



M E M O

**County
Administrator**

Robert W. Wilson
701-241-5770
wilsonro@casscountynd.gov

TO: Cass County Commissioners
FROM: Robert W. Wilson
DATE: July 1, 2020
SUBJECT: Elliott Place 4 & Elliott Place 9 PILOT Applications

The Board will be asked to consider PILOT applications for Elliott Place 4 and Elliott Place 9 on July 6th. This is a senior low-income housing project sponsored by the Fargo Housing and Redevelopment Authority. It is one project requiring two applications because there are two ownership groups.

The 84-unit housing complex will be located at 4462 30th Avenue South (45th Street and 30th Avenue). This development is part of the city's plan to replace the 247 housing units in the downtown Fargo Highrise when that facility closes.

This property is now tax exempt. Once construction is underway taxes will be assessed on the property. The request is for a 17-year tax exemption on the improvements.

This project was discussed at the May and June Fargo Tax Exempt Review Committee meetings, and the comment was made that the project is not viable if all taxing entities do not participate in the PILOTS.

SUGGESTED MOTIONS:

Move to participate in the request for a payment in lieu of taxes (PILOT) incentive for two low income housing projects in partnership with the Fargo Housing and Redevelopment Authority submitted by Elliott Place 4 and Elliott Place 9 for a 17-year period.

OR

Move to NOT participate in the request for a payment in lieu of taxes (PILOT) incentive for two low income housing projects in partnership with the Fargo Housing and Redevelopment Authority submitted by Elliott Place 4 and Elliott Place 9 for a 17-year period.

PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108

www.casscountynd.gov



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wilsonro@casscountynd.gov

June 3, 2020

Mr. Ben Hushka
City Assessor
Fargo Assessment Department
225 4th St. N., W234
Fargo, ND 58102

Re: Cass County Participation in PILOT Incentive for Elliott Place 4 & 9

Dear Mr. Hushka:

Cass County received your May 19, 2020 letter and Application for a Property Tax Incentives for New or Expanding Businesses for the Elliott Place 4 & Elliott Place 9 projects.

The timing of Cass County's review of these applications was discussed at the May 26, 2020 Fargo Tax Exempt Review Committee Meeting. There was a consensus that, due to additional application material that will be received, it is appropriate that the County consider the applications on July 6, 2020.

In accordance with N.D.C.C. Chapter 40-05-24 Cass County is responding within 30 days to inform your office of the County's intent to negotiate the terms of the property tax incentive.

Again, consideration of this applicaiton will be scheduled for the Commission meeting on July 6, 2020.

Please contact me if you have questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. W. Wilson", written in a cursive style.

Robert W. Wilson
Cass County Administrator

PO Box 2806
211 Ninth Street South
Fargo, North Dakota 58108

www.casscountynd.gov

THE CITY OF
Fargo
FAR MORE 
ASSESSMENT DEPARTMENT

RECEIVED
CASS COUNTY COMMISSION

MAY 21 2020

May 19, 2020

Chad Peterson, Chairman
Cass County Commission
211 9th St. S.
Fargo, ND 58103

Mr. Peterson,

According to N.D.C.C. Chapter 40-05-24 (attached), if the City of Fargo anticipates granting a property tax incentive for more than five years, the Chairman of the County Commission must be notified by letter. Within thirty days of receipt of the letter, the County Commission shall notify the City of Fargo whether they intend to participate in the incentive.

The City of Fargo has received two applications from Fargo Housing & Redevelopment Authority (FHRA) Executive Director, Matthew Pike for a payment in lieu of tax (PILOT) incentive for a low income housing project. This project will be owned by a for-profit entity in partnership with the FHRA. It will be in the Low Income Housing Tax Credit (LIHTC) program under Section 42 of the Internal Revenue Code. The incentives and tax credits are to assist in the new construction of the Elliott Place low income housing apartment project at 4462 30th Ave. S. 32 units have received commitment of the 9% low income housing tax credits and 52 units have received the 4% credits. After 17 years, the ownership interest will transfer to the FHRA.

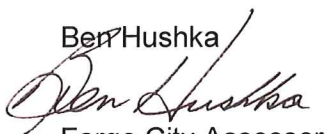
The request is for a 17 year, \$0 payment PILOT. Included is financial information including cash flow projections, expected rents, as well as operating and construction budgets.

The site is currently owned by the Fargo Housing Authority and is exempt from property taxes. Taxing jurisdictions currently receive no property tax revenue from this site. Although this request is for \$0 payment on the improvements, the property will begin to pay property taxes on the land. Based on the current land value, there will be approximately \$14,000 per year in property taxes.

Please respond at your earliest convenience with the determination made by the County Commission regarding the participation.

Thank you.

Ben Hushka



Fargo City Assessor

cc: Robert Wilson



June 18, 2020

Memorandum

To: City of Fargo

From: PFM Financial Advisors LLC

Re: Elliott Place Analysis

The Fargo Housing & Redevelopment Authority ("FHRA") and the BlueLine Development, Inc. are working to develop Elliott Place which will be a senior living facility consisting of 84 Americans with Disabilities Act compliant units to serve low income households. Total cost is estimated to be approximately \$20.9 million with funding coming from 9% and 4% low-income housing tax credits.

PFM reviewed and replicated the projected cash flows of Elliott Place as provided by the FHRA. PFM found the assumptions used in the pro forma cash flow to be reasonable. In order to finance the project, FHRA secured 9% and 4% Low-Income Housing Tax Credits (LIHTC) which they were able to leverage into approximately \$10.1 million of tax credit equity. In addition, FHRA received grants from the Housing Trust Fund, Housing Incentive Fund, and City HOME totaling \$5,957,836 which will be repaid to the FHRA from net revenues of the project. The FHRA plans to take out permanent mortgage loans to fund the last funds needed in the amount of \$4,825,000 million. Elliott Place must have a minimum of 1.15x coverage on the permanent loan per the lender which is a reasonable coverage level for this type and size of project.

PFM ran three analyses:

- 1.) Full taxes paid only on the land value (\$1,013,000);
- 2.) Full taxes paid on land and building value (\$7,733,000); and
- 3.) Full taxes paid on land value only plus County's share of building.

PFM found that the project will be feasible only under Scenario 1. The project falls short of the minimum debt service coverage of 1.15x for the other scenarios.

