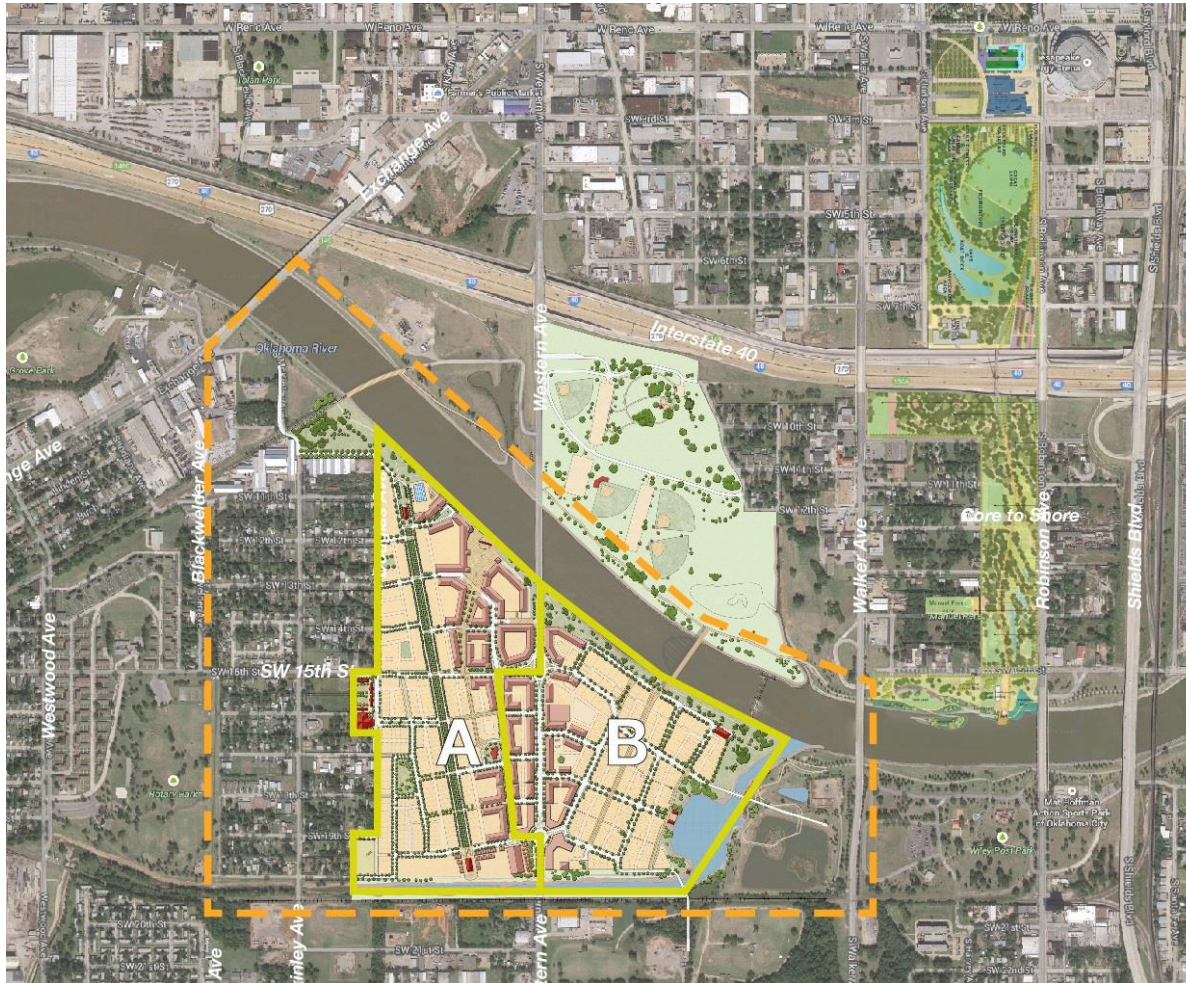


# Western Gateway Project Plan



Western Gateway Project Plan  
City Council  
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# Purpose of the TIF District(s)

- Former downtown airpark
  - Purchased November 2006
  - 150 acre master planned development
  - Ambitious project in a blighted and economically depressed area
  - Mixed Use
    - 2.5 million sf of development
    - 2,000 units of housing
    - \$576 million investment
  - 10-15 year implementation
- Developer assumes all financial risk

