



TAX INCREMENT FINANCING PUBLIC PARTICIPATION APPLICATION

The Authority may provide financial assistance for suitable undertakings and activities facing extraordinary expenses. Among meritorious undertakings and activities, the Authority will consider the quality of materials and consistency with prevailing policies, standards and regulations. While individual undertakings and activities will address the elimination or reduction of conditions identified in the Urban Renewal Plan, it is anticipated that the extent and nature of the Authority's participation will vary by undertaking or activity and location. A property owner or developer requesting financial assistance shall participate in a pre-application meeting with PAR Staff and make one (1) comprehensive submission for review by the Authority. Verify the property is in the Parker Road Plan Area on page 8.

The submittal, shall include the following:

Redevelopment project name: _____

Project street address or location: _____

eTRAKiT case numbers (planning and building): _____

Application Requirements:

Project Facts

Indicate the following data and information (as applicable):

- a. Gross Building Area: _____
- b. Housing
 - number of units: _____
 - average square footage: _____
 - type renter occupied or owner occupied: _____
- c. Restaurant Space (SF): _____
- d. Office Space (SF): _____
- e. Retail Space (SF): _____
- f. Other Space (SF), such as research and development or institutional: _____
- g. Parking Requirements: _____
- h. Building Height: _____
- i. Floor Area Ratio: _____

Parker Road District

- Does the investment bring new jobs within targeted industries in this district?

What industries?

How many FTE in those industries?

- Does the investment help streamline access to and from Parker Road?

Please Explain-

- Does the investment help elevate development quality in this district to match other areas of our community?

Please Explain-

- Does the project advance the strategies for the Parker Road District?

1. Enhance the investment environment?

Please Explain-

2. Enhance the community perceptions of this area?

Please Explain –

The following Application Requirements need to be included as attachments to the signed application.

1. Narrative Description of Development Concept: Provide a narrative description of the redevelopment, its size, nature and location of the proposed land uses, urban design and architecture.
2. Description of (Re)Development Team: Provide a narrative description of the project's team, including:
 - Key team members, along with contact information including email, telephone, names, and general description of redevelopment project responsibilities.
 - Decision makers among the project team, and who specifically the Authority would negotiate.
 - Key team members' relevant development experience.
 - Legal entity undertaking the redevelopment project, and the legal relationships between the redevelopment project team members.
 - Clearly describe the equity and / or fee nature of the redevelopment project team's investment and return expectations in the redevelopment project.
3. Conceptual Design: Provide a conceptual design which is generally consistent with applicable Town of Parker codes and standards. The conceptual design shall consist of drawings showing elevations and perspectives. Additional descriptions of color, material and size of structures, and landscaping along with renderings of the proposed redevelopment project are encouraged.
4. Redevelopment Project Pro Forma: The Applicant shall provide information in the form of a Summary Pro Forma to indicate the economic basis for the request. The purpose of this information is to demonstrate the economic feasibility of the proposed development and shall be in such detail as necessary to indicate feasibility relative to costs, income and any financial "gap". Proprietary financial information that the applicant determines to be confidential should be clearly identified. The Authority will provide a sample pro forma form that reflects the level of detailed information to be submitted. The pro forma information may vary depending on the nature and cause of the gap as described by the applicant. The applicant is expected to site the source and background supporting documentation used to develop the capitalization rate and vacancy rate. Following is a general list of the type of information that may be required; the Authority may require additional information to document a financial "gap":