<u>Scenario</u>	<u>Minimum Coverage in First 10 Years</u>	<u>1.15x Coverage Achieved</u>
Scenario 1	1.17x	Year 1
Scenario 2	0.81x	Year 12
Scenario 3	1.10x	Year 3

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo
City or County

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business	<u>Elliott Place 4</u>	
2.	Address of project	<u>4462 30th Ave South</u>	
	City	<u>Fargo</u> County <u>Cass</u>	
3.	Mailing address of project operator	<u>325 Broadway</u>	
	City	<u>Fargo</u> State <u>ND</u> Zip <u>58102</u>	
4.	Type of ownership of project		
	<input checked="" type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation	<input type="checkbox"/> Individual proprietorship
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No.	_____	
6.	North Dakota Sales and Use Tax Permit No.	_____	
7.	If a corporation, specify the state and date of incorporation	_____	
8.	Name and title of individual to contact	<u>G. Matthew Pike</u>	
	Mailing address	<u>325 Broadway</u>	
	City, State, Zip	<u>Fargo, ND 58102</u> Phone No. <u>701-478-2560</u>	

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.	
	<input type="checkbox"/> Property Tax Exemption	<input checked="" type="checkbox"/> Payments In Lieu of Taxes
	_____ Number of years	<u>2021</u> Beginning year <u>2038</u> Ending year
	_____ Percent of exemption	_____ Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the project for which this application is being made:	
	<input checked="" type="checkbox"/> New business project	<input type="checkbox"/> Expansion of a existing business project

Description of Project Property

11. Legal description of project real property

Calico Prairie Addition Lot 3, Block 2

12. Will the project property be owned or leased by the project operator? Owned Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

Yes No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility? New construction Existing facility

If existing facility, when was it constructed? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application 08/2020

b. Description of project to be constructed including size, type and quality of construction

Senior living apartment building consisting of 52 ADA compliant units that will serve low income households. The project is being built primarily by Low Income Tax Credit Funds.

c. Projected number of construction employees during the project construction 150-200

14. Approximate date of commencement of this project's operations 09/2021

15. Estimated market value of the property used for this project:

\$627,047

a. Land..... \$ 438,871

b. Existing buildings and structures for which an exemption is claimed..... \$ _____

c. Newly constructed buildings and structures when completed \$ 4,160,000

d. Total..... \$ 4,598,871

e. Machinery and equipment \$ _____

Land Tax \$8,632

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible) 

b. Eligible existing buildings and structures..... \$ _____

c. Newly constructed buildings and structures when completed..... \$ **\$208,000**
\$ 384,980

d. Total taxable valuation of property eligible for exemption (Add lines b and c)..... \$ **\$208,000**
\$ 187,200

e. Enter the consolidated mill rate for the appropriate taxing district **275.32**
288.60

f. Annual amount of the tax exemption (Line d multiplied by line e) \$ **\$57,267**
\$ 54,025.00

Description of Project Business

Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: Ag processing Manufacturing Retailing
 Wholesaling Warehousing Services

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).
Affordable senior living rental property serving low income households.

19. Indicate the type of machinery and equipment that will be installed
Elevator

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>479,917</u>	<u>489,515</u>	<u>499,305</u>	<u>509,291</u>	<u>519,476</u>
Annual expense	<u>454,329</u>	<u>467,958</u>	<u>481,996</u>	<u>496,455</u>	<u>511,348</u>
Net income	<u>25,588</u>	<u>21,557</u>	<u>17,309</u>	<u>12,836</u>	<u>8,128</u>

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
4			2	2		

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1) _____	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	(2) _____	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Estimated payroll	(1) _____	<u>15,395</u>	<u>81,844</u>	<u>84,299</u>	<u>86,827</u>	<u>92,035</u>
	(2) _____	<u>9,549</u>	<u>28,649</u>	<u>29,508</u>	<u>30,393</u>	<u>31,304</u>

(1) - full time
(2) - part time

Previous Business Activity

22. Is the project operator succeeding someone else in this or a similar business? Yes No
23. Has the project operator conducted this business at this or any other location either in or outside of the state?
 Yes No
24. Has the project operator or any officers of the project received any prior property tax incentives? Yes No

If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).

Fargo Housing & Redevelopment Authority operates certain affordable housing properties that are tax exempt, however FHRA continues to make PILOT payments for the properties. The most recent PILOT granted to FHRA was for Fargo New Horizons, a 97-unit affordable housing building, serving seniors, veterans, and disabled persons.

Business Competition

25. Is any similar business being conducted by other operators in the municipality? Yes No

If YES, give name and location of competing business or businesses

Beyond Shelter, Inc, Kilbourne, EPIC, Craig Properties and Enclave

Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %

Property Tax Liability Disclosure Statement

26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No
27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No

If the answer to 26 or 27 is Yes, list and explain

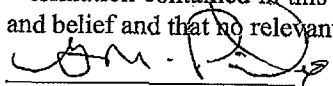
Use Only When Reapplying

28. The project operator is reapplying for property tax incentives for the following reason(s):
- To present additional facts or circumstances which were not presented at the time of the original application
 - To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - had a change in project operators
 - To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, G. Matthew Pike, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.


