

## Preliminary Review of Proposed Tax Increment Project

**Applicant:** Dream Design International, Inc for Technology Housing, LLC

**Proposed Project Title:** E. St. Joseph Student Housing

**Purpose of Tax Increment District:** The purpose of this Tax Increment District is to assist in the development of property located along E. St. Joseph Street through the demolition of blighted property, public infrastructure improvements, and the redevelopment of student housing. The Tax Increment Funds will be utilized for property acquisition, demolition, alley reconstruction, engineering, contingency, and necessary and convenient costs. The Project Plan will be funded by the developer.

The anticipated commercial development in the area will generate revenues to repay the costs of the identified improvements. The property owner has submitted a request for the property within the boundary of this District to be rezoned to the General Commercial District and commercial construction is anticipated. As such, this is an economic development Tax Increment District.

**Proposed Boundaries:** The proposed boundaries are located along the south side of E. St. Joseph Street from Elm Avenue to Birch Avenue and includes the alley between E. St. Joseph Street and Kansas City Street.

**Existing Base Valuation:** \$999,000

**2011 Tax Rate:** .021711 Non-Agriculture Tax Levy

### Anticipated Increment:

2012	\$	6,001,000
2013	\$	6,001,000
2014	\$	6,001,000
2015	\$	12,001,000
2016	\$	12,001,000
2017	\$	12,001,000
2018	\$	12,001,000
2019	\$	12,001,000
2020	\$	12,001,000
2021	\$	12,001,000
2022	\$	12,001,000
2023	\$	12,001,000
2024	\$	12,001,000
2025	\$	12,001,000
2026	\$	12,001,000

### Anticipated Increment Revenue:\*

2014	\$	130,287
2015	\$	130,287
2016	\$	130,287
2017	\$	260,553
2018	\$	260,553
2019	\$	260,553
2020	\$	260,553
2021	\$	260,553
2022	\$	260,553
2023	\$	260,553
2024	\$	260,553
2025	\$	260,553
2026	\$	260,553
2027	\$	260,553
2028	\$	260,553

2027	\$	12,001,000	2029	\$	260,553
2028	\$	12,001,000	2030	\$	260,553
2029	\$	12,001,000	2031	\$	260,553

\*Revenue based on applicant's estimated increment at build out

**Total Proposed TID Project Costs**

Property Acquisition	\$	1,350,000
Environmental Clean up & Demolition	\$	150,000
Alley Reconstruction	\$	126,000
Engineering	\$	12,000
Contingency	\$	10,000
Necessary and Convenient Costs	\$	<u>2,000</u>
 Total	\$	 1,650,000

**Identified Funding Sources:** Funding will be financed by Technology Housing, LLC

**Anticipated Time Frame:** 21 years at 9%, 15 years at 6.5%

**Comments:** Anticipated interest rate is 6.5%. Staff has prepared a 9% interest rate as specified in the Tax Increment Financing Guidelines adopted by the City Council. Both amortization schedules are attached.

On October 3, 2011, the City Council authorized the addition of property acquisition in the request for Tax Increment Financing.

