

# St. Charles First Street Redevelopment Financial Analysis Update



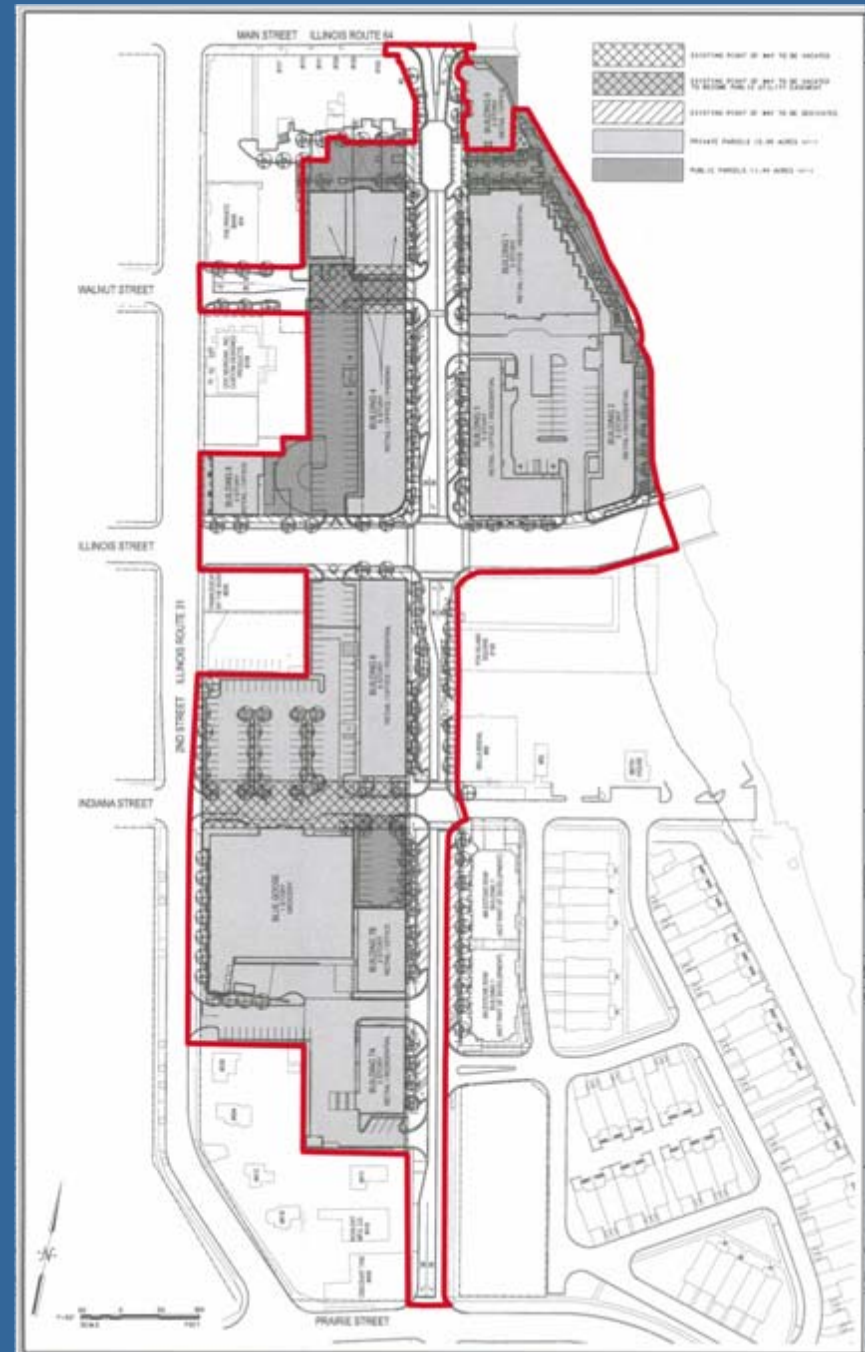
Planning & Development Committee  
November 13, 2006