Signature

Executive Director & CEO
Title

5.15.2020
Date

15 Year Cash Flow Projection - Elliott Place 4%

Annual Increase:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Potential Residential Gross Income	495,324	505,230	515,335	525,642	536,155	546,878	557,816	568,972	580,351	591,958	603,797	615,873	628,193	640,754	653,559	666,640	679,973
Less Vacancy and Collection Loss	(24,766)	(25,262)	(25,767)	(26,282)	(26,809)	(27,344)	(27,891)	(28,449)	(29,018)	(29,598)	(30,190)	(30,794)	(31,410)	(32,038)	(32,678)	(33,332)	(33,999)
Plus Other Income	9,360	9,547	9,738	9,933	10,132	10,335	10,542	10,753	10,968	11,187	11,411	11,639	11,872	12,109	12,351	12,598	12,850
Less Vacancy and Collection Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	479,918	489,515	499,306	509,293	519,479	529,869	540,467	551,276	562,301	573,547	585,018	596,718	608,652	620,825	633,242	645,906	658,824
Less Annual Operating Expenses	(64,753)	(65,695)	(66,697)	(67,758)	(68,881)	(70,067)	(71,319)	(72,639)	(74,028)	(75,489)	(77,023)	(78,634)	(80,323)	(82,093)	(83,945)	(85,880)	(87,901)
Maintenance	(59,400)	(61,182)	(63,017)	(64,909)	(66,855)	(68,861)	(70,927)	(73,055)	(75,246)	(77,504)	(79,829)	(82,223)	(84,690)	(87,231)	(89,848)	(92,543)	(95,320)
Utilities and Benefits	(54,500)	(56,135)	(57,819)	(59,554)	(61,340)	(63,180)	(65,076)	(67,028)	(69,039)	(71,110)	(73,243)	(75,441)	(77,704)	(80,035)	(82,436)	(84,909)	(87,457)
Insurance	(72,694)	(74,695)	(76,744)	(78,842)	(80,990)	(83,191)	(85,446)	(87,756)	(90,124)	(92,552)	(95,041)	(97,591)	(100,112)	(102,705)	(105,370)	(110,112)	(116,636)
Special Assessments	(1,138)	(1,170)	(1,204)	(1,239)	(1,275)	(1,312)	(1,350)	(1,389)	(1,429)	(1,470)	(1,512)	(1,555)	(1,600)	(1,646)	(1,693)	(1,741)	(1,790)
Payment in Lieu of Taxes	(8,242)	(8,425)	(8,609)	(8,794)	(8,981)	(9,170)	(9,361)	(9,554)	(9,750)	(9,948)	(10,148)	(10,350)	(10,554)	(10,760)	(10,968)	(11,178)	(11,388)
Total Annual Operating Expenses	(87,299)	(89,137)	(91,039)	(92,997)	(95,012)	(97,084)	(99,214)	(101,403)	(103,654)	(105,977)	(108,373)	(110,844)	(113,391)	(116,016)	(118,721)	(121,509)	(124,381)
Less Reserve Payments (HOME OWNERSH)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Replacement Reserves	(20,800)	(21,424)	(22,067)	(22,729)	(23,411)	(24,113)	(24,836)	(25,581)	(26,348)	(27,139)	(27,952)	(28,791)	(29,655)	(30,545)	(31,461)	(32,405)	(33,377)
Net Operating Income	184,764	185,506	186,176	186,769	187,280	187,704	188,037	188,274	188,409	188,439	188,357	188,156	187,833	187,381	186,795	186,066	185,189
Less Annual Debt Service 1ST Loan	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)	(155,053)
HTF/HF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)	(24,448)
Total Debt Service	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)	(179,501)
Annual Cash Flow	29,711	30,453	31,123	31,716	32,227	32,651	32,884	33,221	33,356	33,386	33,304	33,103	32,780	32,328	31,742	31,013	30,136

Parcel Number	01-6900-0055-000
Address	4462 30 Ave S
Date Application Received	5/6/2020
1st Publication Date	5/19/2020
2nd Publication Date	5/26/2020
TRC Meeting Date	6/15/2020
Commission Hearing Date	5/20/2020
Notice Delivery To School/County	6/19/2020
Exemption Type	PILOT
Estimated Improvements Value	\$4,160,000
Anticipated Tax Growth	2.5%
Current Mill Levy @ Approval	275.32
Number of Years Granted	17
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$690,334
Present Value of Benefit	\$412,900

% Ex	PILOT Pymt	Full Bldg Tax	Benefit	PV of Benefit	PILOT & Tax
1	100%	\$0	\$57,267	\$57,267	\$8,632
2	100%	\$0	\$58,412	\$58,412	\$8,632
3	100%	\$0	\$59,556	\$59,556	\$8,632
4	100%	\$0	\$60,700	\$60,700	\$8,632
5	100%	\$0	\$61,844	\$61,844	\$8,632
6	100%	\$0	\$62,988	\$62,988	\$8,632
7	100%	\$0	\$64,132	\$64,132	\$8,632
8	100%	\$0	\$65,276	\$65,276	\$8,632
9	100%	\$0	\$66,420	\$66,420	\$8,632
10	100%	\$0	\$67,564	\$67,564	\$8,632
11	100%	\$0	\$68,708	\$68,708	\$8,632
12	100%	\$0	\$69,852	\$69,852	\$8,632
13	100%	\$0	\$71,204	\$71,204	\$8,632
14	100%	\$0	\$72,628	\$72,628	\$8,632
15	100%	\$0	\$74,052	\$74,052	\$8,632
16	100%	\$0	\$75,476	\$75,476	\$8,632
17	100%	\$0	\$76,900	\$76,900	\$8,632
TOTALS		\$0	\$1,146,022	\$1,146,022	\$146,743
Annual Land Tax		\$8,632			\$66,000

County Share	County Addl Share	County Share Impr	Full Impr Net Tax	PILOT & Tax	% Ex Benefit	PV of Benefit
\$0	\$10,192	\$10,192	\$57,267	\$18,624	82%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	83%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	86%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	86%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	87%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	87%	\$38,443
TOTALS						\$653,525

Land Value	Imprment Value	Year	CALCULATION OF ADDITIONAL TAX DUE TO COUNTY	
			Mill Levy	%
\$627,047	\$4,160,000	2023	275.32	17.8%
\$627,047	\$4,160,000	2024	275.32	17.8%
\$627,047	\$4,160,000	2025	275.32	17.8%
\$627,047	\$4,160,000	2026	275.32	17.8%
\$627,047	\$4,160,000	2027	275.32	17.8%
\$627,047	\$4,160,000	2028	275.32	17.8%
\$627,047	\$4,160,000	2029	275.32	17.8%
\$627,047	\$4,160,000	2030	275.32	17.8%
\$627,047	\$4,160,000	2031	275.32	17.8%
\$627,047	\$4,160,000	2032	275.32	17.8%
\$627,047	\$4,160,000	2033	275.32	17.8%
\$627,047	\$4,160,000	2034	275.32	17.8%
\$627,047	\$4,160,000	2035	275.32	17.8%
\$627,047	\$4,160,000	2036	275.32	17.8%
\$627,047	\$4,160,000	2037	275.32	17.8%
\$627,047	\$4,160,000	2038	275.32	17.8%

County Share	County Addl Share	County Share Impr	Full Impr Net Tax	PILOT & Tax	% Ex Benefit	PV of Benefit
\$0	\$10,192	\$10,192	\$57,267	\$18,624	82%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	83%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	84%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	85%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	86%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	86%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	87%	\$38,443
\$0	\$10,192	\$10,192	\$57,267	\$18,624	87%	\$38,443
TOTALS						\$653,525

Application For Property Tax Incentives For New or Expanding Businesses

N.D.C.C. Chapter 40-57.1

Project Operator's Application To Fargo
City or County

RECEIVED
5/15/2020

File with the City Auditor for a project located within a city; County Auditor for locations outside of city limits.

A representative of each affected school district and township is included as a non-voting member in the negotiations and deliberation of this application.

