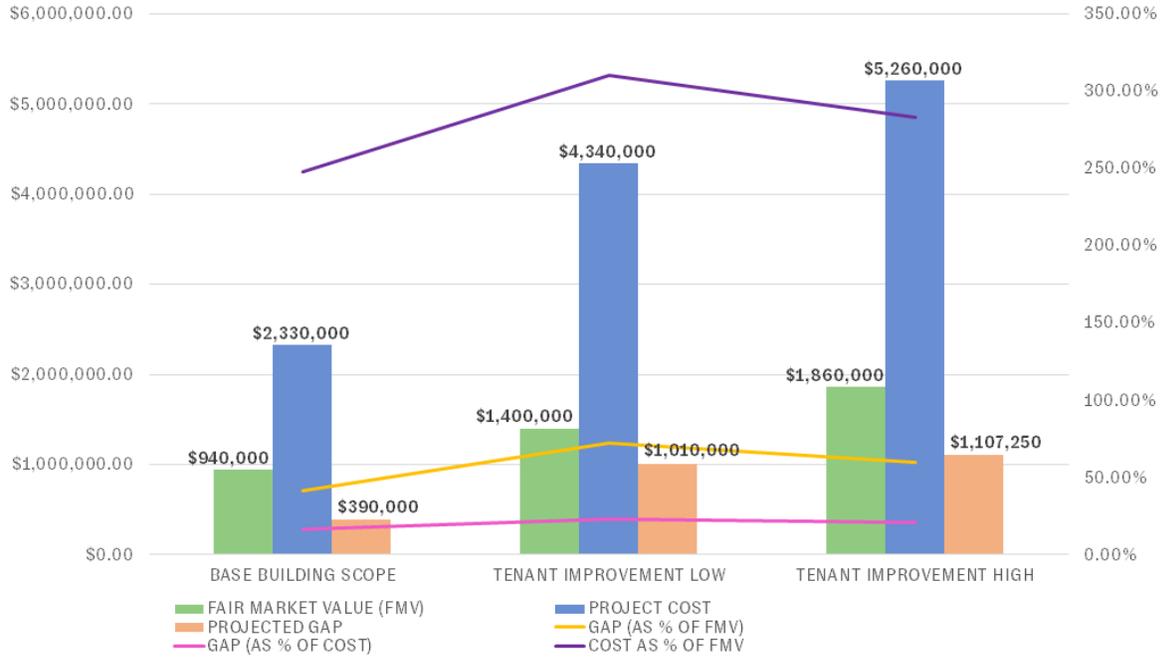




NEW HISTORY

AMERICAN LEGION MEMORIAL LIBRARY
106 THIRD AVENUE NORTH | SOUTH ST. PAUL, MN

SUMMARY OF ESTIMATED COSTS AND FUNDING GAP



INVESTMENT PERFORMANCE

CASH-ON-CASH RETURN (COCR) is one metric that investors look at to evaluate the annual return on investment. It is equivalent to the initial investment, divided by the annual net income

		ANNUAL (GROSS)			
		\$0/SF	\$12/SF	\$16/SF	\$20/SF
	Hold and Maintain		Base Building Scope of Work	Base Building + TI @ \$150/SF	Base Building + TI @ \$217/SF
PROJECT COSTS		\$31,000/year	\$2,330,000	\$4,340,000	\$5,260,000
PRIVATE INVESTMENT PERFORMANCE					
Cash Flow			\$19,050	\$28,400	\$37,350
Private Equity			\$235,000.00	\$350,000	\$465,000
Cash-on-Cash Return			8.1%	8.1%	8.0%
For a New Market Tax Credit Project	First 7 yrs		N/A	14.0%	13.9%
CITY INVESTMENT PERFORMANCE					
Property Taxes	1.13%	\$0.00	\$10,620	\$15,820	\$21,020
City Equity		-\$31,000	\$388,000	\$1,010,000	\$1,107,250
Cash-on-Cash			2.7%	1.6%	1.9%

Base Building Scope

\$12/SF Rent

TOTAL GAP

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN

Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: TENANT IMPROVEMENT (LOW)

Fair Market Value **\$940,000.00**

Development Agreement:

Private Developer targets tenant at lower end of rental spectrum \$12/SF, City provides funding within the project budget

USES	
Acquisition	\$1
Hard Costs	\$1,800,000.00
Core and Shell Scope	\$1,801,338.00
Tenant Infill at \$150/SF	
Owner's Contingency	
Soft Costs (assumed 30% of Hard Costs)	\$540,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$2,370,000.00

