

AGENDA

URA Finance Committee

January 12, 2023

3:00 pm – 4:00 pm

1. Northern Colorado Feeders Supply Reimbursement Request

This meeting will be held digitally via Zoom. To join this meeting, please use the link below:

<https://us02web.zoom.us/j/88211081978?pwd=S2p5b0ZlU21SRXVMOFUrRFpBa3BVZz09>

Meeting ID: 882 1108 1978

Passcode: 374746

One tap mobile

+13462487799,,88211081978#,,,,*374746# US (Houston)

+16699006833,,88211081978#,,,,*374746# US (San Jose)

Meeting ID: 882 1108 1978

Passcode: 374746

Other business:

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: January 12, 2023

SUBJECT FOR DISCUSSION

Northern Colorado Feeders Supply Reimbursement Request

EXECUTIVE SUMMARY

Northern Colorado Feeders Supply relocated to the North College corridor and entered into a Redevelopment Agreement with the Urban Renewal Authority (URA) on October 10, 2014. The Redevelopment Agreement contained \$72,472 of costs eligible for reimbursement. The Redevelopment Agreement further stated that the URA would pay 46% of the tax increment generated by the property annually starting in 2017 until February 1, 2031, or the URA achieves full payment of \$72,472.

On November 21, 2022, Feeders Supply requested a lump sum payment of all eligible costs. The URA has made no payments to Feeders Supply to date. The Redevelopment Agreement permits pre-payment without penalty to the URA. A lump sum payment of \$72,472 would have minimal financial impact to the URA while supporting a long-standing small business. Staff projects that the project will generate less tax increment than contemplated by the Redevelopment Agreement. Based on staff's projections, \$72,472 could represent as much as 70.7% of the increment generated by the project, which exceeds the 46% cost share in the Redevelopment Agreement.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Does the Finance Committee support the applicant's request for a lump sum reimbursement?

BACKGROUND/DISCUSSION

Northern Colorado Feeders Supply has been operating since 1972. Feeders Supply is a retail store and feed manufacturer that sells animal feed and supplies. Feeders Supply relocated to the North College corridor in response to a redevelopment of their former location at Linden and Willow. Their former location redeveloped into a restaurant and bakery (Ginger and Baker) and they sought a new location to keep their business in Fort Collins. Feeders Supply purchased the property at 300 Hickory Street and requested the URA's assistance to offset some costs associated with developing the property. On October 10, 2014, the Urban Renewal Authority entered into a Redevelopment Agreement with Northern Colorado Feeders Supply. Exhibit C of the Redevelopment Agreement contained a list of costs eligible for reimbursement. These eligible costs were:

Type of Eligible Cost	Cost
Site work/miscellaneous clean-up	\$3,600
Abatement/demolition of existing office building	\$8,750
Site preparation (excavating/trenching) for new office building	\$10,350
Landscape improvements	\$19,950
Sidewalk improvements	\$18,900
Iron fence along Hickory Street	\$10,922
Total Eligible Costs	\$72,472

The Agreement states that the URA will reimburse Feeders Supply by paying Feeders Supply 46% of the total tax increment generated by the property each year beginning in 2017 upon satisfying the Conditions for Reimbursement in Section 3.2 of the Agreement. Section 3.2 of the Agreement requires achieving certain milestones and submitting documentation of the actual costs of building the improvements eligible for reimbursement. Staff finds the following related to the Redevelopment Agreement:

- Northern Colorado Feeders Supply has submitted sufficient documentation of its eligible costs per the Redevelopment Agreement
- Northern Colorado Feeders Supply has completed the project outlined in the Redevelopment Agreement
- While Northern Colorado Feeders Supply did not complete some of the tasks in the Redevelopment Agreement by the Outside Date, Feeders Supply diligently pursued remedies and was able to complete the project outlined in the Redevelopment Agreement

This means the URA will reimburse Feeders Supply as the property generates increment rather than reimbursing Feeders Supply with a lump sum payment for all eligible costs. The URA has not made any payments to Feeders Supply to date.