This application is a public record

Identification Of Project Operator

1.	Name of project operator of new or expanding business	<u>Elliott Place 9</u>	
2.	Address of project	<u>4462 30th Ave South</u>	
	City	<u>Fargo</u> County <u>Cass</u>	
3.	Mailing address of project operator	<u>325 Broadway</u>	
	City	<u>Fargo</u> State <u>ND</u> Zip <u>58102</u>	
4.	Type of ownership of project		
	<input checked="" type="checkbox"/> Partnership	<input type="checkbox"/> Subchapter S corporation	<input type="checkbox"/> Individual proprietorship
	<input type="checkbox"/> Corporation	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Limited liability company
5.	Federal Identification No. or Social Security No.	_____	
6.	North Dakota Sales and Use Tax Permit No.	_____	
7.	If a corporation, specify the state and date of incorporation	_____	
8.	Name and title of individual to contact	<u>G. Matthew Pike</u>	
	Mailing address	<u>325 Broadway</u>	
	City, State, Zip	<u>Fargo, ND 58102</u> Phone No. <u>701-478-2560</u>	

Project Operator's Application For Tax Incentives

9.	Indicate the tax incentives applied for and terms. Be specific.	
	<input type="checkbox"/> Property Tax Exemption	<input checked="" type="checkbox"/> Payments In Lieu of Taxes
	_____ Number of years	<u>2021</u> Beginning year <u>2038</u> Ending year
	_____ Percent of exemption	_____ Amount of annual payments (attach schedule if payments will vary)
10.	Which of the following would better describe the project for which this application is being made:	
	<input checked="" type="checkbox"/> New business project	<input type="checkbox"/> Expansion of a existing business project

Description of Project Property

11. Legal description of project real property
Calico Prairie Addition Lot 3, Block 2

12. Will the project property be owned or leased by the project operator? Owned Leased

If the answer to 12 is leased, will the benefit of any incentive granted accrue to the project operator?

Yes No

If the property will be leased, attach a copy of the lease or other agreement establishing the project operator's benefits.

13. Will the project be located in a new structure or an existing facility? New construction Existing facility

If existing facility, when was it constructed? _____

If new construction, complete the following:

a. Estimated date of commencement of construction of the project covered by this application 08/2020

b. Description of project to be constructed including size, type and quality of construction

Senior living apartment building consisting of 32 ADA compliant units that will serve low income households. The project is being built primarily by Low Income Tax Credit Funds.

c. Projected number of construction employees during the project construction 150-200

14. Approximate date of commencement of this project's operations 09/2021

15. Estimated market value of the property used for this project: **\$385,953**

a. Land.....\$ 270,129

b. Existing buildings and structures for which an exemption is claimed.....\$ _____

c. Newly constructed buildings and structures when completed.....\$ 2,560,000

d. Total.....\$ 2,830,129

e. Machinery and equipment.....\$ _____

Land Tax \$5,313

16. Estimate taxable valuation of the property eligible for exemption by multiplying the market values by 5 percent:

a. Land (not eligible)..... 

b. Eligible existing buildings and structures.....\$ _____

c. Newly constructed buildings and structures when completed.....\$ **\$128,000**
115,200

d. Total taxable valuation of property eligible for exemption (Add lines b and c).....\$ **\$128,000**
115,200

e. Enter the consolidated mill rate for the appropriate taxing district..... **275.32**
288.60

f. Annual amount of the tax exemption (Line d multiplied by line e).....\$ **\$35,241**
33,246

Description of Project Business

Note: "project" means a newly established business or the expansion portion of an existing business. Do not include any established part of an existing business.

17. Type of business to be engaged in: Ag processing Manufacturing Retailing
 Wholesaling Warehousing Services

18. Describe in detail the activities to be engaged in by the project operator, including a description of any products to be manufactured, produced, assembled or stored (attach additional sheets if necessary).

Affordable senior living rental property serving low income households.

19. Indicate the type of machinery and equipment that will be installed
Elevator

20. For the project only, indicate the projected annual revenue, expense, and net income (before tax) from either the new business or the expansion itself for each year of the requested exemption.

Year (12 mo. periods)	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only	New/Expansion Project only
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual revenue	<u>301,264</u>	<u>307,289</u>	<u>313,434</u>	<u>319,702</u>	<u>326,096</u>
Annual expense	<u>283,657</u>	<u>292,166</u>	<u>300,931</u>	<u>309,958</u>	<u>319,256</u>
Net income	<u>17,607</u>	<u>15,123</u>	<u>12,503</u>	<u>9,744</u>	<u>6,840</u>

21. Projected number and salary of persons to be employed by the project for the first five years:

Current positions & positions added the initial year of project

# Current Positions	New Positions Under \$13.00	New Positions \$13.01-\$15.00	New Positions \$15.01-\$20.00	New Positions \$20.01-\$28.00	New Positions \$28.01-\$35.00	New Positions Over \$35.00
4			2	2		

Year	(Before project)	Year 1	Year 2	Year 3	Year 4	Year 5
No. of Employees	(1)	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	(2)	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Estimated payroll	(1)	<u>16,788</u>	<u>50,365</u>	<u>51,875</u>	<u>53,431</u>	<u>55,033</u>
	(2)	<u>5,876</u>	<u>17,630</u>	<u>18,158</u>	<u>18,702</u>	<u>19,263</u>

(1) - full time
(2) - part time

Previous Business Activity

- 22. Is the project operator succeeding someone else in this or a similar business? Yes No
- 23. Has the project operator conducted this business at this or any other location either in or outside of the state?
 Yes No
- 24. Has the project operator or any officers of the project received any prior property tax incentives? Yes No

If the answer to 22, 23, or 24 is yes, give details including locations, dates, and name of former business (attach additional sheets if necessary).

Fargo Housing and Redevelopment Authority operates certain affordable housing properties that are tax exempt, however FHRA continues to make PILOT payments for the properties. The most recent PILOT granted to FHRA was for Fargo New Horizons, a 97-unit affordable housing building, serving seniors, veterans and disabled persons.

Business Competition

- 25. Is any similar business being conducted by other operators in the municipality? Yes No

If YES, give name and location of competing business or businesses

Beyond Shelter, Inc, Kilbourne, EPIC, Craig Properties and Enclave

Percentage of Gross Revenue Received Where Underlying Business Has ANY Local Competition %

Property Tax Liability Disclosure Statement

- 26. Does the project operator own real property in North Dakota which has delinquent property tax levied against it? Yes No
- 27. Does the project operator own a greater than 50% interest in a business that has delinquent property tax levied against any of its North Dakota real property? Yes No

If the answer to 26 or 27 is Yes, list and explain

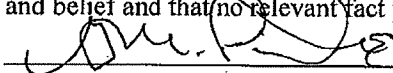
Use Only When Reapplying

- 28. The project operator is reapplying for property tax incentives for the following reason(s):
 - To present additional facts or circumstances which were not presented at the time of the original application
 - To request continuation of the present property tax incentives because the project has:
 - moved to a new location
 - had a change in project operation or additional capital investment of more than twenty percent
 - had a change in project operators
 - To request an additional annual exemption for the year of _____ on structures owned by a governmental entity and leased to the project operator. (See N.D.C.C. § 40-57.1-04.1)

Notice to Competitors of Hearing

Prior to the hearing, the applicant must present to the governing body of the county or city a copy of the affidavit of publication giving notice to competitors unless the municipality has otherwise determined there are no competitors.