E.St.Joe Housing Project - 6.5% 1-11-12

**TABLE**

No.	Payment Date	Beginning Balance	Interest	Total Due	Capital Int Payment	Tax Inc Payment	Total Pay	Loan Balance	Cumulative Interest
1	6/1/2012	1,650,000.00	53,625.00	1,703,625.00	53,625.00	0.00	53,625.00	1,703,625.00	53,625.00
2	12/1/2012	1,703,625.00	55,367.81	1,758,992.81	55,367.81	0.00	55,367.81	1,758,992.81	108,992.81
3	6/1/2013	1,758,992.81	57,167.27	1,816,160.08	57,167.27	0.00	57,167.27	1,816,160.08	166,160.08
4	12/1/2013	1,816,160.08	59,025.20	1,875,185.28	59,025.20	0.00	59,025.20	1,875,185.28	225,185.28
5	6/1/2014	1,875,185.28	60,943.52	1,936,128.80	0.00	65,144.00	65,144.00	1,870,984.80	286,128.80
6	12/1/2014	1,870,984.80	60,807.01	1,931,791.81	0.00	65,144.00	65,144.00	1,866,647.81	346,935.81
7	6/1/2015	1,866,647.81	60,666.05	1,927,313.86	0.00	65,144.00	65,144.00	1,862,169.86	407,601.86
8	12/1/2015	1,862,169.86	60,520.52	1,922,690.38	0.00	65,144.00	65,144.00	1,857,546.38	468,122.38
9	6/1/2016	1,857,546.38	60,370.26	1,917,916.64	0.00	65,144.00	65,144.00	1,852,772.64	528,492.64
10	12/1/2016	1,852,772.64	60,215.11	1,912,987.75	0.00	65,144.00	65,144.00	1,847,843.75	588,707.75
11	6/1/2017	1,847,843.75	60,054.92	1,907,898.67	0.00	130,277.00	130,277.00	1,777,621.67	648,762.67
12	12/1/2017	1,777,621.67	57,772.70	1,835,394.38	0.00	130,277.00	130,277.00	1,705,117.38	706,535.38
13	6/1/2018	1,705,117.38	55,416.31	1,760,533.69	0.00	130,277.00	130,277.00	1,630,256.69	761,951.69
14	12/1/2018	1,630,256.69	52,983.34	1,683,240.04	0.00	130,277.00	130,277.00	1,552,963.04	814,935.04
15	6/1/2019	1,552,963.04	50,471.30	1,603,434.33	0.00	130,277.00	130,277.00	1,473,157.33	865,406.33
16	12/1/2019	1,473,157.33	47,877.61	1,521,034.95	0.00	130,277.00	130,277.00	1,390,757.95	913,283.95
17	6/1/2020	1,390,757.95	45,199.63	1,435,957.58	0.00	130,277.00	130,277.00	1,305,680.58	958,483.58
18	12/1/2020	1,305,680.58	42,434.62	1,348,115.20	0.00	130,277.00	130,277.00	1,217,838.20	1,000,918.20
19	6/1/2021	1,217,838.20	39,579.74	1,257,417.94	0.00	130,277.00	130,277.00	1,127,140.94	1,040,497.94
20	12/1/2021	1,127,140.94	36,632.08	1,163,773.02	0.00	130,277.00	130,277.00	1,033,496.02	1,077,130.02
21	6/1/2022	1,033,496.02	33,586.62	1,067,084.64	0.00	130,277.00	130,277.00	936,807.64	1,110,718.64
22	12/1/2022	936,807.64	30,446.25	967,253.89	0.00	130,277.00	130,277.00	836,976.89	1,141,164.89
23	6/1/2023	836,976.89	27,201.75	864,178.64	0.00	130,277.00	130,277.00	733,901.64	1,168,366.64
24	12/1/2023	733,901.64	23,851.80	757,753.44	0.00	130,277.00	130,277.00	627,476.44	1,192,218.44
25	6/1/2024	627,476.44	20,392.98	647,869.43	0.00	130,277.00	130,277.00	517,592.43	1,212,611.43
26	12/1/2024	517,592.43	16,821.75	534,414.18	0.00	130,277.00	130,277.00	404,137.18	1,229,433.18
27	6/1/2025	404,137.18	13,134.46	417,271.64	0.00	130,277.00	130,277.00	286,994.64	1,242,567.64
28	12/1/2025	286,994.64	9,327.33	296,321.97	0.00	130,277.00	130,277.00	166,044.97	1,251,894.97
29	6/1/2026	166,044.97	5,396.46	171,441.43	0.00	130,277.00	130,277.00	41,164.43	1,257,291.43
30	12/1/2026	41,164.43	1,337.84	42,502.27	0.00	42,502.27	42,502.27	0.00	1,258,629.27
31	6/1/2027	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
32	12/1/2027	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
33	6/1/2028	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
34	12/1/2028	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
35	6/1/2029	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
36	12/1/2029	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
37	6/1/2030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
38	12/1/2030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
39	6/1/2031	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27
40	12/1/2031	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,258,629.27