On November 21, 2022, Feeders Supply requested the URA consider reimbursement via a lump sum payment. Section 3.4 of the Redevelopment Agreement allows the URA to pre-pay the applicant without penalty. Once the URA has paid the full reimbursement amount, the URA has no further obligations.

Tax Increment Generation Overview

Feeders Supply received a Temporary Certificate of Occupancy on June 10, 2015, allowing Feeders Supply to begin operating. The County Assessor recognized Feeders Supply as being complete in its 2016 reassessment. In 2016 the assessed value of Feeders Supply was \$171,970 compared to the base value of \$104,777. This rise in assessed value has meant Feeders Supply has been generating tax increment revenue since 2016. The table below shows the amount of tax increment Feeders Supply has generated each year since 2016, the total tax increment revenue the project has generated to date, and projected tax increment revenues through 2029.

Year	Property Value	Assessed Value	Tax Increment	Reimbursement
Base	\$361,300	\$104,777	-	-
2016	\$593,000	\$171,970	\$6,134	\$2,821.64

2017	\$595,000	\$172,550	\$6,156	\$2,831.76
2018	\$595,000	\$172,550	\$6,177	\$2,841.42
2019	\$597,100	\$173,159	\$6,426	\$2,955.96
2020	\$597,100	\$173,159	\$6,398	\$2,943.08
2021	\$619,200	\$179,568	\$6,937	\$3,191.02
Total To Date	-	-	\$38,228	\$17,584.88
2022-2029	\$619,200	\$179,568	\$63,539	\$29,227.94
Projected Total	-	-	\$102,471	\$46,812.70

To date, Feeders Supply has generated \$38,228 of tax increment revenue. Per the Redevelopment Agreement, the URA will pay 46% of the increment generated back to Feeders Supply. This means that the URA would have paid Feeders Supply \$17,584.88 from 2017 to 2021.

The property value for Feeders Supply has remained stable since the project's completion in 2015. If the property value remains stable through the end of the North College Plan Area's TIF generation period, Feeders Supply will generate a total of \$63,539 of tax increment from 2023 to 2029. Of the \$63,539, the URA will owe Feeders Supply \$29,227.94. This will bring the total amount of reimbursement to \$46,812.70. This is \$25,659.30 below the total amount of eligible costs in the Redevelopment Agreement.

Pros and Cons of Lump Sum Payment

Pros	Cons
Supports small business	Total contribution as percentage of TIF generated will exceed what redevelopment agreement contemplated
Frees up cash later in plan area's life	Impacts cash position in short term
Relieves administrative burden of annual payment	Sets informal precedent

The lump sum payment requested by Feeders Supply has drawbacks and negatives. The lump sum payment would help support a small business that has been in the community for over 50 years. By reimbursing Feeders Supply for all eligible costs now, it frees up a small amount of cash to support other priorities later in the plan area's life. The lump sum payment will also alleviate the administrative burden of reimbursing Feeders Supply annually.

On the other hand, the lump sum payment of all eligible costs will likely mean the URA contributing more to the project than initially contemplated. If the value of Feeders Supply stays the same, it will mean that the project will only generate \$102,471 in tax increment revenue. The Redevelopment Agreement stated the URA would pay 46% of the tax increment generated by the project annually with a maximum contribution of \$72,472. \$72,472 is 70.7% of \$102,471, which exceeds the percentage cost share as contemplated in the Redevelopment Agreement. Paying the lump sum now also has a slight negative impact on the URA's short term cash position. Last, this could set an informal precedent where other applicants with active Redevelopment Agreements could seek a lump sum payment from the URA in lieu of annual reimbursement.

Financial Impact

Since Feeders Supply has yet to generate sufficient increment for full reimbursement of eligible costs, the URA would have to use reserves to fulfill Feeder Supply's request for a lump sum reimbursement. The North College Plan Area has \$3.7 million in available cash. Making a lump sum payment to Feeders Supply of \$72,472 will have a minimal impact on the North College Plan Area's financial position.

ATTACHMENTS (numbered Attachment 1, 2, 3,...)