# Development Program

		Saleable/Rentable SF/Units [1]	Pricing [2]
Office	Condo	51,600	\$185 PSF
	Rental	51,600	\$16-\$18 PSF
	Total	103,200	
Retail/Commercial		84,700	\$18-\$25 PSF
Blue Goose		30,500	
Residential Condos		80 Units	\$220 PSF
		20 1-Bedroom Units	
		60 2-Bedroom Units	
Affordable Apartments- =<60% AMI=-\$34,000/Yr.		16 Units	\$848/Mo.
		All 1-Bedroom Units	
Parking Deck 4		460-Public	
Parking Deck 2		133-Private	
		85-Public	
Building 7B Public Parking Lot		19-Spaces	
Total Gross SF		366,500	

[1] Source: Knauer Building Plans (Rec'd 10-24-06), City of St. Charles

[2] Pricing From Developer



# Project Phasing

## Phase 1

- New Blue Goose
- Building 7A (Include Harris Bank Relocation)

## Phase 2

- Building 4
- Building 4 Public Parking Deck

## Phase 3

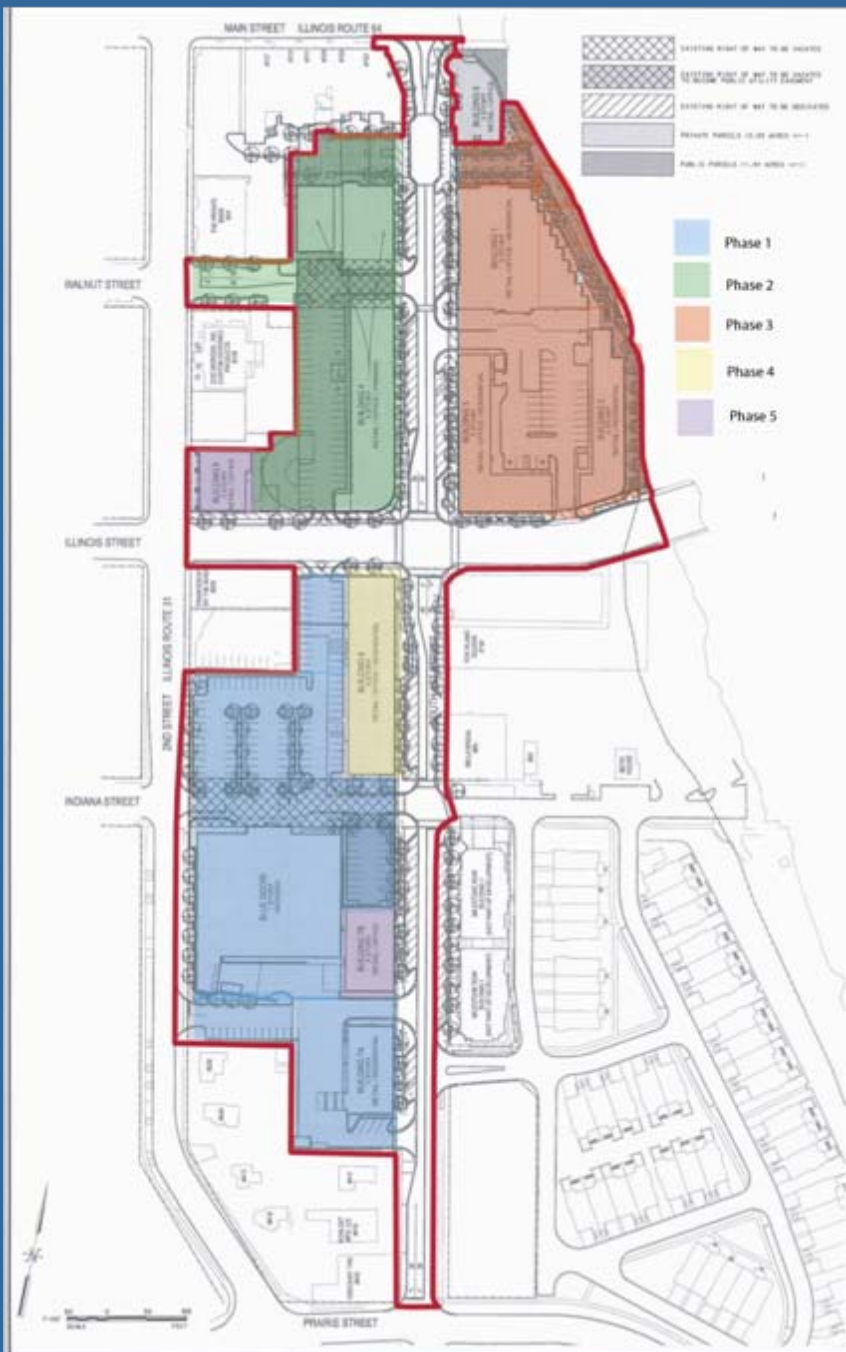
- Buildings 1, 2, & 3
- Building 2 Public/Private Parking Deck