I, G. Matthew Pike, do hereby certify that the answers to the above questions and all of the information contained in this application, including attachments hereto, are true and correct to the best of my knowledge and belief and that no relevant fact pertaining to the ownership or operation of the project has been omitted.


Signature

Executive Director & CEO
Title

5.15.2020
Date

15 Year Cash Flow Projection - Elliott Place 9%

Annual Increases:	2%
Rental Increase	3%
Expense Increase	3%
Replacement Reserve Increase	

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
Potential Residential Gross Income	304,644	310,737	316,952	323,291	329,757	336,352	343,079	349,941	356,940	364,073	371,351	378,788	386,364	394,091	401,973	410,012	418,212
Less Vacancy and Collection Loss	(15,232)	(15,537)	(15,848)	(16,165)	(16,488)	(16,818)	(17,154)	(17,497)	(17,847)	(18,204)	(18,568)	(18,939)	(19,318)	(19,705)	(20,099)	(20,501)	(20,911)
Plus Other Income	5,760	5,875	5,993	6,113	6,235	6,360	6,487	6,617	6,749	6,884	7,022	7,162	7,305	7,451	7,600	7,752	7,907
Less Vacancy and Collection Loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	295,172	301,075	307,097	313,239	319,504	325,894	332,412	339,051	345,842	352,759	359,815	367,011	374,351	381,837	389,474	397,263	405,208
Less Annual Operating Expenses	(46,974)	(48,393)	(49,834)	(51,299)	(52,869)	(54,455)	(56,089)	(57,772)	(59,505)	(61,290)	(63,129)	(65,023)	(66,973)	(68,983)	(71,052)	(73,184)	(75,379)
Admin Expenses	(50,400)	(51,912)	(53,459)	(55,073)	(56,726)	(58,427)	(60,180)	(61,986)	(63,845)	(65,761)	(67,733)	(69,765)	(71,856)	(74,014)	(76,235)	(78,522)	(80,877)
Maintenance	(23,867)	(24,593)	(25,321)	(26,060)	(26,853)	(27,669)	(28,498)	(29,353)	(30,234)	(31,141)	(32,075)	(33,038)	(34,029)	(35,049)	(36,101)	(37,184)	(38,300)
Salaries and Benefits	(26,800)	(27,604)	(28,429)	(29,285)	(30,164)	(31,069)	(32,001)	(32,961)	(33,949)	(34,966)	(36,017)	(37,097)	(38,210)	(39,357)	(40,537)	(41,754)	(43,006)
Utilities	(12,202)	(12,568)	(12,945)	(13,333)	(13,733)	(14,145)	(14,570)	(15,007)	(15,457)	(15,921)	(16,398)	(16,880)	(17,371)	(17,871)	(18,387)	(18,919)	(19,467)
Insurance	(3,472)	(3,576)	(3,684)	(3,794)	(3,908)	(4,025)	(4,146)	(4,271)	(4,399)	(4,531)	(4,667)	(4,807)	(4,951)	(5,099)	(5,252)	(5,410)	(5,572)
Payment in Lieu of Taxes	(3,552)	(3,652)	(3,757)	(3,867)	(3,981)	(4,099)	(4,221)	(4,347)	(4,476)	(4,607)	(4,741)	(4,879)	(5,021)	(5,167)	(5,316)	(5,470)	(5,628)
Total Annual Operating Expenses	(187,352)	(192,978)	(198,758)	(204,699)	(210,792)	(217,039)	(223,455)	(229,998)	(236,668)	(243,466)	(250,395)	(257,457)	(264,654)	(271,988)	(279,460)	(287,074)	(294,832)
Less Reserve Payments: 5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Replacement Reserves	(12,800)	(13,184)	(13,569)	(13,957)	(14,347)	(14,739)	(15,134)	(15,531)	(15,931)	(16,334)	(16,741)	(17,151)	(17,564)	(17,980)	(18,399)	(18,821)	(19,246)
Net Operating Income	114,820	115,312	115,761	116,163	116,515	116,816	117,062	117,250	117,377	117,440	117,437	117,361	117,212	116,983	116,674	116,279	115,795
Less Annual Debt Service 1ST Loan	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)
HTF/HF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)	(95,029)
Annual Cash Flow	19,791	20,283	20,732	21,134	21,487	21,787	22,033	22,221	22,348	22,411	22,408	22,333	22,183	21,954	21,645	21,250	20,766

