- To include take-out source of bank financing for construction period, if applicable
- To include letters of commitment or interest from financial institutions
- To include amount of public financing request, and form of request, i.e., bonds, pay-go-note, etc.
- To include gap amount to match public financing request (all equity and private sources are insufficient to pay all costs)
- To include description of and rationale behind proposed governmental financial assistance

Public Financing Revenue Assumptions

- To include estimated assessed value per type of construction
- To include sales per s.f. estimates (if applicable)
- To include any growth assumptions

Project Operation

- To include operating assumptions related to commercial, etc.
- To include revenue and expense assumptions and increases
- To include reserve assumptions (capital, operating, etc.)
- To include rent and/or sale assumptions
- To include lease commission, sales commission assumptions
- To include complete operating pro-forma calculating internal rate of return with and without requested financial assistance
- To include proposed tenants, job and wage information

General Information/Assumptions

- Provide sources of data used in any of the above

Memo

To: Chris Heineman, City of Little Canada

From: Mikaela Huot, Director

Date: September 15, 2021

Subject: Financial Needs Analysis for proposed Owassa Warehouse Industrial Facility
Tax Increment Financing Economic Development (TIF) District

Background

The City of Little Canada received an inquiry for financial assistance through Tax Increment Financing (TIF) to assist with financing a portion of the extraordinary development costs related to the construction of a new 74,500 square foot warehousing facility. The developer is proposing the acquisition of a vacant lot in the City for growth and expansion of its existing company operations. The proposed property for this project has been identified as an ideal location for the company to locate and meet current demands, as well as allow for future anticipated growth plans, subject to a feasible financing plan. The developer's original construction budget for the project did not account for the level of site development costs that are required for construction of the building on the identified site. The increased costs related to site development and soils correction have resulted in extraordinary costs that have been identified to be \$1,023,000.

The project, upon construction, is expected to create new jobs to the City of Little Canada. The total number of jobs and estimated minimum wages of those created are still being determined and are anticipated to meet the City's business subsidy policy provisions.

Baker Tilly has been retained by the City to review the application for financial assistance. The purpose of this memorandum is to provide a summary of Baker Tilly's review of the development project costs and sources of funds, and operating pro forma as provided by the developer to assist the City with making a determination if the project as proposed would be unlikely to proceed "but-for" the requested Tax Increment Financing (TIF) assistance, and to determine the appropriate amount, if any, of public assistance. Prior to establishing a tax increment financing district, there are findings that need to be made by the City that include: 1) determination that the project qualifies as a TIF district and 2) determination that the project as proposed would not proceed without public assistance (meeting the "but-for" test). When reviewing requests for financial assistance it is important to understand how the level of financial assistance would impact the ability of the project to proceed as proposed and maximize new value created on the current project site.

Developer Request for Assistance

As stated, the developer has identified approximately \$1,023,000 as extraordinary costs of the project. Tax increment financing is a tool that could assist to close the financial gap. The extraordinary site development costs that cannot be supported solely by the project alone may justify the need for public financial assistance. The assistance would allow the project to proceed as proposed and to provide appropriate funding sources for financing of the extraordinary project costs. The developer has indicated in discussions with City staff that the receipt of City financial assistance is necessary for the project to proceed based on current financing limitations.

The total development costs from the developer's financial materials is illustrated in the table below. Additional information regarding the proposed funding sources is anticipated to be provided in the near future.

Sources	Amount	Uses	Amount
Debt		Acquisition	\$380,824
		Other/Soft/Due Diligence	\$141,500
Equity		Construction	\$5,957,749
Total		Total	\$6,480,073

Tax increment financing has been identified as a tool that would be provided as pay-as-you-go, meaning as reimbursement for eligible costs, and would not be an upfront funding source

Estimated Total TIF Eligible Costs

Phase 2	Amount
Extra Subsoils	\$1,008,000
Extra Environmental	\$15,000
Total	\$1,023,000

Project Financing

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the developer's initial project costs through the issuance of bonds or as an internal loan. Future tax increment would be collected by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the developer would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the developer. If tax increment revenues are less than originally projected, the developer receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of tax increment revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if tax increment revenues are not sufficient. The project financing as requested includes pay-as-you-go for reimbursement of eligible costs.