1. Northern Colorado Feeders Supply Redevelopment Agreement

REDEVELOPMENT AGREEMENT
(Northern Colorado Feeders Supply)

This Redevelopment Agreement (this "Agreement") is made and entered into this 10th day of October, 2014, by and between the Fort Collins Urban Renewal Authority, a body corporate and politic of the State of Colorado (the "Authority"), and Northern Colorado Feeders Supply, LLC, a Colorado limited liability company (the "Developer").

RECITALS

WHEREAS, the Developer is the owner of the real property that is the subject of this Agreement that is located at 300 Hickory Street, Fort Collins, CO 80524 and legally described as follows:

A PARCEL IN NE 1/4 OF 2-7-69 BEG AT E 1/4 COR, W 590 FT, N 328.5 FT, W 454.92 FT TPOB, W 377 FT TO PT 25 FT FROM C/L OF UP RR/RW, S 26 54" E 368.36 FT, E 210.34 FT, N 328.5 FT TPOB; EX M/R CONT 2.21 AC M/L (SPLIT FROM 97021 00 009); LESS 94101752 FOR STREET;

which parcel is located in the State of Colorado, County of Larimer and City of Fort Collins (the "Property"); and

WHEREAS, the City of Fort Collins, Colorado (the "City") is a home rule municipality and political subdivision of the State of Colorado (the "State") organized and existing under a home rule charter pursuant to Article XX of the Colorado Constitution; and

WHEREAS, on June 6, 1978, the Fort Collins City Council (the "Council") adopted Resolution 78-49, adopting findings and establishing the Fort Collins Urban Renewal Authority (the "Authority") as an urban renewal authority pursuant to Colorado Revised Statutes, Part 1 of Title 31, Article 25, as amended (the "Act"); and

WHEREAS, by Resolution 2004-151, adopted and approved on December 21, 2004, the Council found and declared that the North College Urban Renewal Plan Area described in such Resolution (the "Plan Area") is a blighted area, as described in the Act, appropriate for urban renewal projects; and

WHEREAS, by Resolution 2004-152, adopted and approved on December 21, 2004, the Council adopted the North College Urban Renewal Plan (the "Plan") for the Plan Area and the Property is in the Plan Area; and

WHEREAS, the purpose of this Agreement is to eliminate blight in the Plan Area consistent with the purposes, policies, goals, and objectives of the Authority, the Plan and the Act; and

WHEREAS, pursuant to the Plan, the property taxes for property within the Plan Area have been divided as authorized in the Act to establish property tax increment for the Authority to collect and use to fund urban renewal projects benefiting the Plan Area; and

WHEREAS, by entering into this Agreement, the Developer is agreeing to pursue certain undertakings and activities to eliminate and prevent blight, by clearing, rehabilitating and redeveloping the Property, within the meaning of the term "urban renewal project," as set forth in the Plan and as defined in the Act; and

WHEREAS, the Authority's Board of Commissioners has determined by its adoption of Resolution No. 072 on September 30, 2014, approving this Agreement that the Developer's proposed urban renewal project under this Agreement will be consistent with and in furtherance of the Plan.

AGREEMENT

NOW THEREFORE, in consideration of the promises and the mutual obligations of the Parties contained herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows.

SECTION 1. DEFINITIONS

In this Agreement, unless the context clearly requires otherwise, the following words and terms when capitalized shall have the following meanings:

Building means the building identified in **Exhibit A** attached hereto and incorporated herein.

Certificate of Occupancy means a final, unconditional certificate of occupancy issued for the Building by the City's building official under Code Chapter 5, or a conditional certificate of occupancy, provided that the Authority, in its sole discretion, first determines that the conditional certificate of occupancy is sufficient given the circumstances and purposes of the Authority.

Certificate of Valuation means the certification by the Larimer County Assessor's Office determining the estimated actual value of the Project upon Completion of Construction, which certification is attached hereto as **Exhibit B** and incorporated herein.

Charter means the City's Municipal Charter.

Code means the City's Municipal Code.

Commence Construction and Commencement of Construction mean to obtain a building permit under Code Chapter 5 to construct the Building and that the Developer diligently pursues the construction of the Building under the permit in a manner to Complete Construction of the Project in accordance with the Schedule of Performance.