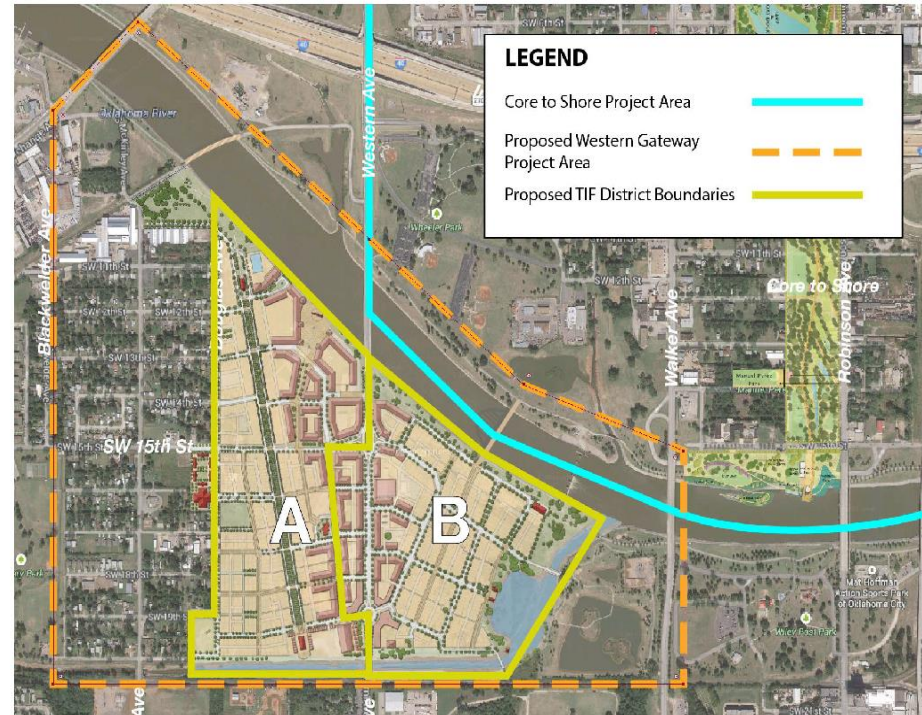


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# Purpose of the TIF District(s)

- Considered a “Project” TIF
  - Under one ownership group
  - 10 Phases
- Two TIF Districts
  - 1<sup>st</sup> – West of Western Ave
  - 2<sup>nd</sup> – East of Western Ave
- Education
  - Elementary School
    - 2020-2033
  - Mid/High School
    - 2038-2040



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# Developer Request

- Developer assumes all financial risk
  - Will fund infrastructure up front in phases
  - Increment from vertical development funds reimbursement
  - *Reimbursement includes developers related financing cost*
- Assistance for installation and financing of “infrastructure”
- Infrastructure definition includes:
  - Water, sewer, drainage, grading, streets and alleys, trails & bike paths
  - Open space, common area space, sidewalks, trees and landscaping
  - Engineering, planning & design
  - Parking structures and parking lots
  - River bank improvements and docks
  - Security infrastructure



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# Design Standards

- PUD 1611 requirements (June 2016)