## Phase 4

- Building 6

## Phase 5

- Buildings 7B & 8



# Project Schedule

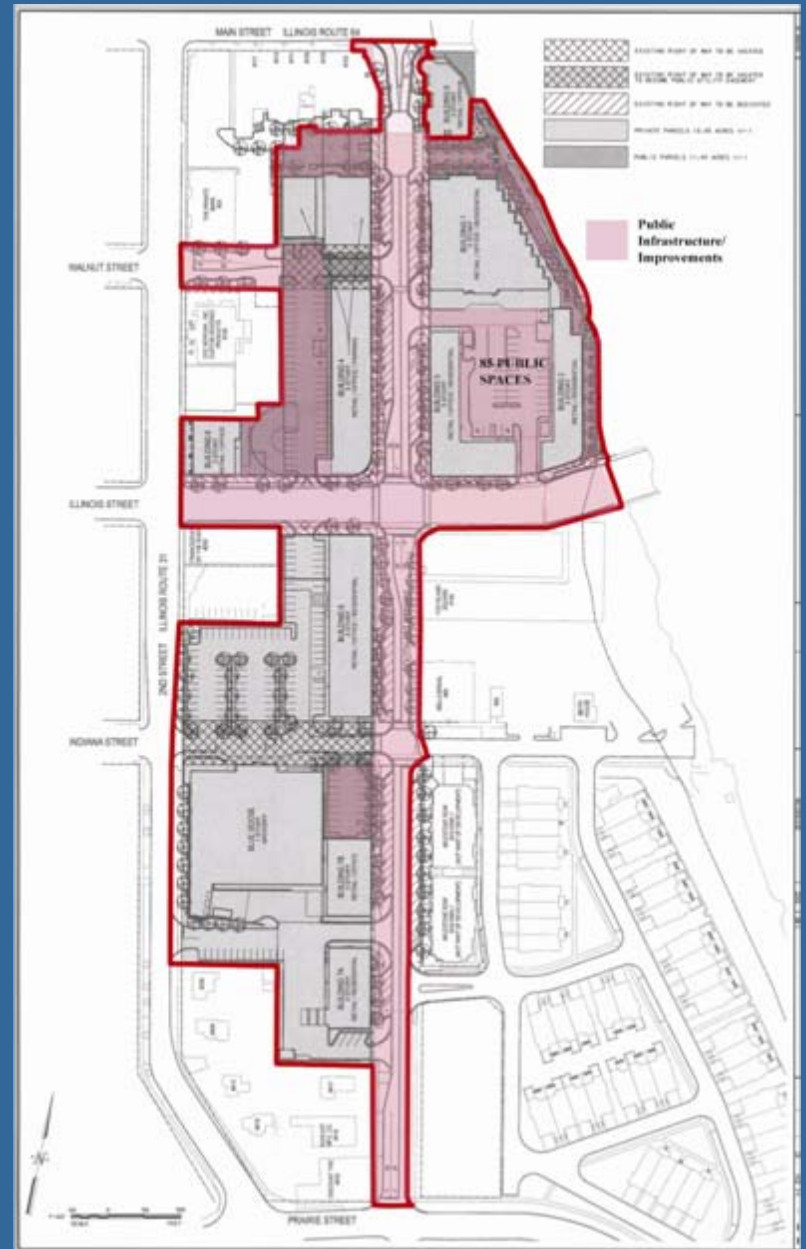
	Construction			Estimated
	Start	Complete	Default	Absorption
<b>Phase 1</b> Blue Goose Building 7A Building 7B Lot	12/1/06	11/1/07	5/1/07	2009
<b>Phase 2</b> Building 4 Building 4 Garage	4/1/07	4/1/08	10/1/07	2010
<b>Phase 3</b> Building 1 Building 2 Building 3 Building 2 Garage	11/1/07	10/1/09	5/1/08	2012
<b>Phase 4</b> Building 6	4/1/10	11/1/11	10/1/10	2013
<b>Phase 5</b> Building 7B Building 8	7/1/11	7/1/12	1/1/12	2013