Tax Increment Revenue Assumptions

We have been provided with a range of taxable value estimates for the project. To estimate the amount of available TIF revenues generated by the proposed project, certain assumptions were made based on the value of the project, construction schedule, and anticipated financing terms.

- Total existing value of \$469,200
 - Parcel ID: 062922210040
 - Base value as of Jan. 1, 2021
 - Original net tax capacity (ONTC) of \$9,384
 - Assuming classification as commercial-industrial
 - 1.5% first \$150,000 and 2% value above \$150,000
- Estimated total market value upon completion
 - Range of \$80-\$90 per square foot
- Incremental value based on difference between existing and new land/building value
- Construction commences in 2021 and is completed in 2022
 - Project values 100% complete for assess 2023 and taxes payable 2024
- Net present value (discount) rate of 4%
- 3% annual market value inflation

Tax Increment Revenue Estimates

	Scenario 1: \$80/SF	Scenario 2: \$90/SF
Existing 'Base' Land Value	\$469,200	\$469,200
Estimated Total Taxable Value	\$6,429,200	\$7,174,200
Estimated annual available increment (full buildout)	\$86,848	\$97,773
Total gross tax increment (9 years)	\$890,908	\$1,001,892
City retainage (10%)	\$89,091	\$100,191
Net amount available for development (90%)	\$801,817	\$901,701
Estimated Present Value Revenues (9 Years) at 4%	\$609,368	\$685,322

Developer Pro forma Analysis including But-For

Upon approval of a TIF district and project, the City must make several findings, including the "but for" test: that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The developer has stated that but for the provision of tax increment financing, the project as proposed would not occur. The developer has provided preliminary financial information that includes total development costs and supporting due diligence materials that illustrate an approximate \$1,023,000 gap due to increased costs of the project relating to site development and other soils correction costs. Ability to support the total project costs would be subject to financial feasibility and availability of annual revenues to support repayment, as well as willingness of a lender to provide funding.

Based on the developer's stated position relative to the need for tax increment financing assistance, the City could make its "but for" finding and provide tax increment assistance. We recommend, however, that the City review the provided assumptions to consider if the project meets the but-for test and, if so, what an appropriate level and type of TIF assistance may be based on the information submitted by the developer. Following thorough evaluation of the project as provided allows the City to be prepared to make an informed "but-for" decision based on the likelihood of the project needing assistance, as well as the appropriate level of assistance. As stated previously, the developer's request for financial assistance of \$1,023,000 is more than the projected available tax increment revenues generated by the project. As a result, any level of financial assistance provided would be less than what has been requested. In addition, the City may have additional public improvements that may be required as related to development of the proposed project site.

To complete the but-for analysis, we will review the developer's provided sources and uses of funds and operating proforma, showing a result if the developer received the assistance as pay-as-you-go (reimbursement for TIF eligible costs) and showing a result if the developer did not receive assistance. Our analysis of the proformas included a review of the development budget, projected operating revenues and expenditures, and the project's capacity to support annual debt service payments. The purpose of evaluating the operating proformas is to understand the potential cash flow performance and projected rates of return of the project over a 10-year period to assist with making the determination that 1) tax increment assistance is necessary and 2) an appropriate level of assistance will be provided.

An additional measure of project need and financial feasibility is the Debt Coverage Ratio (DCR), which is a calculation detailing the ratio by which operating income exceeds the debt-service payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service payment by some margin; conversely if the DCR is less than 1.0 it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources in order to pay its debt. Typical lending standards will require a DCR of greater than 1.0 as a measure of cushion in the event actual revenues and expenses are different than projected.

The amount of financing available for the project is typically based on net operating income, which is lease revenues less operating expenses. The annual cash flow is based on assumptions relative to lease revenues,

operating expenses and debt repayment. Debt repayment is based on payments to be made to the lender with remaining cash flow available as returns to the equity investor(s).

Conclusion

The developer has requested financial assistance related to construction of the new project and location of the business in the City of Little Canada. Due to estimated costs for site improvements and other soils correction development costs, the project is expected to experience an estimated \$1,023,000 cost overrun prior to construction commencing.