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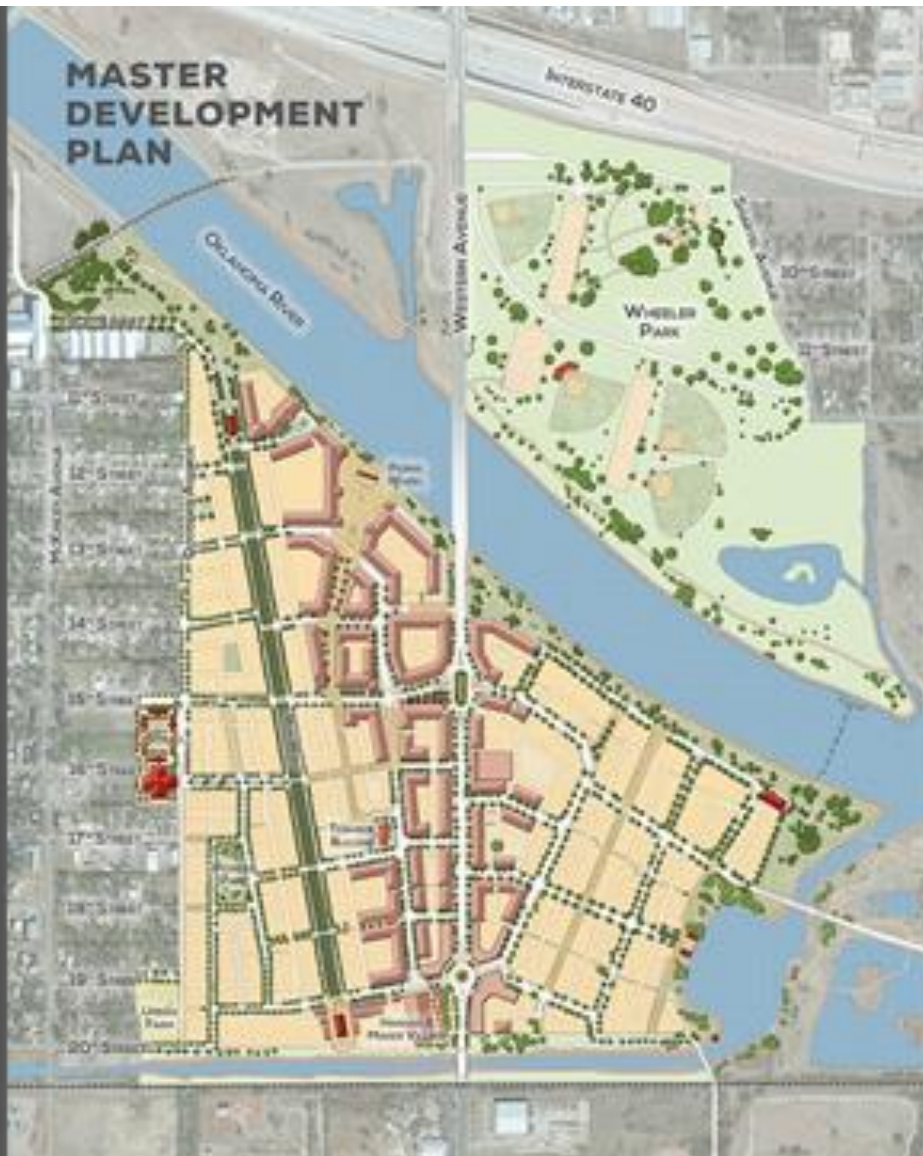


# Renderings



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# TIF Budget

- Total budget is \$120,000,000
  - \$60,000,000 for Infrastructure
  - \$20,000,000 dual immersion elementary school
  - \$40,000,000 mid/high school
    - *Plus interest cost for private financing of infrastructure*
      - *(Est \$30-\$60 million)*
- Increment revenues split (2 phases)
  - Phase 1
    - 75% to reimburse developer (up to \$60,000,000 plus interest)
    - 25% to fund elementary (up to \$20,000,000)
  - Phase 2
    - 100% of remaining to Mid/High School





# Key Business Terms

- Performance based assistance
- Developer eligible upon meeting two requirements
  - Developer must install infrastructure
  - Developer must create new increment

<b>Increment Value</b>	<b>Percent Eligible</b>	<b>Eligible Amount</b>
\$0 - \$80,000,000	20.0%	\$16,000,000
\$80,000,001 - \$180,000,000	18.0%	\$18,000,000
\$180,000,001 - \$280,000,000	15.0%	\$15,000,000
\$280,000,001 - \$380,000,000	8.5%	\$8,500,000
\$380,000,001 - \$430,000,000	5.0%	<u>\$2,500,000</u>
Totals		\$60,000,000



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# Summary

- Project TIF vs Area TIF
  - One time allocation of budget
- Developer at risk
  - Developer must create increment
  - No city funds pledged to backstop project
  - Humphreys Fund prohibition
  - Includes reimbursement of developer financing cost
    - Interest rate = 20 yr Treasury + 500 bp. Max of 8.75%. No minimum
  - Agreement nontransferable
- Includes funding for 2 schools
  - Timing of construction is uncertain



# Timeline

- January 5, 2017 – TIF Review Committee recommendation
- January 12, 2017 - Planning Commission – Conformance with Comprehensive Plan
- January 17, 2017 - City Council – Ordinance introduction
- January 31, 2017 - City Council – Ordinance adoption – Project Plan
- March 2, 2017 - Ordinance effective date



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