Senior Unit Mix

Number	Bedrooms	Baths	Rents	Incomes	Gross Rents	Utility Allowance	Net Rents	Voucher Pmt	Rents	Total Rents	Avg rents
19	1	1	30%	30%	\$ 473.00	\$ (78.00)	\$ 395.00	\$ 381.00	\$ 776.00	\$ 14,744.00	
0	2	2	30%	30%	\$ 567.00	\$ (90.00)	\$ 477.00	\$ 484.00	\$ 961.00	\$ -	
0	3	2	30%	30%	\$ 656.00	\$ (98.00)	\$ 558.00	\$ -	\$ 558.00	\$ -	
2	1	1	40%	40%	\$ 631.00	\$ (78.00)	\$ 553.00	\$ 223.00	\$ 776.00	\$ 1,552.00	
0	2	2	40%	40%	\$ 757.00	\$ (90.00)	\$ 667.00	\$ 294.00	\$ 961.00	\$ -	
0	3	2	40%	40%	\$ 875.00	\$ (98.00)	\$ 777.00	\$ -	\$ 777.00	\$ -	
10	1	1	50%	50%	\$ 788.00	\$ (78.00)	\$ 710.00	\$ 66.00	\$ 776.00	\$ 7,760.00	
1	2	2	50%	50%	\$ 946.00	\$ (90.00)	\$ 856.00	\$ 105.00	\$ 961.00	\$ 961.00	
0	3	2	50%	50%	\$ 1,093.00	\$ (98.00)	\$ 995.00	\$ -	\$ 995.00	\$ -	
13	1	1	60%	60%	\$ 946.00	\$ (78.00)	\$ 868.00	\$ (92.00)	\$ 776.00	\$ 10,088.00	
1	2	2	60%	60%	\$ 1,135.00	\$ (90.00)	\$ 1,045.00	\$ (84.00)	\$ 961.00	\$ 961.00	
0	3	2	60%	60%	\$ 1,312.00	\$ (98.00)	\$ 1,214.00	\$ -	\$ 1,214.00	\$ -	
0	1	1	70%	70%	\$ 1,214.00	\$ (78.00)	\$ 1,136.00	\$ (360.00)	\$ 776.00	\$ -	
0	2	2	70%	70%	\$ 1,457.00	\$ (90.00)	\$ 1,367.00	\$ (406.00)	\$ 961.00	\$ -	
0	3	2	70%	70%	\$ 1,684.00	\$ (98.00)	\$ 1,586.00	\$ -	\$ 1,586.00	\$ -	
3	1	1	80%	80%	\$ 1,514.00	\$ (78.00)	\$ 1,436.00	\$ (660.00)	\$ 776.00	\$ 2,328.00	
3	2	2	80%	80%	\$ 1,816.00	\$ (90.00)	\$ 1,726.00	\$ (765.00)	\$ 961.00	\$ 2,883.00	
0	3	2	80%	80%	\$ 2,100.00	\$ (98.00)	\$ 2,002.00	\$ -	\$ 2,002.00	\$ -	
52							\$ -	\$ -	\$ -	\$ 41,277.00	Totals

Manager Units

9% Senior Unit Mix

Number	Bedrooms	Baths	Rents	Incomes	Gross Rents	Utility Allowance	Net Rents	Voucher Pmt	Rents	Total Rents	Avg rents
7	1	1	30%	30%	\$ 473.00	\$ (78.00)	\$ 395.00	\$ 381.00	\$ 776.00	\$ 5,432.00	
0	2	2	30%	30%	\$ 567.00	\$ (90.00)	\$ 477.00	\$ 484.00	\$ 961.00	\$ -	
0	3	2	30%	30%	\$ 656.00	\$ (98.00)	\$ 558.00	\$ -	\$ 558.00	\$ -	
7	1	1	40%	40%	\$ 631.00	\$ (78.00)	\$ 553.00	\$ 223.00	\$ 776.00	\$ 5,432.00	
0	2	2	40%	40%	\$ 757.00	\$ (90.00)	\$ 667.00	\$ 294.00	\$ 961.00	\$ -	
0	3	2	40%	40%	\$ 875.00	\$ (98.00)	\$ 777.00	\$ -	\$ 777.00	\$ -	
6	1	1	50%	50%	\$ 788.00	\$ (78.00)	\$ 710.00	\$ 66.00	\$ 776.00	\$ 4,656.00	
1	2	2	50%	50%	\$ 946.00	\$ (90.00)	\$ 856.00	\$ 105.00	\$ 961.00	\$ 961.00	
0	3	2	50%	50%	\$ 1,093.00	\$ (98.00)	\$ 995.00	\$ -	\$ 995.00	\$ -	
8	1	1	60%	60%	\$ 946.00	\$ (78.00)	\$ 868.00	\$ (92.00)	\$ 776.00	\$ 6,208.00	
1	2	2	60%	60%	\$ 1,135.00	\$ (90.00)	\$ 1,045.00	\$ (84.00)	\$ 961.00	\$ 961.00	
0	3	2	60%	60%	\$ 1,312.00	\$ (98.00)	\$ 1,214.00	\$ -	\$ 1,214.00	\$ -	
0	1	1	70%	70%	\$ 1,214.00	\$ (78.00)	\$ 1,136.00	\$ (360.00)	\$ 776.00	\$ -	
0	2	2	70%	70%	\$ 1,457.00	\$ (90.00)	\$ 1,367.00	\$ (406.00)	\$ 961.00	\$ -	
0	3	2	70%	70%	\$ 1,684.00	\$ (98.00)	\$ 1,586.00	\$ -	\$ 1,586.00	\$ -	
1	1	1	80%	80%	\$ 1,514.00	\$ (78.00)	\$ 1,436.00	\$ (660.00)	\$ 776.00	\$ 776.00	
1	2	2	80%	80%	\$ 1,816.00	\$ (90.00)	\$ 1,726.00	\$ (765.00)	\$ 961.00	\$ 961.00	
0	3	2	80%	80%	\$ 2,100.00	\$ (98.00)	\$ 2,002.00	\$ -	\$ 2,002.00	\$ -	
32							\$ -	\$ -	\$ -	\$ 25,387.00	Totals

Manager Units

Senior Family Operating Budget

9%

Rents/ Expenses			
		9%	4%
Gross Rents		\$ 304,644.00	\$ 495,324.00
Budgeted vacancy	3%	\$ (9,139.32)	\$ (24,766.20)
Total Rents		\$ 295,504.68	\$ 470,557.80
Laundry		\$ 3,840.00	\$ 6,240.00
Other Vending Income		\$ -	\$ -
HOA Fees		\$ -	\$ -
Late Charge		\$ 1,920.00	\$ 3,120.00
Other Income		\$ 5,760.00	\$ 9,360.00
Total revenues		\$ 301,264.68	\$ 479,917.80
Place Holder		\$ -	\$ -
Management Fee		\$ 24,101.17	\$ 38,393.42
Audit		\$ 4,470.00	\$ 4,470.00
Accounting		\$ 5,000.00	\$ 5,000.00
Compliance LIHTC & HTF		\$ 3,690.00	\$ 3,690.00
Legal		\$ 1,900.00	\$ 1,900.00
Advertising		\$ 1,500.00	\$ 1,500.00
Office Supplies		\$ 4,200.00	\$ 4,200.00
Telephone		\$ 2,600.00	\$ 5,600.00
Maintenance Services		\$ 22,500.00	\$ 22,500.00
Main/Cleaning Supplies		\$ 7,200.00	\$ 9,200.00
Heating & Air Cond Repairs		\$ 1,500.00	\$ 5,500.00
Heat A/c & Oth Maint Contracts		\$ 6,200.00	\$ 6,200.00
Exterminating		\$ 7,500.00	\$ 7,500.00
Snow Removal		\$ 5,500.00	\$ 8,500.00
On-Site Manager		\$ 23,867.00	\$ 54,500.00
Grounds Maintenance		\$ 2,000.00	\$ 8,000.00
Natural Gas		\$ 2,500.00	\$ 22,782.00
Electricity - Common Areas		\$ 8,000.00	\$ 16,202.00
Water		\$ 2,500.00	\$ 12,500.00
Sewer		\$ 8,000.00	\$ 10,000.00
Garbage And Rubbbish		\$ 3,800.00	\$ 3,200.00
Elevator		\$ -	\$ -
Tax - Real Estate		\$ 8,100.00	\$ 11,084.00
Insurance - Property And Liab		\$ 12,201.98	\$ 11,135.50
Place Holder		\$ -	\$ -
Increase for Investor Requirements		\$ -	\$ -
Total operating expenses		\$ 168,830.15	\$ 273,556.92
Per Unit Per Annum		\$ 5,275.94	\$ 5,260.71

