Westdale Mall – Frew Development Summary

- Taxable valuation has grown from $7.3M to $51.9M in four years.
- To date Frew Development has met all taxable valuation and job creation metrics outlined in the development agreement.
- In fiscal year 2020 property taxes projected in Westdale TIF (related to Frew Development) will be $1,467,464. The non Frew Development area is projected $200K in property taxes.
- National trend in retail has been declining and current loan does not offer the flexibility to adjust to this trend.
Westdale Mall – Frew Development Summary

What does new loan do?

- Purpose of the loan is to refinance the horizontal loans (i.e. infrastructure) to allow more time grow the taxable value of the TIF.
- New loan will allow time for the development to change its focus by adding housing while still recruiting retail.
Westdale Mall – Frew Development Agreement

**Previous Agreement**
- $90M investment
- Required taxable valuation $60M by FY 2022
- Employment Requirements 500 by FY 2022
- City issued $5M grant for infrastructure (paid back with TIF)
- City required to make shortfall payments if TIF is not sufficient to cover the debt.

**New Agreement**
- $90M investment
- Required taxable valuation $75M by FY 2024
- Employment Requirements 600 by FY 2024
- City issued $5M grant paid off with new loan (removed from City debt obligation)
- City required to make shortfall payments if TIF is not sufficient to cover the debt.
Westdale Mall – Frew Development Agreement (cont.)

**Previous Agreement**

- Agreement 14 years with anticipated additional 6 years if CRBT loan still outstanding.
- $11.5M CRBT loan (City guaranty) and $2.75M CRBT loan (no City guaranty)
- City issued $5M in urban renewal bonds

**New Agreement**

- Agreement 20 years
- NBH loan $21.75M - Refinances loans with CRBT ($11.5M and $2.75M), City debt ($5M), reserve fund ($2.26M), and operating proceeds.
- Developer required to seek refinancing to remove moral obligation as soon as TIF revenues generate more than the annual debt service.
- Naming rights ($360K) of convention center terminated and will stay with the City.
### Westdale Mall – Frew Development Agreement (cont.)

#### Previous Agreement

**Security for CRBT Bank Loans:**
- No incentive to sell lots – CRBT Curtailment
- ED Grants after City debt paid
- Reserve fund ($780K)
- Personal guaranties from Frew & Nelson
- City Guaranty (subject to non-appropriation by City). Developer required to repay City upon demand for any advances made under City guaranty.

#### New Agreement

**Security for NBH Bank Loan:**
- Incentive to sell lots – some of proceeds go towards operations
- Assignment of ED Grants
- Reserve fund ($2.26M)
- Surplus fund for any excess TIF above debt payments
- Unsecured FDG Corporate Guaranty
- City Moral Obligation Resolution – requires City to replenish reserve fund if drawn upon. Developer required to reimburse City for any advances
Previous Agreement

**Financing:**
- Thru FY 2027 loan payments are $18.4M
- Over life of TIF minimum City exposure $8.5M (over 14 years). Exposure likely to increase if no additional development occurs.

New Agreement

**Financing:**
- Thru FY 2027 loan payments are $15.2M
- New amortization schedule allows time to grow TIF taxable valuation base.
- Over life of TIF payment potential City exposure $7.4M (over 20 years)
- If $75M in taxable valuation occurs by fiscal year 2026 the TIF will generate $1.4M more than the debt payments of the NBH loan (FY 2036)
Public Comment
Public Hearing
Bever Avenue SE East of Bever Lane
Storm Sewer Improvements
Contract 304485-01
Proposed Improvements

- Replace 88 feet of failing 48 inch storm sewer
- Repair joints in upstream pipe
- Project will reduce settlement and erosion issues
- No traffic impacts
Project Details

- Estimated cost: $160,000
- Bids due October 3, 2018
- Construction Schedule: Late fall or spring construction with final seeding in spring
Recommendation

The Public Works Department recommends approval of the resolution to adopt plans, specifications, form of contract and estimated cost for the project.

Presented by:

Dave Wallace, P.E.
Sewer Utility Engineering Manager
d.wallace@cedar-rapids.org
319-286-5814
Public Hearing

Rockhurst Drive SW
Regional Detention Basin
Streambank Mitigation at Noelridge Park

September 25, 2018
Noelridge Park
Streambank Mitigation
Timelines

Rockhurst Detention Basin(s)
• October 2018 – Bidding
• April 2019 – Begin construction
• November 2019 – Complete Construction

Noelridge Streambank Mitigation
• Today – Public Hearing
• 9/26 – Open Bids
• 10/9 – Award Contract
• April 2019 – Begin Construction
• October 2019 – Complete Construction
Questions

Presented by:
Sandy Pumphrey
Asst. Development Services Manager
s.pumphrey@cedar-rapids.org
319-286-5363
Rockhurst Detention Basin(s)
Rockhurst Detention Basin(s)
Water Pollution Control (WPC) Intermediate & Final Lift Stations HVAC Improvements Project - Public Hearing

Council Meeting
September 25, 2018
Intermediate & Final Lift Stations HVAC Improvements Project
WPC Intermediate & Final Lift Stations HVAC Improvements Project, Public Hearing

Estimated Cost: $912,000
Pre-bid Meeting: Sept. 24, 2018
Bid Opening: October 10, 2018
Construction: Start March 2019
Completion November 2019

Utilities Dept. Staff recommends approval of the resolution.

Presented by:
Steve Hershner
Utilities Director
s.hershner@cedar-rapids.org
Office: 286-5281
Cell: 538-1059
Bike Share Equipment
Public Hearing

City Council
September 25, 2018
Benefits
System Map
Sponsorship/Branding

- Range of sponsorship levels
  - Title Sponsor
  - Hub Sponsors
  - Bike Sponsors
Timeline

**October** – Equipment RFB/Operations RFP

**October** - Public sponsorship campaign

**Winter** – Selection of Equipment/Operations Vendor

**Spring/Summer 2019** – Bike Share Program Launch
Background

January 27, 2015 – City Council authorized a Development Agreement with Hunter Companies for the redevelopment of former Nash Finch industrial property:

- Project qualifies for standard incentive of 5-year, 100% reimbursement of increased taxes
- $20 million capital investment
- $13.2 million – assessed value at completion
- Employment – 70 FTEs
Original Project Area
Current Project Area
Original Site Plan

Blairs Ferry Rd NE
Current Site Plan
Request

- Developer has requested extension of City’s participation an additional $3.56 million based on:
  - Additional demolition, remediation & cleanup costs of industrial property
  - Re-alignment of Sammi Dr NE & connection with Rockwell Drive NE
- Based on estimated valuation projection, additional City participation could be reimbursed in 1 to 2 years.
Recommendation

Staff recommends approval of the Resolution to pursue an Amendment to Development Agreement, and include the following key terms:

<table>
<thead>
<tr>
<th>Term</th>
<th>Current Agreement</th>
<th>Proposed Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Investment</td>
<td>$20 Million</td>
<td>$55 million</td>
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<tr>
<td>Employment Threshold</td>
<td>70 FTE</td>
<td>300 FTE</td>
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<tr>
<td>Total Assessed Value at completion</td>
<td>$13,200,000</td>
<td>$40,000,000</td>
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<tr>
<td>Economic Development Grants</td>
<td>5-year, 100%</td>
<td>5-year, 100% and 1-2 years up to $3.56 million</td>
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