Tax increment financing is a tool that can assist with covering a portion of the extraordinary TIF-eligible costs associated with the project. The level of financial assistance the developer has requested is less than what is expected to be available. Additional financial analysis of the project is expected to occur to determine a reasonable level of public assistance, while balancing any public improvement costs of the City. Since terms of the assistance include pay-as-you-go as reimbursement for certain costs, the developer will be responsible for obtaining all upfront funding sources and using cash flow from the project and any tax increment revenues to repay obligations. Total gross estimated tax increment revenues that could be available for this project are estimated to be in the range of \$890,908 - \$1,001,892, less any amounts retained by the City for administrative or other eligible in-district or pooling expenses. Aligning the level of assistance to the availability of projected revenues provides a method of closing a portion of the financial gap and allows the public participation for the project to remain at a reasonable level, while still providing a means for allowing the project to proceed as proposed.

We anticipate additional discussion at the City's next workshop scheduled for Wednesday, September 22 regarding an appropriate level of tax increment assistance for the project based on:

- 1) Availability of revenues
- 2) Need for public assistance
- 3) Identified public improvements

Thank you for the opportunity to be of assistance to the City of Little Canada.

Definition of Economic Development Tax Increment Financing District

Economic development district means a type of tax increment financing district which consists of any project, or portions of a project, which the authority finds to be in the public interest because:

1. it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;
2. it will result in increased employment in the state;
3. it will result in preservation and enhancement of the tax base of the state; or
4. it satisfies the requirements of a workforce housing project under section [469.176](#), subdivision 4c, paragraph (d).

MN Statutes 469.176, Subd. 4c.

Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

1. the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
2. warehousing, storage, and distribution of tangible personal property, excluding retail sales;
3. research and development related to the activities listed in clause (1) or (2);
4. telemarketing if that activity is the exclusive use of the property;
5. tourism facilities;
6. space necessary for and related to the activities listed in clauses (1) to (5); or
7. a workforce housing project that satisfies the requirements listed below.

A project qualifies as a workforce housing project under this subdivision if:

(1) increments from the district are used exclusively to assist in the acquisition of property; construction of improvements; and provision of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs for rental housing developments in the municipality;

(2) the governing body of the municipality made the findings for the project required by section [469.175, subdivision 3](#), paragraph (f); and

(3) the governing bodies of the county and the school district, following receipt, review, and discussion of the materials required by section [469.175, subdivision 2](#), for the tax increment financing district, have each approved the tax increment financing plan, by resolution.

The maximum term of an economic development district is eight years after receipt of first increment for a total collection term of 9 years.

Projected Tax Increment Report

City of Little Canada, Minnesota
 Tax Increment Financing (Economic Development) District
 Owassa Warehouse based on \$80 per SF value
 Preliminary Revenue Projections: 74,500 SF Warehouse Facility

Annual Period Ending (1)	Total Market Value ⁽¹⁾ (2)	Total Net Tax Capacity ⁽²⁾ (3)	Less: Original Net Tax Capacity ⁽³⁾ (4)	Less: Fiscal Disp. @ 34.2585% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate ⁽⁴⁾ (7)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Net Tax Increment (10)	Less: Admin. Retainage 10.00% (11)	Annual Net Revenue (12)	P.V. Annual Net Rev. To 02/01/22 4.00%	Estimated Annual Property Taxes
12/31/22	469,200	9,384	9,384	0	0	111.931%	0	0	0	0	0	0	
12/31/23	469,200	9,384	9,384	0	0	111.931%	0	0	0	0	0	0	
12/31/24	6,429,200	127,834	9,384	40,579	77,871	111.931%	87,162	314	86,848	8,685	78,163	69,714	159,345
12/31/25	6,622,076	131,692	9,384	41,901	80,407	111.931%	90,000	324	89,676	8,968	80,708	69,215	164,151
12/31/26	6,820,738	135,665	9,384	43,262	83,019	111.931%	92,924	335	92,589	9,259	83,330	68,715	169,101
12/31/27	7,025,360	139,757	9,384	44,664	85,709	111.931%	95,935	345	95,590	9,559	86,031	68,214	174,199
12/31/28	7,236,121	143,972	9,384	46,108	88,480	111.931%	99,037	357	98,680	9,868	88,812	67,711	179,450
12/31/29	7,453,205	148,314	9,384	47,595	91,335	111.931%	102,232	368	101,864	10,186	91,678	67,208	184,859
12/31/30	7,676,801	152,786	9,384	49,127	94,275	111.931%	105,523	380	105,143	10,514	94,629	66,703	190,430
12/31/31	7,907,105	157,392	9,384	50,705	97,303	111.931%	108,912	392	108,520	10,852	97,668	66,197	196,168
12/31/32	8,144,318	162,136	9,384	52,331	100,422	111.931%	112,403	405	111,998	11,200	100,798	65,691	202,078
							\$894,128	\$3,220	\$890,908	\$89,091	\$801,817	\$609,368	\$1,641,138