# Overall Project Costs

	<b>City</b>	<b>Developer</b>	<b>Total</b>
Land Acquisition	\$ 12,424,000	\$ 463,000	\$ 12,887,000
Demolition & Site Grading	\$ 250,000	\$ -	\$ 250,000
Environmental Remediation	\$ 400,000	\$ -	\$ 400,000
Professional Fees	\$ 950,000	\$ 2,299,000	\$ 3,249,000
Public Infrastructure & Improvements	\$ 24,013,000	\$ -	\$ 24,013,000
Private Development, Excluding Profit	\$ 524,000	\$ 55,247,000	\$ 55,771,000
Leasing & Sales Commissions	\$ -	\$ 2,297,000	\$ 2,297,000
Impact Fees	\$ 300,000	\$ 981,000	\$ 1,281,000
Building Permits	\$ -	\$ 625,000	\$ 625,000
Electric Hook Up Fees	\$ -	\$ 438,000	\$ 438,000
<b>Total Project Costs</b>	<b>\$ 38,861,000</b>	<b>\$ 62,350,000</b>	<b>\$ 101,211,000</b>

	<b>Total Cost</b>
<b>City To Bid</b>	
Burying Electric Lines	\$ 1,000,000
Streetscape	\$ 101,400
Riverwalk	\$ 1,500,000
Pavement Rehabilitation	\$ 1,595,714
Stormsewer	\$ 365,750
Water Main	\$ 505,000
Sanitary Sewer	\$ 1,925,000
Traffic Signals	\$ 300,000
Street Lighting	\$ 228,764
Floodplain Storage-Riverside Park	\$ 125,875
Crosswalk	\$ 158,802
Widen IL 31 at Indiana/Blue Goose	\$ 300,000
Engineering Design	\$ 710,631
Construction Observation	\$ 1,065,946
Testing	\$ 568,504
Contingency	\$ 1,559,471
Subtotal Public Improvements	\$ 12,010,856
<b>Developer To Construct</b>	
Building 4-Public Parking Structure (460 Spaces)	\$ 5,196,000
Building 2 Parking Garage (Public Portion-85 Spaces.)	\$ 1,275,000
Building 7B Surface Parking (19 Spaces)	\$ 144,000
Development Management Fee @ 5.0%	\$ 330,750
Subtotal Public Improvements	\$ 6,945,750
<b>City To Bid Or Developer To Construct</b>	
Plazas (Hardscape, Landscape, & Fountains)	\$ 2,733,065
Streetscape	\$ 2,082,897
Development Management Fee @ 5.0%	\$ 240,798
Subtotal Public Improvements	\$ 5,056,760
<b>Total Public Improvements</b>	<b>\$ 24,013,366</b>