TI (LOW)
-\$1,430,000.00

SOURCES	
Equity	\$235,000.00
City	
Private Developer @ 25% of FMV	\$235,000.00
Debt - @ 75% of FMV	\$705,000.00
C-PACE	\$188,000.00
Other Potential Sources	\$0.00
Historic Tax Credits	
New Market Tax Credits	
LCDA Predevelopment Grant	
DEED Redevelopment Grant	
LCDA Tax Based Revitalization Account	
TOTAL	\$940,000.00

TOTAL USES **\$2,420,000.00**

TOTAL GAP
-\$1,430,000.00

TOTAL SOURCES **\$990,000.00**

Base Building Scope

\$12/SF Rent

COLLABORATIVE DELIVERY

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN

Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: BASE BUILDING ONLY

Fair Market Value **\$940,000.00**

Development Agreement:

Private Developer targets tenant at lower end of rental spectrum \$12/SF, City provides funding within the project budget

USES	
Acquisition	\$1
Hard Costs	\$1,800,000.00
Core and Shell Scope	\$1,801,338.00
Owner's Contingency	
Soft Costs (assumed 25% of Hard Costs)	\$450,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$2,280,000.00

TI (LOW)
\$0.00

SOURCES	
Equity	\$625,000.00
City	\$390,000.00
Private Developer @ 25% of FMV	\$235,000.00
Debt - @ 75% of FMV	\$705,000.00
C-PACE	\$188,000.00
Other Potential Sources	\$950,000.00
Historic Tax Credits	\$675,000.00
New Market Tax Credits	\$0.00
LCDA Predevelopment Grant	\$135,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$2,280,000.00

TOTAL USES **\$2,330,000.00**

TOTAL GAP
\$0.00

TOTAL SOURCES **\$2,330,000.00**

Base Building Scope

\$12/SF Rent

PHASED DELIVERY

MOBILIZATION / HOLD AND MAINTAIN	Fair Market Value	\$589,000.00
<i>Development Agreement:</i>		
City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.		

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 1: MAINTAIN AND IMPROVE	Fair Market Value	\$940,000.00
<i>Development Agreement:</i>		
City invests money while they own the building on repairs		

USES	
Acquisition	\$0
Hard Costs	\$1,800,000.00
Core and Shell Scope	\$1,801,338.00
Owner's Contingency	
Soft Costs (assumed 30% of Hard Costs)	\$540,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$2,370,000.00

BASE SCOPE
-\$1,760,000.00

SOURCES	
Equity	\$610,000.00
City	\$610,000.00
Private Developer	\$0.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$610,000.00

PHASE 2: BASE BUILDING ONLY	Fair Market Value	\$940,000.00
<i>Development Agreement:</i>		
Private Developer targets tenant at lower end of rental spectrum \$12/SF, City provides funding within the project budget		

USES	
Acquisition	\$1
Remaining Base Scope	\$1,760,000.00
Hard Costs	\$0.00
Tenant Infill at \$217 SF	
Owner's Contingency	
HTC Application Process	\$20,000.00
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
TOTAL	\$1,810,000.00

TI (LOW)
\$0.00

SOURCES	
Equity	\$235,000.00
City	\$0.00
Private Developer @ 25% of FMV	\$235,000.00
Debt - @ 75% of FMV	\$705,000.00
C-PACE	\$188,000.00
Other Potential Sources	\$870,000.00
Historic Tax Credits	\$528,000.00
New Market Tax Credits	\$0.00
LCDA Predevelopment Grant	\$200,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$1,810,000.00

TOTAL USES **\$2,420,000.00**

TOTAL GAP
\$0.00

TOTAL SOURCES **\$2,420,000.00**

Base Building Scope + Tenant Improvement (Low Benchmark)

\$16/SF Rent

TOTAL GAP

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN	Fair Market Value	\$589,000.00
<i>Development Agreement:</i> City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.		

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: TENANT IMPROVEMENT (LOW)	Fair Market Value	\$1,400,000.00
<i>Development Agreement:</i> Private Developer targets tenant at lower end of rental spectrum \$16/SF, City provides funding within the project budget		

USES	
Acquisition	\$1
Hard Costs	\$3,410,000.00
Core and Shell Scope	\$1,801,338.00
Tenant Infill at \$150/SF	\$1,610,250.00
Owner's Contingency	
Soft Costs (assumed 30% of Hard Costs)	\$1,020,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$4,460,000.00

TI (LOW)
-\$3,060,000.00

SOURCES	
Equity	\$350,000.00
City	\$0.00
Private Developer @ 25% of FMV	\$350,000.00
Debt - @ 75% of FMV	\$1,050,000.00
C-PACE	\$280,000.00
Other Potential Sources	\$0.00
Historic Tax Credits	
New Market Tax Credits	
LCDA Predevelopment Grant	
DEED Redevelopment Grant	
LCDA Tax Based Revitalization Account	
TOTAL	\$1,400,000.00