Required information to be submitted within the Development Pro Forma*:	
Development Information & Redevelopment Project Costs	
<ul style="list-style-type: none"> • Development Square Feet (RSF, GSF) by use type • Floor Area Ratio • Project financing structure (senior debt, subordinate debt, equity structure, etc.) • Competent evidence of land value 	<ul style="list-style-type: none"> • Parking Cost • Hard Costs (incl. contingency) • Soft Costs • Operating Start-Up Costs • Financing and Carrying Costs • Total Project Cost (@ Build-Out)
Operating Revenues and Expenses	
<ul style="list-style-type: none"> • Rentable Square Feet • Efficiency Scheduled Gross Rent • Vacancy and Credit Loss 	<ul style="list-style-type: none"> • Effective Gross Income • Operating Expenses • Net Operating Income
Return Metrics, Financial Gap and Exit Information	
<ul style="list-style-type: none"> • Amount of Funding Assistance Request • Project Margin / Financial Gap (\$ and %) • Development team's return hurdle, target return, and relevant comparable information on return expectations. • Exit strategy assumptions (including cap rate, buyer profile, etc.) 	

**The pro forma should reflect metrics over time and should be submitted in *.xls electronic file format to facilitate the Authority's review. EXAMPLE PROVIDED PAGE 9.*

Other required information:

- Preliminary projections from the development team on the amount of incremental property taxes, sales taxes, or other revenues that will be generated by the redevelopment project and how that compares to the level of revenue necessary for the reimbursement of costs by the Authority.
- If available, letter of interest from potential tenants or buyers within the project.
- If available, letters of support from adjacent property owners, or other interested parties demonstrating community support for the proposed redevelopment project.

5. Financial Capacity of the (Re)Development Team:

- A description of the financial capability and capital resources of the project team to complete the project. Information provided must be in a form acceptable to the Authority, and may include documents such as:
 - Audited financial statements of an affiliate of the development team
 - References from lenders
 - Fund prospectus or offering statement
 - For publicly held entities: most recent 10K and 10Q forms
 - For LLCs, LLPs, S-Corporations or similar entity structures:
 - Last three years tax returns

- Member, partner, or shareholder financial statements (must exceed 66% of ownership of proposed redevelopment entity).

6. Project Timing:

- Construction Period
 - Include anticipated start date of construction.
 - Include anticipated months until construction complete.
- Anticipated Lease up/Stabilization Period
- Disposition Assumptions - is there a plan to dispose of the site and timing of disposition.

7. Participating Interest:

- Provide proposed financial sharing arrangement with the Authority
 - Include both a method and specific proposed measurement approach.
 - May be calculated on annual cash flow, NOI after debt service, return on invested equity, etc.

Applicant Signature: _____ Date: _____

I attest that the information stated in this application is correct. By signing you acknowledge the following:

1. An incomplete application will be rejected and review will not begin until a complete application is received. 2. That there are review fees associated with this application and agrees to pay all review fees regardless of outcome of the application. 3. The submittal of an application if for a request for public participation and the Authority is not obligated to participate in the project.

Note: Information provided to the Authority may be a public record subject to public disclosure pursuant to the Colorado Open Records Act. Financial Information identified and marked as Confidential by the applicant may be exempt in accordance with the Colorado Open Records Act.

Any financial information submitted that the applicant desires to remain exempt from Colorado Open Records Act should be provided separately, bound and clearly marked as follows: "Confidential Commercial and Financial Information – Exempt From Public Disclosure in Accordance with the Colorado Open Records Act."

TIF Public Participation Application Review Fee Schedule :

The evaluation fee schedule is based on the typical project review, each project is unique and fees will be determined based on actual hourly rate of the third party review. The fees can be impacted by multiple revisions and incomplete information. P3 will provide an invoice to the applicant, all fees shall be paid by the applicant prior to approval of any Development/ Redevelopment Agreement.