Net Income	
Net Income Before Debt Service & Reserve Payments	\$ 132,434.53
Less Reserve Payments (HOME OWNERSHIP): 5% (Assuming 50% participation rate)	\$ -
Tax & Ins. reserve - Real Estate Tax	\$ -
Replacement reserve	\$ 11,200.00
Total Reserve Payments	\$ 11,200.00
Funds available for debt service	\$ 121,234.53
Less Debt Service Payments:	
First Mortgage	\$95,028.89
HTF/HIF Mortgage	\$0.00
Deferred Developer Fee	\$87.27
Total debt service	\$95,116.16
Net Cash Flow	\$ 26,118.37
Income to debt service ratio - 1st	1.2758
Income to debt service ratio - HTF	1.2758
Income to debt service ratio - Deferred	1.2746
Income to debt service ratio - Total	1.2746

Loans	
First Mortgage	
Annual Rate	4.300%
Principal	\$1,718,000.00
Annual Payment Amount	(\$95,028.89)
Term in Months	420
Housing Trust Fund	
Annual Rate	0.000%
Principal	\$172,836.00
Annual Payment Amount	\$0.00
Term in Months	360
Housing Incentive Fund	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
City HOME	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
CDBG	
Annual Rate	0.000%
Principal	\$0.00
Annual Payment Amount	\$0.00
Term in Months	360
Deferred Developer Fee	
Annual Rate	0.000%
Principal	\$1,047.27
Annual Payment Amount	(\$87.27)
Term in Months	144

Expenses		NDHFA
Per Unit Check Figures		
Expenses per Unit Less Reserves and Debt Service	\$	168,830.15
Per Unit Annually	\$	5,275.94
Per Unit Monthly		\$439.66

Reserve Calculations	
Operating Reserves - 6 months	

PROJECT BUDGET

Uses	Total Budget	Total Basis	9% Budget	4% Budget	9% Basis
Direct Construction Costs					
Land	\$ 775,000.00	\$ -	\$ 295,238.10	\$ 479,761.90	
Site Work	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Water tap fees	\$ 106,484.00	\$ 106,484.00	\$ 44,723.28	\$ 61,760.72	\$ 44,723.28
Elevator	\$ 130,000.00	\$ 130,000.00	\$ 54,600.00	\$ 75,400.00	\$ 54,600.00
Permits and fees	\$ 90,318.00	\$ 90,318.00	\$ 37,933.56	\$ 52,384.44	\$ 37,933.56
Architect Design	\$ 660,000.00	\$ 660,000.00	\$ 282,400.00	\$ 377,600.00	\$ 282,400.00
Architect Supervision	\$ 165,000.00	\$ 165,000.00	\$ 70,600.00	\$ 94,400.00	\$ 70,600.00
Construction costs	\$ 13,275,174.00	\$ 13,275,174.00	\$ 5,575,573.08	\$ 7,699,600.92	\$ 5,575,573.08
Construction contingency	\$ 995,638.05	\$ 995,638.05	\$ 418,167.98	\$ 577,470.07	\$ 418,167.98
Construction testing	\$ 36,000.00	\$ 36,000.00	\$ 15,120.00	\$ 20,880.00	\$ 15,120.00
Builders Risk	\$ 106,201.00	\$ 106,201.00	\$ 44,604.42	\$ 61,596.58	\$ 44,604.42
Construction inspections	\$ 30,000.00	\$ 30,000.00	\$ 12,600.00	\$ 17,400.00	\$ 12,600.00
Indirect Construction Costs	\$ -	\$ -			\$ -
Developer fee and overhead	\$ 2,305,098.00	\$ 2,305,098.00	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00
Third Party Reports		\$ -			
Environmental Phase 1	\$ 12,000.00	\$ 12,000.00	\$ 5,040.00	\$ 6,960.00	\$ 5,040.00
Feasibility Study	\$ 15,800.00	\$ 15,800.00	\$ 6,636.00	\$ 9,164.00	\$ 6,636.00
Market study	\$ 9,140.00	\$ 9,140.00	\$ 3,838.80	\$ 5,301.20	\$ 3,838.80
Geotechnical Report	\$ 12,000.00	\$ 12,000.00	\$ 5,040.00	\$ 6,960.00	\$ 5,040.00
Civil Engineering	\$ 57,000.00	\$ 57,000.00	\$ 23,940.00	\$ 33,060.00	\$ 23,940.00
Traffic Study	\$ -	\$ -	\$ -	\$ -	\$ -
ALTA	\$ 17,800.00	\$ 17,800.00	\$ 7,476.00	\$ 10,324.00	\$ 7,476.00
Financing Costs		\$ -			
Construction loan interest	\$ 188,858.00	\$ 188,858.00	\$ 130,162.00	\$ 58,696.00	\$ 130,162.00
Construction loan interest after construction	\$ 198,877.00	\$ -	\$ 116,074.00	\$ 82,803.00	\$ -
Permanent loan fees	\$ 82,510.00	\$ -	\$ 34,360.00	\$ 48,150.00	
Construction loan fees	\$ 122,000.00	\$ 122,000.00	\$ 61,000.00	\$ 61,000.00	\$ 61,000.00
Title and recording - construction	\$ 80,000.00	\$ 80,000.00	\$ 33,600.00	\$ 46,400.00	\$ 33,600.00
Title and recording - Perm Lender	\$ 21,000.00	\$ -	\$ 10,500.00	\$ 10,500.00	\$ -
Other Costs	\$ -	\$ -			
Tax credit fees	\$ 112,806.00	\$ -	\$ 80,162.00	\$ 32,653.90	\$ -
HTF Org Fee	\$ 41,300.00	\$ 17,346.00	\$ 17,346.00	\$ 23,954.00	\$ 17,346.00
Property insurance	\$ 60,000.00	\$ 60,000.00	\$ 25,200.00	\$ 34,800.00	\$ 25,200.00
Real estate taxes during construction	\$ 2,000.00	\$ 2,000.00	\$ 840.00	\$ 1,160.00	\$ 840.00
Marketing	\$ 3,000.00	\$ -	\$ 1,500.00	\$ 1,500.00	\$ -
Investor Legal	\$ 130,000.00	\$ -	\$ 35,000.00	\$ 95,000.00	\$ -
HERS Rating	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ -
Legal - construction lender	\$ 115,000.00	\$ 115,000.00	\$ 48,300.00	\$ 66,700.00	\$ 48,300.00
Legal - permanent loan	\$ 100,000.00	\$ -	\$ 35,000.00	\$ 65,000.00	
Legal - partnership	\$ 262,000.00	\$ -	\$ 100,000.00	\$ 162,000.00	
Cost certification	\$ 20,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	
Rent up Reserve	\$ 93,082.00	\$ -	\$ 29,613.00	\$ 63,469.00	
Operating reserve	\$ 364,326.00	\$ -	\$ 138,942.00	\$ 225,384.00	
Soft cost contingency	\$ 100,506.00	\$ 63,318.78	\$ 42,212.52	\$ 58,293.48	\$ 42,212.52
Total	\$ 20,902,918.05	\$ 18,672,175.83	\$ 9,016,470.74	\$ 11,886,457.21	\$ 8,130,081.64