TOTAL USES \$4,510,000.00

TOTAL GAP
-\$3,060,000.00

TOTAL SOURCES \$1,450,000.00

Base Building Scope + Tenant Improvement (Low Benchmark)

\$16/SF Rent

COLLABORATIVE DELIVERY

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN

Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: TENANT IMPROVEMENT (LOW)

Fair Market Value **\$1,400,000.00**

Development Agreement:

Private Developer targets tenant at lower end of rental spectrum \$16/SF. City provides funding within the project budget

USES	
Acquisition	\$1
Hard Costs	\$3,410,000.00
Core and Shell Scope	\$1,801,338.00
Tenant Infill at \$150/SF	\$1,610,250.00
Owner's Contingency	
Soft Costs (assumed 25% of Hard Costs)	\$850,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$4,290,000.00

TI (LOW)
\$0.00

SOURCES	
Equity	\$1,360,000.00
City	\$1,010,000.00
Private Developer @ 25% of FMV	\$350,000.00
Debt - @ 75% of FMV	\$1,050,000.00
C-PACE	\$280,000.00
Other Potential Sources	\$1,880,000.00
Historic Tax Credits	\$1,278,000.00
New Market Tax Credits	\$262,500.00
LCDA Predevelopment Grant	\$200,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$4,290,000.00

TOTAL USES \$4,340,000.00

TOTAL GAP
\$0.00

TOTAL SOURCES \$4,340,000.00

If invested as part of a development using the listed sources, the city would need to identify **\$1,010,000 for a rehab project targeting \$16/SF** to fill the funding gap.

Base Building Scope + Tenant Improvement (Low Benchmark)

\$16/SF Rent

PHASED DELIVERY

MOBILIZATION / HOLD AND MAINTAIN Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 1: MAINTAIN AND IMPROVE Fair Market Value **\$940,000.00**

Development Agreement:

City invests money while they own the building on repairs

USES	
Acquisition	\$0
Hard Costs	\$1,800,000.00
Core and Shell Scope	\$1,801,338.00
Owner's Contingency	
Soft Costs (assumed 25% of Hard Costs)	\$450,000.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$2,300,000.00

BASE SCOPE
-\$810,000.00

SOURCES	
Equity	\$1,490,000.00
City	\$1,470,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$1,490,000.00

PHASE 2 : TENANT IMPROVEMENT (LOW) Fair Market Value **\$1,400,000.00**

Development Agreement:

Private Developer targets tenant at lower end of rental spectrum \$16/SF

USES	
Acquisition	\$1
Remaining Base Scope	\$810,000.00
Hard Costs	\$1,610,000.00
Tenant Infill at \$150/SF	\$1,610,250.00
Owner's Contingency	
HTC Application Process	
Soft Costs (assumed 25% of Hard Costs)	\$400,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$2,850,000.00

TI (LOW)
\$0.00

SOURCES	
Equity	\$350,000.00
City	\$0.00
Private Developer @ 25% of FMV	\$350,000.00
Debt - @ 75% of FMV	\$1,050,000.00
C-PACE	\$280,000.00
Other Potential Sources	\$1,450,000.00
Historic Tax Credits	\$846,000.00
New Market Tax Credits	\$262,500.00
LCDA Predevelopment Grant	\$200,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$2,850,000.00

TOTAL USES \$4,340,000.00

TOTAL GAP
\$0.00

TOTAL SOURCES \$4,340,000.00

If the city aimed to close the gap by investing in the repairs before selling the building, the city would need to identify approximately **\$1,470,000 towards a rehab project targeting \$16/SF.**

This is **\$460,000 more** (+ additional time), for the same project scope.

Base Building Scope + Tenant Improvement (High Benchmark)

\$20/SF Rent

TOTAL GAP

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN

Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: TENANT IMPROVEMENT (HIGH)

Fair Market Value **\$1,860,000.00**

Development Agreement:

Private Developer targets tenant at higher end of rental spectrum \$20/SF

USES	
Acquisition	\$1
Hard Costs	\$4,130,000.00
Core and Shell Scope	\$1,800,000.00
Tenant Infill at \$217/SF	\$2,330,000.00
Owner's Contingency	
Soft Costs (assumed 30% of Hard Costs)	\$1,240,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$5,400,000.00

TI (LOW)
-\$3,540,000.00

SOURCES	
Equity	\$465,000.00
City	\$0.00
Private Developer @ 25% of FMV	\$465,000.00
	\$0.00
Debt - @ 75% of FMV	\$1,395,000.00
C-PACE	\$372,000.00
Other Potential Sources	\$0.00
Historic Tax Credits	
New Market Tax Credits	
LCDA Predevelopment Grant	
DEED Redevelopment Grant	
LCDA Tax Based Revitalization Account	
TOTAL	\$1,860,000.00