E.St.Joe Housing Project - 9% 1-4-12

**TABLE**

No.	Payment Date	Beginning Balance	Interest	Total Due	Capital Int Payment	Tax Inc Payment	Total Pay	Loan Balance	Cumulative Interest
1	6/1/2012	1,650,000.00	74,250.00	1,724,250.00	74,250.00	0.00	74,250.00	1,724,250.00	74,250.00
2	12/1/2012	1,724,250.00	77,591.25	1,801,841.25	77,591.25	0.00	77,591.25	1,801,841.25	151,841.25
3	6/1/2013	1,801,841.25	81,082.86	1,882,924.11	81,082.86	0.00	81,082.86	1,882,924.11	232,924.11
4	12/1/2013	1,882,924.11	84,731.58	1,967,655.69	84,731.58	0.00	84,731.58	1,967,655.69	317,655.69
5	6/1/2014	1,967,655.69	88,544.51	2,056,200.20	23,400.51	65,144.00	88,544.51	1,991,056.20	406,200.20
6	12/1/2014	1,991,056.20	89,597.53	2,080,653.73	24,453.53	65,144.00	89,597.53	2,015,509.73	495,797.73
7	6/1/2015	2,015,509.73	90,697.94	2,106,207.66	25,553.94	65,144.00	90,697.94	2,041,063.66	586,495.66
8	12/1/2015	2,041,063.66	91,847.86	2,132,911.53	26,703.86	65,144.00	91,847.86	2,067,767.53	678,343.53
9	6/1/2016	2,067,767.53	93,049.54	2,160,817.07	27,905.54	65,144.00	93,049.54	2,095,673.07	771,393.07
10	12/1/2016	2,095,673.07	94,305.29	2,189,978.36	29,161.29	65,144.00	94,305.29	2,124,834.36	865,698.36
11	6/1/2017	2,124,834.36	95,617.55	2,220,451.90	0.00	130,277.00	130,277.00	2,090,174.90	961,315.90
12	12/1/2017	2,090,174.90	94,057.87	2,184,232.77	0.00	130,277.00	130,277.00	2,053,955.77	1,055,373.77
13	6/1/2018	2,053,955.77	92,428.01	2,146,383.78	0.00	130,277.00	130,277.00	2,016,106.78	1,147,801.78
14	12/1/2018	2,016,106.78	90,724.81	2,106,831.59	0.00	130,277.00	130,277.00	1,976,554.59	1,238,526.59
15	6/1/2019	1,976,554.59	88,944.96	2,065,499.54	0.00	130,277.00	130,277.00	1,935,222.54	1,327,471.54
16	12/1/2019	1,935,222.54	87,085.01	2,022,307.56	0.00	130,277.00	130,277.00	1,892,030.56	1,414,556.56
17	6/1/2020	1,892,030.56	85,141.38	1,977,171.93	0.00	130,277.00	130,277.00	1,846,894.93	1,499,697.93
18	12/1/2020	1,846,894.93	83,110.27	1,930,005.20	0.00	130,277.00	130,277.00	1,799,728.20	1,582,808.20
19	6/1/2021	1,799,728.20	80,987.77	1,880,715.97	0.00	130,277.00	130,277.00	1,750,438.97	1,663,795.97
20	12/1/2021	1,750,438.97	78,769.75	1,829,208.73	0.00	130,277.00	130,277.00	1,698,931.73	1,742,565.73
21	6/1/2022	1,698,931.73	76,451.93	1,775,383.66	0.00	130,277.00	130,277.00	1,645,106.66	1,819,017.66
22	12/1/2022	1,645,106.66	74,029.80	1,719,136.46	0.00	130,277.00	130,277.00	1,588,859.46	1,893,047.46
23	6/1/2023	1,588,859.46	71,498.68	1,660,358.13	0.00	130,277.00	130,277.00	1,530,081.13	1,964,546.13
24	12/1/2023	1,530,081.13	68,853.65	1,598,934.78	0.00	130,277.00	130,277.00	1,468,657.78	2,033,399.78
25	6/1/2024	1,468,657.78	66,089.60	1,534,747.38	0.00	130,277.00	130,277.00	1,404,470.38	2,099,489.38
26	12/1/2024	1,404,470.38	63,201.17	1,467,671.55	0.00	130,277.00	130,277.00	1,337,394.55	2,162,690.55
27	6/1/2025	1,337,394.55	60,182.75	1,397,577.30	0.00	130,277.00	130,277.00	1,267,300.30	2,222,873.30
28	12/1/2025	1,267,300.30	57,028.51	1,324,328.82	0.00	130,277.00	130,277.00	1,194,051.82	2,279,901.82
29	6/1/2026	1,194,051.82	53,732.33	1,247,784.15	0.00	130,277.00	130,277.00	1,117,507.15	2,333,634.15
30	12/1/2026	1,117,507.15	50,287.82	1,167,794.97	0.00	130,277.00	130,277.00	1,037,517.97	2,383,921.97
31	6/1/2027	1,037,517.97	46,688.31	1,084,206.28	0.00	130,277.00	130,277.00	953,929.28	2,430,610.28
32	12/1/2027	953,929.28	42,926.82	996,856.10	0.00	130,277.00	130,277.00	866,579.10	2,473,537.10
33	6/1/2028	866,579.10	38,996.06	905,575.16	0.00	130,277.00	130,277.00	775,298.16	2,512,533.16
34	12/1/2028	775,298.16	34,888.42	810,186.57	0.00	130,277.00	130,277.00	679,909.57	2,547,421.57
35	6/1/2029	679,909.57	30,595.93	710,505.50	0.00	130,277.00	130,277.00	580,228.50	2,578,017.50
36	12/1/2029	580,228.50	26,110.28	606,338.79	0.00	130,277.00	130,277.00	476,061.79	2,604,127.79
37	6/1/2030	476,061.79	21,422.78	497,484.57	0.00	130,277.00	130,277.00	367,207.57	2,625,550.57
38	12/1/2030	367,207.57	16,524.34	383,731.91	0.00	130,277.00	130,277.00	253,454.91	2,642,074.91
39	6/1/2031	253,454.91	11,405.47	264,860.38	0.00	130,277.00	130,277.00	134,583.38	2,653,480.38
40	12/1/2031	134,583.38	6,056.25	140,639.63	0.00	130,277.00	130,277.00	10,362.63	2,659,536.63