Sources: City of St. Charles, First Street Development LLC, and S. B. Friedman & Company



# TIF Projections

2007 to 2025 Payable  
2026, Including:

- Incremental Tax Revenue From Project
- Inflationary Increment From Parcels Outside of Project
- Increment From Manor Redevelopment



# TIF Projections-Key Assumptions

- Developer's Construction Schedule
- Two-Year Lag From Lease-Up/Sales To Tax Collection
- 3.5 % Annual Inflation
- Tax Rate of 6.632% (10-Year Average)
- Includes Increment From SSAs: 0.4% & 0.85%
- 97% Collection Rate
- Net Of Potential Tuition Payments For New Students: 9 Students (ISCS) @ \$9,500 in 2006 \$

TIF Year	Year Assessed	Total From Redevelopment Parcels 97%	Inflationary Increment	Total Increment	Less School District Reimbursement per ISCS	Total Net Increment
Collection Rate						
0	2001	\$0	\$0	\$0	\$0	\$0
0	2002	\$0	\$0	\$0	\$0	\$0
1	2003	\$14,665	\$36,045	\$50,710	\$0	\$50,710
2	2004	\$19,747	\$70,026	\$89,773	\$0	\$89,773
3	2005	\$19,689	\$99,343	\$119,032	\$0	\$119,032
4	2006	\$61,399	\$234,408	\$295,807	\$0	\$295,807
5	2007	\$51,916	\$248,561	\$300,477	\$0	\$300,477
6	2008	\$55,247	\$263,209	\$318,455	\$0	\$318,455
7	2009	\$218,159	\$278,369	\$496,528	\$99,241	\$397,287
8	2010	\$671,901	\$294,061	\$965,961	\$102,715	\$863,246
9	2011	\$1,144,718	\$310,301	\$1,455,019	\$106,310	\$1,348,709
10	2012	\$1,465,670	\$327,110	\$1,792,780	\$110,031	\$1,682,749
11	2013	\$1,901,195	\$344,507	\$2,245,703	\$113,882	\$2,131,821
12	2014	\$2,125,583	\$362,513	\$2,488,096	\$117,868	\$2,370,229
13	2015	\$2,315,522	\$381,150	\$2,696,672	\$121,993	\$2,574,679
14	2016	\$2,400,172	\$400,438	\$2,800,610	\$126,263	\$2,674,347
15	2017	\$2,487,777	\$420,402	\$2,908,179	\$130,682	\$2,777,496
16	2018	\$2,578,441	\$441,064	\$3,019,505	\$135,256	\$2,884,249
17	2019	\$2,672,271	\$462,450	\$3,134,721	\$139,990	\$2,994,731
18	2020	\$2,769,378	\$484,584	\$3,253,962	\$144,889	\$3,109,072
19	2021	\$2,869,875	\$507,493	\$3,377,368	\$149,961	\$3,227,408
20	2022	\$2,973,883	\$531,204	\$3,505,087	\$155,209	\$3,349,877
21	2023	\$3,081,523	\$555,744	\$3,637,267	\$160,642	\$3,476,625
22	2024	\$3,192,922	\$581,143	\$3,774,065	\$166,264	\$3,607,801
23	2025	\$3,308,211	\$607,432	\$3,915,643	\$172,083	\$3,743,560
24	2026	\$3,427,528	\$634,640	\$4,062,168	\$178,106	\$3,884,062
<b>TOTAL 2006 - 2026</b>		<b>\$41,711,890</b>	<b>\$8,436,375</b>	<b>\$50,148,265</b>	<b>\$2,431,385</b>	<b>\$47,716,881</b>
<b>PV 2006 - 2026</b>		<b>4.5%</b>	<b>\$23,662,912</b>	<b>\$5,111,087</b>	<b>\$28,773,999</b>	<b>\$1,444,313</b>
				<b>\$28,773,999</b>	<b>\$1,444,313</b>	<b>\$27,329,686</b>