Complete Construction and Completion of Construction mean that: (1) construction of the Project is complete under applicable laws, ordinances and regulations; (2) a Certificate of Occupancy has been issued for the Building; and (3) the Building has been constructed for the future use contemplated under this Agreement in accordance with the Schedule of Performance.

Control or Controlled by, with respect to any entity, means possession of the power to direct or cause the direction of the management and policies of the entity, whether through the ownership of the majority of voting rights or securities, by contract, or otherwise.

Designed to Earn Energy Star Certification means the Building has been designed in a manner to be eligible for Designed to Earn the Energy Star certification.

Developer Financing means the financing that the Developer will use to design and construct the Project as described in Section 2.1 of this Agreement.

Development Agreement means the development agreement for the Project required by the Land Use Code, once the same has been approved by the City and recorded against the Property in the Larimer County, Colorado records.

Eligible Costs means the reasonable and necessary expenditures to design and Complete Construction of the Funded Improvements, as identified in **Exhibit C** attached hereto and incorporated herein, incurred by the Developer subsequent to the date of this Agreement, as certified by the Developer and, at the Authority's option, verified by an appropriate expert retained by the Authority. Eligible Costs shall not include any interest paid or owed by the Developer for such expenditures.

Energy Star Certification means that a professional engineer or registered architect has certified to the Authority that the Building has been Designed to Earn Energy Star Certification and has operated for a continuous twelve-month period earning an Environmental Protection Agency energy savings rating of 75 or higher.

Energy Star Payment means a payment of One Thousand Five Hundred Eighty Three Dollars and Fifty Two Cents (\$1,583.52) from the Authority to the Developer in the event the Developer delivers the Energy Star Certification to the Authority within two years of the date that a Certificate of Occupancy for the Building is issued by the City to the Developer.

Final Development Plan means the final development plan for the Project that has been approved by the City under the Land Use Code.

Funded Improvements means the improvements or activities and undertakings listed in **Exhibit C** that the Developer will construct as part of the Project and for which the Eligible Costs will be incurred.

Land Use Code means the City's Land Use Code.

Party or Parties means a party or the parties to this Agreement, as first identified above.

Pre-Project Tax Base Amount means the amount representing the taxes paid on the Property in 2014 for the tax year 2013 before the construction of the Project and certified as such by the Larimer County Assessor's Office as shown on **Exhibit B**, which the Parties agree for the purpose of this Agreement is \$9,567.04.

Project means the design, construction and reconstruction of all improvements, infrastructure, parking, streets, rights-of-way, buildings, structures, signage, and landscaping to be constructed or installed on the Property pursuant to the Final Development Plan and Development Agreement, and includes, but is not limited to, the Funded Improvements and the Building.

Outside Date means the date by which the Parties agree a certain event must have occurred in order for the Developer to be in compliance with the terms of this Agreement, as set forth in the Schedule of Performance.

Reimbursement Caps means the maximum Reimbursement Obligations of \$72,472 for the Eligible Costs and \$1,583.52 for the Energy Star Certification Payment, for a total amount not to exceed \$74,055.52, to the extent both are required to be paid under the terms and conditions of this Agreement.

Reimbursement Obligations means the Authority's obligations under this Agreement to reimburse the Developer for the Eligible Costs and to make the Energy Star Certification Payment to the Developer up to the Reimbursement Caps.

Related Entity means any entity wholly owned or Controlled by the Developer. For this definition, the term "owned" means the ownership of 100% of the ownership interests in the entity.

Schedule of Performance means the schedule that governs the times for the performance by the Developer and the Authority attached hereto as **Exhibit D** and incorporated herein.

Target Date means the date by which the Parties agree a certain event is reasonably expected to have occurred, as set forth in the Schedule of Performance.

Tax Increment means the total of property taxes that the Authority is entitled to receive each year from the Larimer County Treasurer under the Plan from the Property as authorized in the Act and as calculated in Section 3.3.1 of this Agreement.