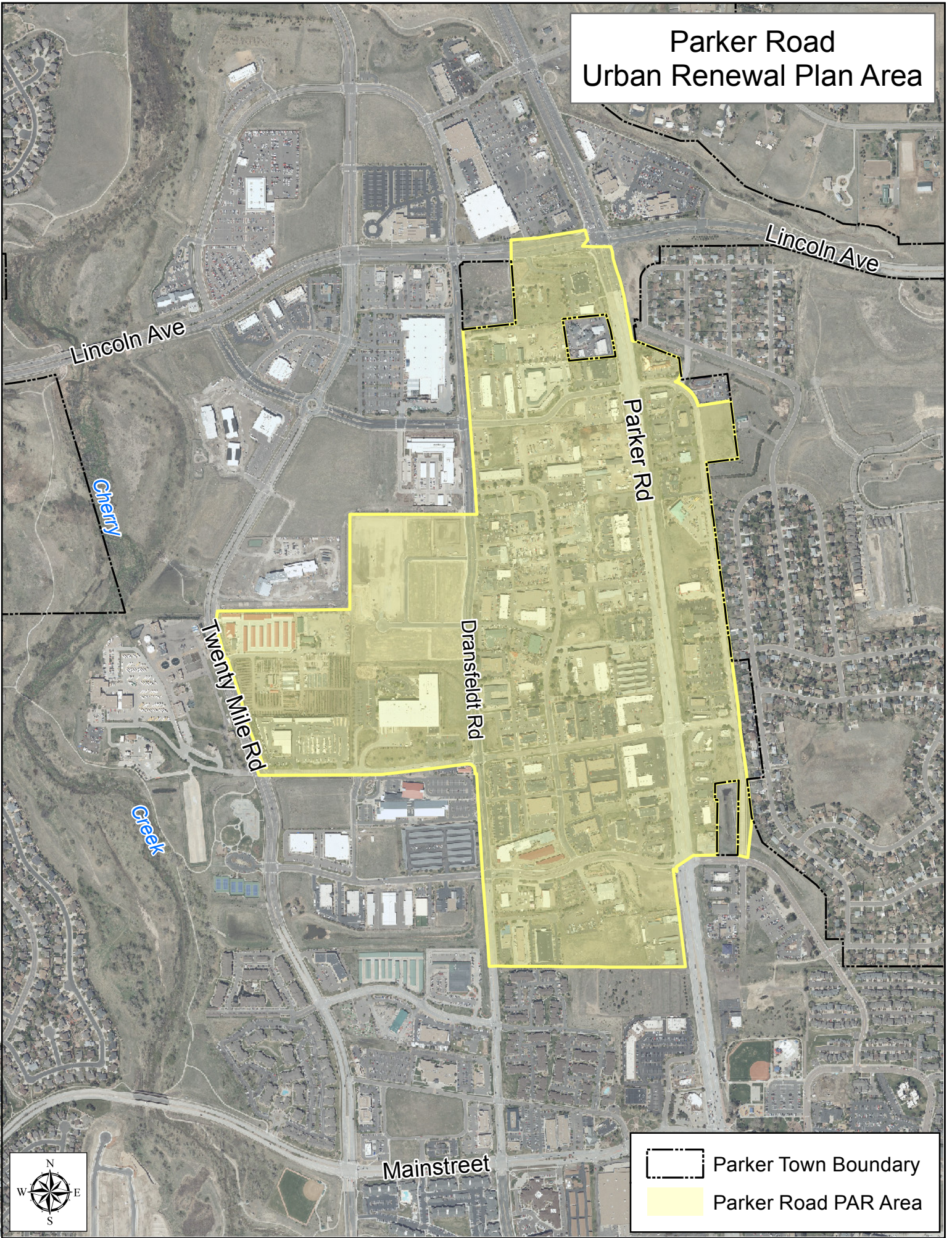
Description	Principal	Vice President	Research/ Production	Total
Billing Rate	\$240	\$180	\$100	
Labor Costs				
Task 1: Project Initiation	2	4	0	\$1,200
Task 2: "But-For" Analysis	4	12	2	\$3,320
Task 3: Financial Model and Memo Report	4	12	2	\$3,320
Task 4: URA Presentation	4	6	2	\$2,240
Total Hours	14	34	6	\$10,080
Dollars by Person	\$3,360	\$6,120	\$600	
Direct Costs				
Travel & Miscellaneous				\$150
Subtotal				\$150
Total Project Cost				\$10,230

Source: Economic & Planning Systems

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P3 Staff recommends that a TIF Public Participation Application be submitted in conjunction with any land use applications required by the Town of Parker. Submittal of an application prior to submittal of land use applications could result in additional review fees.