TOTAL USES **\$5,450,000.00**

TOTAL GAP
-\$3,540,000.00

TOTAL SOURCES **\$1,910,000.00**

Base Building Scope + Tenant Improvement (High Benchmark)

\$20/SF Rent

COLLABORATIVE DELIVERY

PHASE 1: MOBILIZATION / HOLD AND MAINTAIN

Fair Market Value **\$589,000.00**

Development Agreement:

City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 2: TENANT IMPROVEMENT (HIGH)

Fair Market Value **\$1,860,000.00**

Development Agreement:

Private Developer targets tenant at higher end of rental spectrum \$20/SF

USES	
Acquisition	\$1
Hard Costs	\$4,140,000.00
Core and Shell Scope	\$1,800,000.00
Tenant Infill at \$217/SF	\$2,340,000.00
Owner's Contingency	
Soft Costs (assumed 25% of Hard Costs)	\$1,040,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$5,210,000.00

TI (LOW)
\$0.00

SOURCES	
Equity	\$1,572,250.00
City	\$1,107,250.00
Private Developer @ 25% of FMV	\$465,000.00
Debt - @ 75% of FMV	\$1,395,000.00
C-PACE	\$372,000.00
Other Potential Sources	\$2,242,750.00
Historic Tax Credits	\$1,554,000.00
New Market Tax Credits	\$348,750.00
LCDA Predevelopment Grant	\$200,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$5,210,000.00

TOTAL USES **\$5,260,000.00**

TOTAL GAP
\$0.00

TOTAL SOURCES **\$5,260,000.00**

Base Building Scope + Tenant Improvement (High Benchmark)

\$20/SF Rent

PHASED DELIVERY

MOBILIZATION / HOLD AND MAINTAIN	Fair Market Value	\$589,000.00
<i>Development Agreement:</i>		
City owns the building, applies for the grant, procures and manages abatement project. Private Developer applies for HTC Part 1 and secures approval.		

USES	
Acquisition	N/A
Hard Costs	\$0.00
Abatement	
Soft Costs (assumed 30% of Hard Costs)	\$0.00
Holding Cost/Year	\$30,000.00
HTC Application Process	\$20,000.00
TOTAL	\$50,000.00

Phase 1 GAP
\$0.00

SOURCES	
Equity	\$50,000.00
City	\$30,000.00
Private Developer	\$20,000.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$50,000.00

PHASE 1: MAINTAIN AND IMPROVE	Fair Market Value	\$940,000.00
<i>Development Agreement:</i>		
City invests money while they own the building on repairs		

USES	
Acquisition	\$0
Hard Costs	\$1,800,000.00
Core and Shell Scope	\$1,801,338.00
Owner's Contingency	
Soft Costs (assumed 30% of Hard Costs)	\$540,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$2,370,000.00

BASE SCOPE
-\$1,470,000.00

SOURCES	
Equity	\$900,000.00
City	\$900,000.00
Private Developer	\$0.00
Debt	N/A
Historic Tax Credits	N/A
TOTAL	\$900,000.00

PHASE 2 : TENANT IMPROVEMENT (HIGH)	Fair Market Value	\$1,860,000.00
<i>Development Agreement:</i>		
Private Developer targets tenant at higher end of rental spectrum \$20/SF		

USES	
Acquisition	\$1
Remaining Base Scope	\$1,470,000.00
Hard Costs	\$2,330,000.00
Tenant Infill at \$217 SF	\$2,329,495.00
Owner's Contingency	
HTC Application Process	\$20,000.00
Soft Costs (assumed 30% of Hard Costs)	\$700,000.00
Holding Cost/Year	\$30,000.00
TOTAL	\$4,550,000.00

TI (LOW)
-\$650,000.00

SOURCES	
Equity	\$465,000.00
City	\$0.00
Private Developer @ 25% of FMV	\$465,000.00
Debt - @ 75% of FMV	\$1,395,000.00
C-PACE	\$372,000.00
Other Potential Sources	\$2,040,000.00
Historic Tax Credits	\$1,350,000.00
New Market Tax Credits	\$348,750.00
LCDA Predevelopment Grant	\$200,000.00
DEED Redevelopment Grant	\$70,000.00
LCDA Tax Based Revitalization Account	\$70,000.00
TOTAL	\$3,900,000.00

TOTAL USES **\$5,450,000.00**

TOTAL GAP
-\$650,000.00

TOTAL SOURCES **\$4,800,000.00**