# Estimated Sales Tax Revenue

Year	Inflation	Total Redev. Taxes [1]	Redev. Sales Taxes Realized [2]	Less Frontier Taxes	Net Taxes
2005	2.50%	\$269,317	\$0	(\$90,000)	(\$90,000)
2006	2.50%	\$276,050	\$0	(\$92,250)	(\$92,250)
2007	2.50%	\$282,952	\$0	(\$94,556)	(\$94,556)
2008	2.50%	\$290,025	\$6,849	(\$96,920)	(\$90,071)
2009	2.50%	\$297,276	\$55,586	(\$99,343)	(\$43,757)
2010	2.50%	\$304,708	\$115,039	(\$101,827)	\$13,212
2011	2.50%	\$312,326	\$170,488	(\$104,372)	\$66,116
2012	2.50%	\$320,134	\$240,247	(\$106,982)	\$133,265
2013	2.50%	\$328,137	\$276,393	(\$109,656)	\$166,737
2014	2.50%	\$336,341	\$317,242	(\$112,398)	\$204,844
2015	2.50%	\$344,749	\$344,749	(\$115,208)	\$229,541
2016	2.50%	\$353,368	\$353,368	(\$118,088)	\$235,280
2017	2.50%	\$362,202	\$362,202	(\$121,040)	\$241,162
2018	2.50%	\$371,257	\$371,257	(\$124,066)	\$247,191
2019	2.50%	\$380,538	\$380,538	(\$127,168)	\$253,371
2020	2.50%	\$390,052	\$390,052	(\$130,347)	\$259,705
2021	2.50%	\$399,803	\$399,803	(\$133,606)	\$266,198
2022	2.50%	\$409,798	\$409,798	(\$136,946)	\$272,853
2023	2.50%	\$420,043	\$420,043	(\$140,369)	\$279,674
2024	2.50%	\$430,544	\$430,544	(\$143,879)	\$286,666
2025	2.50%	\$441,308	\$441,308	(\$147,475)	\$293,832
2026	2.50%	\$452,341	\$452,341	(\$151,162)	\$301,178
<b>TOTAL 2007 - 2026</b>					<b>\$3,522,440</b>
<b>PV 2007 - 2026</b>	<b>4.50%</b>				<b>\$1,892,058</b>

- 2007 Through 2026
- 75% of Ground-Level Commercial Space Is Retail/Restaurant
- Excludes Blue Goose
- 1% Local Share + 1% Home Rule
- Net of Estimated Frontier Dodge Sales Taxes
- \$217 Annual Sales PSF
- 2.5% Annual Inflation

# Public Sources & Uses Of Funds

<b>Uses</b>	
City Land Acquisition	\$ 12,424,440
Predevelopment Professional Fees	\$ 950,000
Demolition	\$ 250,000
Environmental Remediation	\$ 400,000
County Road Impact Fees	\$ 300,000
Public Infrastructure	\$ 24,013,366
<b>Total Public Costs</b>	<b>\$ 38,337,806</b>
Developer TIF Request	\$ 524,000
<b>Total Uses</b>	<b>\$ 38,861,806</b>
<b>Potential Sources</b>	
Stormwater Fee in Lieu	\$ 558,000
Corporate Fund	\$ 300,000
General Fund Land Acquisition	\$ 1,100,000
Prior G.O. Bond Issuance	\$ 3,000,000
Capital Improvement Budget	\$ 3,000,000
Federal Earmark Grant	\$ 3,762,000
Estimated Bond Proceeds Supported By TIF	\$ 26,000,000
Potential Incremental Sales Tax Revenue NPV @ 4.5%	\$ 1,892,000
<b>Total Potential Sources</b>	<b>\$ 39,612,000</b>
<b>Surplus/(Shortfall)</b>	<b>\$ 750,194</b>
<i>Potential Additional Source</i>	
PV TIF @ 4.5%-ISCS School Set Aside	\$1,444,000