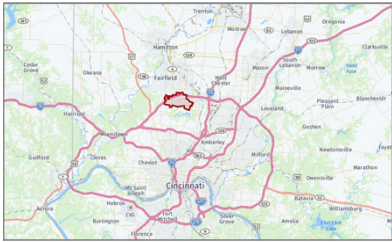




## Regional Map



4

---

---

---

---

---

---

---

---

## Demographics

Population -	19,971
Assessed Valuation -	\$512,630,020
Median Home Value -	\$125,400
Median Family Income -	\$73,259
Median Household Income -	\$58,257
Per Capita Income -	\$30,048
Residential Property Effective Rates -	65.626 mills



5

---

---

---

---

---

---

---

---

## Demographics (continued)

- Existing Housing Stock – 7,693 units
- Owner Occupied – 55.4%
- Rental – 44.6%
- Average age – 38.5 years
- Median age – 36.1 years
- Only 1 housing development in the last 20 years



6

---

---

---

---

---

---

---

---

## Citywide Redevelopment Plan 2007

- Need to redevelop commercial property
- Lack of development ready sites
- Need for more housing options
- Maintain stable neighborhoods
- Fill gap in housing supply



7

---

---

---

---

---

---

---

---

## Forest Park Redevelopment Plan

- Aging and typically one dimensional housing stock
- Home purchasing power exceeds available options
- Single family for sale housing with intermediate to upper end price point were needed
- Identify locations within City



8

---

---

---

---

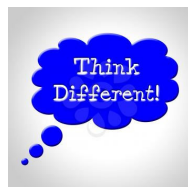
---

---

---

---

Recognize that different geographic areas need different strategies, investments, financing mechanisms and incentives



9

---

---

---

---

---

---

---

---

## Project

- 35 acres
- 60 detached single family for sale homes
- One Developer and multiple builders
- Target value \$400,000
- Internal street, water & sewer infrastructure



10

---

---

---

---

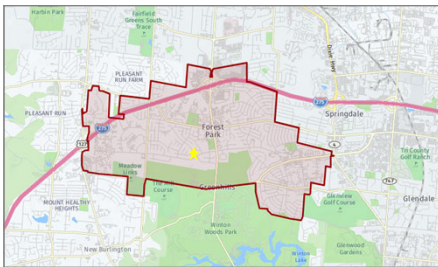
---

---

---

---

## Map of Project Location



11

---

---

---

---

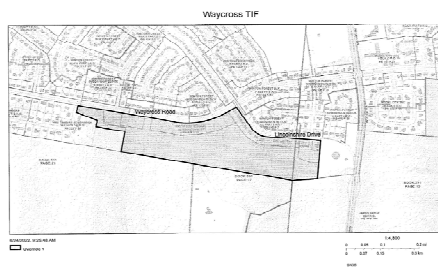
---

---

---

---

## Site Plan



12

---

---

---

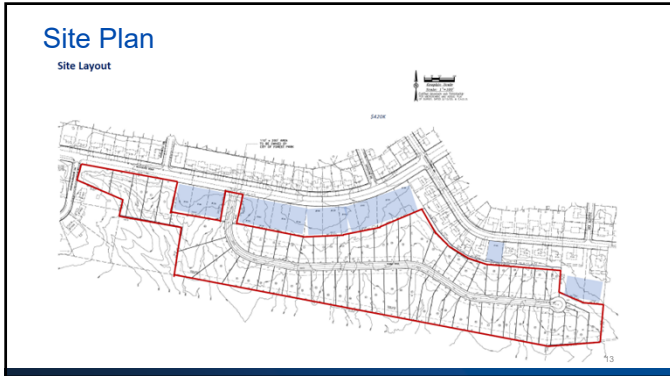
---

---

---

---

---



---

---

---

---

---

---

---

---

### What does it take to make it happen?

Developer Benefits: Assistance with infrastructure  
Residential TIF  
Special Assessments  
SIB Loan Financing

Homebuyer Benefits: Property tax abatements  
Community Reinvestment Area (CRA)

14

---

---

---

---

---

---

---

---

### Special Assessments

In General:

- Are requested by property owner (Developer) via Petition
- Are paid by property owners who benefit from the infrastructure improvement
- Are billed and collected by the County Auditor on the property tax bills
- Have tax lien priority status
- Provide a more secure revenue stream to repay debt obligation

15

---

---

---

---

---

---

---

---

## Waycross Project

- CRA – 100% property tax exemption 15 years
  - Abatement of taxes on new building value
  - Land is not abated and will continue to pay property taxes
  - Commences separately for each house
- Special Assessments – 50% of CRA value 15 years
  - Additional "taxes" requested by property owner
  - Used to pay for infrastructure improvements
  - Term to match up with CRA exemption
- Net benefit to new buyer 50% tax abatement 15 years

16

---

---

---

---

---

---

---

---

## Tax Increment Financing (TIF)

### In General:

- Property Tax Exemption on the increased value of the land and building
- Property taxes are replaced with Service Payments in Lieu of Taxes
- Service Payments are the same amount as taxes which have been exempted
- Redirection of taxes to pay for public infrastructure

