

## **Financing & Land Sale Information – Park District Projects**

### Local Incentives

- Total investment in the DTN project is estimated to be over \$70 million while total investment in the PDIG project is estimated to be over \$85 million.
- Both development entities (PDIG and DTN) plan to request Tax Increment Financing support but neither has yet to submit their proposed plans. The City expects to receive those sometime in November.
- Support will be sought for public infrastructure including water and sewer, roadways, streetscape, and parking.

### State Incentives

- PDIG still has \$12,500,000 available in Michigan Business Tax Credits. These credits are only accessible if the projects move forward and are actually constructed. A portion of these incentives would be used to offset public infrastructure work.
- The City has discussed with the Michigan Economic Development Corporation (MEDC) the possibility of securing a Community Revitalization Program (CRP) loan and/or grant. This funding is made available to eligible mixed-use projects in downtowns. Actual funding would be contingent upon local approvals and a full financial review by MEDC.

### Due Diligence & Risk Management

- Once the project components are finalized, the City will work to undertake the necessary due diligence. Most importantly, the City will put in place the necessary protections. For example, any public infrastructure improvements will require performance bonds so that in the event of incomplete work, the City would have the available resources to finish the work.
- All requirements will be specified in the terms of the Development Agreements with the two entities. In addition to the City, the Brownfield Development Authority and Downtown Development Authority will likely be party to those agreements.

### City/DDA Investment

- The Downtown Development Authority seeks to recoup its \$5.6M investment in land acquisition through the sale of its properties to DTN and apportion of one property to PDIG.
- The City will own all or a portion of the new parking structure and may also participate in funding the parking structure. The debt service associated with an investment in the parking structure would need to be covered by parking and TIF revenue from the project. The current PDIG plan calls for a structure of around 700 spaces, at ~\$18,000 per space, the preliminary estimate is in the \$12,500,000 - \$13,000,000 range.

### Land Sale

- The City is proposing the sale of three parking lots in order to facilitate the DTN project. Those lots are 4 (south of Dublin), 8 (north of People's Church), and 15 (north of AT&T, west of City Hall). A 60% or more yes vote would authorize City Council to sell the property but would not mandate the sale. The City lots have been appraised at a collective value of \$1,895,000.