Credit Calculation

Eligible Basis	9% Calc - Actual	4% Calc - Actual	9% Calc - Test	4% Calc Test
	\$ 8,130,081.64	\$ 10,542,094.19	\$ 7,035,080.82	\$ 11,637,095.01
Applicable Fraction	100%	100%	100%	100%
Less Developers Fee	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
Subtotal	\$ 6,966,953.64	\$ 9,400,124.19	\$ 5,871,952.82	\$ 10,495,125.01
Applicable Federal Rate	130%	100%	130%	100%
Subtotal	\$ 9,057,039.73	\$ 9,400,124.19	\$ 7,633,538.67	\$ 10,495,125.01
Add Back Developers Fee	\$ 1,163,128.00	\$ 1,141,970.00	\$ 1,163,128.00	\$ 1,141,970.00
Subtotal	\$ 10,220,167.73	\$ 10,542,094.19	\$ 8,796,666.67	\$ 11,637,095.01
Credit Eligible	9.00%	3.19%	9.00%	3.19%
	\$ 919,815.10	\$ 336,292.80	\$ 791,700.00	\$ 371,223.33
Percentage Awarded				
Credit Awarded	\$ 791,700.00	\$ 336,292.00	\$ 791,700.00	\$ 371,223.00
Year of Credit	10	10	10	10
Credit Percent Sold	99.99%	99.99%	99.99%	99.99%
Credit Sales Price	0.90	0.885	0.90	0.885
Credit Sales Proceeds	\$ 7,124,587.47	\$ 2,975,886.58	\$ 7,124,587.47	\$ 3,284,996.00
Debt Funding Required	\$ 1,891,883.27	\$ 8,910,570.63	\$ 1,890,836.00	
First Mortgage	\$ 1,718,000.00	\$ 3,100,000.00	\$ 1,718,000.00	
Housing Trust Fund	\$ 172,836.00	\$ 2,635,000.00	\$ 172,836.00	

Parcel Address	01-6900-0055-000 4462 30 Ave S
Parcel Number	5/6/2020
Date Application Received	5/19/2020
1st Publication Date	5/26/2020
2nd Publication Date	6/15/2020
TRC Meeting Date	5/20/2020
Commission Hearing Date	6/19/2020
Notice Delivery To School/County	
School/County 30-Day Response	
Exemption Type	PILOT
Estimated Improvements Value	\$2,560,000
Land Value	\$385,953
Current Mill Levy @ Approval	2/5.32
Number of Years Granted	17.8%
Discount Rate (for Present Value)	4.50%
Total Gross Estimated Benefit	\$609,437
Present Value of Benefit	\$284,100

% Ex	PILOT Pymt	Full Blde Tax	Benefit	PV of Benefit	PILOT & Tax
1 100%	\$0	\$35,700	\$35,700	\$35,700	\$35,700
2 100%	\$0	\$35,646	\$35,646	\$35,646	\$35,646
3 100%	\$0	\$35,655	\$35,655	\$35,655	\$35,655
4 100%	\$0	\$37,388	\$37,388	\$37,388	\$37,388
5 100%	\$0	\$38,146	\$38,146	\$38,146	\$38,146
6 100%	\$0	\$39,909	\$39,909	\$39,909	\$39,909
7 100%	\$0	\$39,667	\$39,667	\$39,667	\$39,667
8 100%	\$0	\$40,481	\$40,481	\$40,481	\$40,481
9 100%	\$0	\$41,280	\$41,280	\$41,280	\$41,280
10 100%	\$0	\$42,116	\$42,116	\$42,116	\$42,116
11 100%	\$0	\$42,959	\$42,959	\$42,959	\$42,959
12 100%	\$0	\$43,818	\$43,818	\$43,818	\$43,818
13 100%	\$0	\$44,694	\$44,694	\$44,694	\$44,694
14 100%	\$0	\$45,588	\$45,588	\$45,588	\$45,588
15 100%	\$0	\$46,500	\$46,500	\$46,500	\$46,500
16 100%	\$0	\$47,430	\$47,430	\$47,430	\$47,430
17 100%	\$0	\$48,378	\$48,378	\$48,378	\$48,378
TOTALS	\$0	\$705,245	\$705,245	\$475,700	\$60,321
Annual Land Tax	\$5,313	Land Value Calculation 64.2ZASF @ \$6.00			

If County opted out of this incentive, PILOT Pymt + County Addl Share will be the PILOT Payment in addition to Land Tax

County Share	County Addl Share	County Share Impr	Full Impr Net Tax	PILOT & Tax	% Ex Benefit	PV of Benefit
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
\$0	\$6,272	\$6,272	\$35,241	\$11,585	87%	\$23,656
TOTALS	\$0	\$6,272	\$35,241	\$402,151	\$278,800	

CALCULATION OF ADDITIONAL TAX DUE TO COUNTY

Land Value	Improvment Value	Year	CO Levy	%	Full Impr Net Tax	Co Share Impr Tax
\$385,953	\$2,560,000	2022	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2023	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2024	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2025	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2026	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2027	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2028	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2029	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2030	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2031	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2032	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2033	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2034	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2035	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2036	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2037	2/5.32	49.00	\$35,241	\$6,272
\$385,953	\$2,560,000	2038	2/5.32	49.00	\$35,241	\$6,272