Parker Road Urban Renewal Plan Area



EXAMPLE Development Pro forma

[Date]

Project Timing	
Anticipated Construction Start	November 2020
Anticipated Months of Construction	11
Anticipated Months until Lease Up/Stabilization	5 months after certificate of occupancy

Disposition Assumptions	
Is there a plan to dispose of the site/project?	
What is the timing of the disposition of the site/project	3rd quarter 2022

Development Program			
	GSF	NSF/RSF	Units/ Keys/Stalls
Commercial Office	20,000	16,000	
Retail / Restaurant	4,220	3,376	
Hotel	35,714	25,000	50
Multifamily Apt	60,000	48,000	48
Affordable Apt	6,250	5,000	5
Condo	31,250	25,000	25
Total	157,434	122,376	
Parking	57,143	40,000	200
Total with Parking	214,577	162,376	

Revenue Assumptions			
\$	Measure	\$/RSF or SSF	TI \$/RSF
-	NNN	200.00	\$40
35.00	NNN	250.00	\$80
125.00	ADR	350.00	175,000
2.55	\$/RSF/Month	290.00	290,000
2.00	\$/RSF/Month	300.00	300,000
500.00	Sale \$/SSF	400.00	400,000
125.00	Stall/Mo		35,000

Construction Capital Stack				
	Excl. Public Finance		With Public Finance	
	Ratio	Total \$	Ratio	Total \$
Initial Equity	35%	11,213,210	TBD	TBD
Initial Debt	65%	20,824,533	TBD	TBD
Met District*			TBD	TBD
TIF*			TBD	TBD
Total	100%	32,037,743	100%	32,037,743

*Net project funds used for construction (after financing)

Residential Unit Mix				
	Multifamily	Affordable	Condo	Total
Studio	13	2	2	17
1 Bedroom	15	2	10	27
2 Bedroom	15	1	10	26
3 Bedroom	5	0	3	8
Total	48	5	25	78

Cost Assumptions		
	%	Total \$
Land Acquisition		2,000,000
Carry Costs / Taxes		40,000
Land Costs		2,040,000
General Requirements		150,000
Building Excavation and Utilities		100,000
Substructure		1,000,000
Superstructure		3,000,000
Envelope		2,000,000
Finishes		2,000,000
Specialties / Equipment		400,000
Conveyance		600,000
MEP		5,000,000
Site Improvements		100,000
FF&E, OS&E, Etc.		1,000,000
Hard Cost Contingency	10.00%	1,535,000
Hard Costs		16,885,000
Design Fees	5.00%	168,850
General Conditions		600,000
Insurance		400,000
Entitlements / Permits		150,000
Water/Sewer Tap Fees		80,000
Other Fees (Impact, Linkage, etc.)		100,000
Legal	0.50%	91,919
Consultants	0.25%	46,189
PR & Marketing		50,000
Miscellaneous		100,000
Soft Cost Contingency	4.00%	746,878
Owner General Conditions	2.00%	388,377
Contractor Overhead and Profit	3.00%	594,216
Project Management Fee	2.00%	408,029
Development Fee	3.00%	624,284
Soft Costs		4,548,743
Tenant Improvement		300,000
Leasing & Sales Commissions	3.00%	4,000,000
Tenant / Sales Costs		4,300,000
Total Unlevered Project Costs		27,773,743
Construction Loan Financing Costs		208,000
Construction Loan Interest		4,056,000
Levered Project Costs		32,037,743

Hotel Occupancy				
Year	1	2	3	Stabilized
Occupancy	60%	70%	70%	75%
RevPAR	\$75.00	\$87.50	\$87.50	\$93.75

Debt Assumptions				
Construction Loan	Const. Loan		Perm. Financing	
	Ratio	Total \$	Ratio	Total \$
Principal	65% LTC	20,800,000	70% LTV	29,166,667
Financing Costs	1.0%	208,000	1.0%	291,667
Interest (est.)	6.5%	4,056,000	5.0%	(1,897,334)
Annual Debt Service				

