

Monroe Commons (Monroe Neighbors, LLC)

Gap Analysis Report (Amended 7/25/06)

UNIT MIX	
Market Units	50
Affordable Units	<u>3</u>
Total Units	53
PARKING STALLS	
Condo Stalls - Underground	66
Grocery Stalls - Underground	<u>39</u>
Sub-Total Underground Stalls	105
Grocery Stalls –Surface	24
Total Parking	129
ESTIMATED VALUE (rounded)	\$22,900,000
LESS: BASE VALUE	<u>(\$1,300,000)</u>
INCREMENTAL VALUE	\$21,600,000
TIF AVAILABLE @ 50%	\$2,339,000
COST (rounded)	
Land	\$(2,375,000)
Hard Cost	(13,200,000)
Parking Const. Cost	(3,600,000)
Soft Cost (w/o ineligible fees)	(2,835,000)
Plaza Construction	(195,000)
Developer Fee	<u>(912,000)</u>
Total Cost	\$(23,117,000)
INVESTMENT	
Equity (i.e. land purchase)	\$2,400,000
Loans	<u>\$18,200,000</u>
Total	\$20,600,000
GAP	(\$2,517,000)
Total City Assistance	\$2,517,000
% of TIF	54%

COMMENTS			
Underground parking stalls are approximately \$34,000 per stall hard cost.			
Parking Utility to receive parking condo of 24 stalls in the project in return for transfer of adjacent Evergreen Lot to Developer.			
Estimated assessed value of new project \$18.7 MM for the condos and \$3.2 MM for the grocery, per City assessor's estimates. Tax increment is calculated against the difference between the new growth and the existing base value as of the date of the TID creation, called the "incremental value".			
Per TIF Policy, project is eligible for 50% of the present value of tax increments generated by the project over the remaining life of the TID as direct TIF assistance to the project.			
Developer paid \$2.3 MM. Parcel was assessed at \$1.29 MM—exceeds TIF Policy 2(c) on land purchases and assessed value. \$278,000 of IZ Waiver and Parks Dedication Fees not included—ineligible TIF costs per TIF Law. Plaza cost not quantifiable per 2005 TIF Application. Developer reduced 7% developer fee to approx. 5% total hard cost (hard cost + parking cost).			
Equity is satisfactory at 10% of project cost. Bank financing is satisfactory – 79% of value.			
Gap is attributable to the grocery element of the project, thus:			
(Rounded to 000's)			
	Condos	Grocery	Total
Sources of Funds	18,200	2,400	20,600
Project Cost	(17,400)	(5,500)	(22,900)
Surplus (Gap)	800	(3,100)	(2,300)
TIF assistance is satisfactory per TIF Policy (not to exceed 50% present value of TIF).			