(1) Total estimated market value based on \$80/SF

preliminary and subject to further review. Includes 3% annual market value inflator

(2) Total net tax capacity based on commercial-industrial class rate of 1.5% first \$150,000 value and 2% value above \$150,000

(3) Original net tax capacity based on 2020/2021 existing property value

(4) Total local combined tax rate available for taxes payable 2021

Projected Tax Increment Report

City of Little Canada, Minnesota
 Tax Increment Financing (Economic Development) District
 Owassa Warehouse based on \$90 per SF value
 Preliminary Revenue Projections: 74,500 SF Warehouse Facility

Annual Period Ending (1)	Total Market Value (1)	Total Net Tax Capacity (2)	Less: Original Net Tax Capacity (3)	Less: Fiscal Disp. @ 34.2585% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate (4)	Annual Gross Tax Increment (8)	Less: State Aud. Deduction 0.360% (9)	Subtotal Net Tax Increment (10)	Less: Admin. Retainage 10.00% (11)	Annual Net Revenue (12)	P.V. Annual Net Rev. To 02/01/22 4.00%	Estimated Annual Property Taxes
12/31/22	469,200	9,384	9,384	0	0	111.931%	0	0	0	0	0	0	
12/31/23	469,200	9,384	9,384	0	0	111.931%	0	0	0	0	0	0	
12/31/24	7,174,200	142,734	9,384	45,684	87,666	111.931%	98,126	353	97,773	9,777	87,996	78,484	177,907
12/31/25	7,389,426	147,039	9,384	47,158	90,496	111.931%	101,293	365	100,928	10,093	90,835	77,900	183,270
12/31/26	7,611,109	151,472	9,384	48,677	93,411	111.931%	104,556	376	104,180	10,418	93,762	77,318	188,793
12/31/27	7,839,442	156,039	9,384	50,242	96,413	111.931%	107,916	388	107,528	10,753	96,775	76,733	194,482
12/31/28	8,074,625	160,743	9,384	51,853	99,505	111.931%	111,377	401	110,976	11,098	99,878	76,148	200,341
12/31/29	8,316,864	165,587	9,384	53,513	102,690	111.931%	114,942	414	114,528	11,453	103,075	75,562	206,377
12/31/30	8,566,370	170,577	9,384	55,222	105,971	111.931%	118,614	427	118,187	11,819	106,368	74,977	212,593
12/31/31	8,823,361	175,717	9,384	56,983	109,350	111.931%	122,396	441	121,955	12,196	109,759	74,392	218,996
12/31/32	9,088,062	181,011	9,384	58,797	112,830	111.931%	126,292	455	125,837	12,584	113,253	73,808	225,591
							\$1,005,512	\$3,620	\$1,001,892	\$100,191	\$901,701	\$685,322	\$1,829,710

- (1) Total estimated market value based on \$80/SF
preliminary and subject to further review. Includes 3% annual market value inflator
 (2) Total net tax capacity based on commercial-industrial class rate of 1.5% first \$150,000 value and 2% value above \$150,000
 (3) Original net tax capacity based on 2020/2021 existing property value
 (4) Total local combined tax rate available for taxes payable 2021