Estimated TIF/Met District Tax Revenue			
	Mill Levy	Stabilized Year \$	Total Rev.*
Met District - Capital	30 mills	180,000	
Met District - O&M	10 mills	60,000	
Tax Increment	[TBD]	300,000	12,304,545

* Tax Increment Total = Remaining TIF years

Project Cash Flow without Public Finance												
Year	Total \$	0	1	2	3	4	5	6	7	8	9	10
Land Cost	2,040,000	2,040,000	-	-	-	-	-	-	-	-	-	-
Hard Costs	16,885,000	3,377,000	6,754,000	6,754,000	-	-	-	-	-	-	-	-
Soft Costs	4,548,743	1,819,497	1,819,497	909,749	-	-	-	-	-	-	-	-
Tenant/Sales Costs	4,300,000	-	-	1,290,000	3,010,000	-	-	-	-	-	-	-
Unlevered Project Costs	27,773,743	7,236,497	8,573,497	8,953,749	3,010,000	-	-	-	-	-	-	-
Financing Costs	499,667	208,000	-	291,667	-	-	-	-	-	-	-	-
Construction Loan Interest	3,102,166	47,037	671,030	1,092,942	1,291,156	-	-	-	-	-	-	-
Levered Project Cost	31,375,575	7,491,534	9,244,527	10,046,691	4,592,823	-	-	-	-	-	-	-
Gross Income	22,198,219	-	-	1,176,584	2,353,168	2,549,265	2,588,485	2,627,704	2,666,924	2,706,143	2,745,363	2,784,582
OpEx / Vacancy	(4,439,644)	-	-	(235,317)	(470,634)	(509,853)	(517,697)	(525,541)	(533,385)	(541,229)	(549,073)	(556,916)
Net Operating Income	48	-	-	941,267	1,882,534	2,039,412	2,070,788	2,102,164	2,133,539	2,164,915	2,196,290	2,227,666
Debt Service	(15,178,668)	-	-	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)	(1,897,334)
Cash Flow after Debt Service	2,579,956	-	-	941,267	(14,799)	142,079	173,454	204,830	236,206	267,581	298,957	330,332
Initial Equity	(11,213,210)	(11,213,210)	-	-	-	-	-	-	-	-	-	-
Equity Cash Flows	6,917,940	-	-	5,264,501	-	142,079	173,454	204,830	236,206	267,581	298,957	330,332
10Y Net Sale Proceeds	36,267,413	-	-	-	-	-	-	-	-	-	-	36,267,413
Net Equity Cashflows	31,972,143	(11,213,210)	-	5,264,501	-	142,079	173,454	204,830	236,206	267,581	298,957	36,597,746
Return on Cost				3.0%	6.0%	6.5%	6.6%	6.7%	6.8%	6.9%	7.0%	7.1%
IRR	18.00%											
Multiple of Money	2.85x											

Impact of Public Finance on Project Cash Flow											
TIF Cash Flows*	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]
Met District Cash Flows*	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]
Net Equity Cash Flows	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]
Return on Cost				[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]	[TBD]
IRR	[TBD]										
Multiple of Money	[TBD]										

*Net of any financing impacts
Annual Construction Cost Inflation 4%

Include Disclaimer: Confidential Commercial and Financial Information – Exempt From Public Disclosure in Accordance with the Colorado Open Records Act.

Notes:
 Adjust summary to break out individual phases of development (as relevant)
 Ignore fields that are irrelevant to subject development
 Format of cost assumption, cash flow and public financing information should be adapted to fit the characteristics of the proposed development project
 Numbers on this page are illustrative only, and should not be interpreted as prescriptive methodology for calculations
 Please demonstrate any projected impacts on cash flows from financing of public revenue streams
 Please include any additional return metrics used to measure for project performance, as relevant