17

---

---

---

---

---

---

---

---

## Waycross Project TIF

- 100% of new value exempted for a term of 30 years
- Year 1-15 TIF will generate service payments on land value only - CRA will exempt building value
- Years 16-30 TIF will generate service payments on land and building value
- School approved the TIF with a compensation package - make whole after debt service

18

---

---

---

---

---

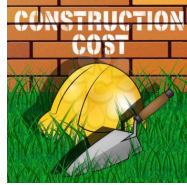
---

---

---

## Waycross Project

- Cost of Public Infrastructure \$3,600,000
- Paid with Special Assessments and TIF Service Payments after CRA
- SIB Loan Financing
  - Lower interest cost
  - SIB rate 3% market rate 5%
  - Deferred amortization schedule



19

---

---

---

---

---

---

---

---

## State Infrastructure Bank (SIB) Loan

- Low interest loan from State to pay construction cost of new road
- Debt Obligation of City
- Waycross Loan:
  - Amount \$4,328,954; Term 20 years; Interest rate 3% (current market rates 5%)
  - Sources of Repayment: Special Assessments & TIF Service Payments

20

---

---

---

---

---

---

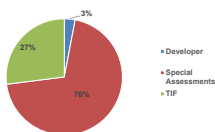
---

---

## Cost Allocation

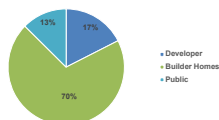
### Public Improvements - \$3,600,000

Developer – 3%  
Special Assessments – 70%  
TIF – 27%



### Total Project - \$25M to \$30M

Developer: 17.5%  
Land acquisition and site development \$5M  
Builders Homes: 69.9%  
Construct homes - \$18M to \$20M  
Public: 12.6%  
Infrastructure Improvements - \$3.6M



21

---

---

---

---

---

---

---

---





## Managing Risk

- Minimum Service Payments
- Letter of Credit
- Payment Guarantee
- Construction Guaranty



26

---

---

---

---

---

---

---

---

## Project Development Key Points and Agreements

- City Economic Development Fees
- City ordinances outline the fees for economic development project in the City based upon the financial components of a specific deal.
- The purpose is to cover costs incurred by the City to determine project viability and for oversight of financing mechanisms used to pay for capital infrastructure costs that may be a part of a project.

26

---

---

---

---

---

---

---

---

## Project Development Key Points and Agreements

### Flow of Funds Priority of Payments:

- Special Assessments will be used to pay SIB Loan debt service
- TIF Service Payments will first be used to pay SIB Loan debt service
- If certain Performance Metrics are met, TIF Service Payments can be used to reimburse Developer for previous Minimum Service Payments
  - Then TIF Service Payments will be used to pay School Compensation
  - Excess TIF to the City of Forest Park TIF Fund

27

---

---

---

---

---

---

---

---

## Project Development Key Points and Agreements

Requirements to meet specified minimum development standards:

- Lot sales \$80,000
- Value of homes \$320,000
- Total value \$400,000

Will be used to determine whether the Developer qualifies to be reimbursed for certain costs from excess revenue

28

---

---

---

---

---

---

---

---

## Project Development Agreement Key Points

- Developer Guaranty to make annual debt service payments for the SIB loan.
  - Funded at closing to guarantee minimum service payments.
  - The Guarantor will continue to maintain sufficient assets equal to:
    - 125% of average annual SIB loan debt service
  - The Guarantor will maintain unencumbered current liquid assets in excess of the aggregate amount of debt service payable within the immediate 12-month period.
- Development agreement defines financial triggers that allow for a reduction in the credit enhancements depending on the revenue generation of the funding sources intended to repay the SIB loan debt service payments.

29

---

---

---

---

---

---

---

---

## Project Development Agreement Key Points

### Construction Manager At Risk Agreement

- Developer will construct road, as agent of City
- Road must be constructed by developer in accordance with City and State rules and requirements
- Road land will be dedicated initially
- Road will not be accepted until completed and approved by City Engineer

30

---

---

---

---

---

---

---

---

## Fiscal Officer Roles and Responsibilities

- Administer:
- Financing Proceeds
  - Construction Invoices
  - Debt Service Payments
  - CRA Applications
  - TIF DTE Applications
  - Service Payments
  - School Compensation
  - Developer Compliance



31

---

---

---

---

---

---

---

---

## Impact of Administering

- Staff
- Resources
- Expertise
- Outside Administrator
- Third Party Professionals



32

---

---

---

---

---

---

---

---

Questions?



33

---

---

---

---

---

---

---

---

## Contact Information

Harlita Tomlinson  
City of Forest Park  
(513) 595-5211  
[htomlinson@forestark.org](mailto:htomlinson@forestark.org)

Heather Meyer Arling  
Bradley Payne Advisors  
(513) 772-5597  
[ha@bpayneadvisors.com](mailto:ha@bpayneadvisors.com)

Brenda Wehmer  
Dinsmore & Shohl LLP  
(513) 639-9217  
[brenda.wehmer@dinsmore.com](mailto:brenda.wehmer@dinsmore.com)



Dinsm<sup>o</sup>re

---

---

---

---

---

---

---

---