SECTION 2. DEVELOPER OBLIGATIONS

2.1 Developer Financing. The Developer represents and agrees that it has the financial and legal ability and can bear the economic risk of financing and achieving Completion of Construction of the Project under the terms and conditions of this Agreement. The Parties acknowledge and agree that the terms and conditions of the Developer Financing will be determined by separate agreements and instruments to which the Authority will not be a party, which agreements and instruments shall not alter or affect the respective rights and obligations of the Developer and the Authority under this Agreement. The Authority acknowledges, subject to the foregoing, that the Developer and other parties to the Developer Financing are entitled to establish, modify or amend the Developer Financing, without the consent of the Authority.

2.2 Demolition, Clearance, Recycling and Preparation of the Property. The Developer agrees to demolish and clear any existing improvements from the Property and prepare the Property for construction of the Project. This work shall be performed in accordance with the requirements of all laws, rules, and regulations, including those of the City. This shall include, without limitation, safely removing all asbestos and lead paint contaminants in accordance with all applicable federal, state and local laws and regulations. The Developer must also carry out its demolition and removal activities in a manner that will preserve the ability to recycle all materials including doors, windows, cabinets, fixtures, concrete, masonry, wood, metal, and cardboard generated by the demolition and removal of existing improvements from the Property, except if and to the extent the type or condition of such materials preclude the recycling of the same in accordance with all applicable laws. Compliance with the provisions of this Section 2.2 shall be certified through receipts, signed affidavits or other documentation acceptable to the Authority and the Developer shall preserve and make available such documentation to the Authority for its review to ensure the Developer's compliance with this Section 2.2.

2.3 Design and Construction of the Project. The Developer is responsible for obtaining and reviewing all information that the Developer believes is necessary or desirable to fulfill its obligations under this Agreement. The Developer agrees to design and construct the Project in accordance with this Agreement. The Schedule of Performance sets forth the Target Dates and Outside Dates for obtaining Developer Financing and Completion of Construction of the Project, and other deadline dates. The Developer, subject to the approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed, shall have sole responsibility for the design, development and construction of the Funded Improvements, the Building, and the Project, including without limitation, design, construction, selection, and supervision of any architects, engineers, and consultants. For construction of the Project, the

Developer agrees to select contractors that the Developer's architect deems qualified by experience to construct a Project of this quality and caliber. Regardless of the costs incurred by the Developer for the Project, the Authority's Reimbursement Obligation shall not exceed the Reimbursement Caps.

2.4 Approval of the Construction Documents and Modifications to the Final Development Plan. The Developer shall prepare and obtain the approval of the City and the Authority, including, but not limited to, the City's development review process and independent review by the Authority, of all construction documents related to construction of the Project and the Final Development Plan. Approval by the Authority shall not be unreasonably withheld, conditioned or delayed.

2.5 Construction of the Project. The Developer shall Commence Construction and Complete Construction of the Project in accordance with the City's applicable standards and requirements. These activities will occur on or before the dates specified in the Schedule of Performance. All construction activities shall conform to all applicable laws, codes, ordinances, and policies, including, but not limited to, those of the City.

2.6 Energy Star Certification. In addition to the demolition, design and construction requirements of Sections 2.2, 2.3, 2.4 and 2.5 of this Agreement, the Developer shall design and construct the Building to achieve the Energy Star Certification.

2.7 Books and Accounts; Financial Statement. The Developer shall keep, or cause to be kept, proper and current books and accounts in which complete and accurate entries shall be made of amounts paid out, and such other calculations, allocations and payments to construct the Project.

2.8 Inspection of Records. All books, records and reports in the possession of the Developer relating to the Project shall at all reasonable times and subject to twenty-four (24) hours advance notice be open to inspection (at the Authority's expense) by such accountants or other agents as the Authority may from time to time designate.

2.9 Restrictions on Assignment and Transfer. Except as hereinafter permitted, prior to Completion of Construction of the Project the Developer shall not assign or transfer all or any part of or any interest in this Agreement or the Property without the prior written approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed. For purposes of this Section 2.9 (a) an assignment or transfer shall include a change of the parties in Control of the Developer and (b) unreasonably withheld, conditioned or delayed shall mean failing to approve within ten (10) business days without identifying legitimate concerns of the Authority related to, but not limited to, the generation of the Tax Increment, the capacity of the assignee or transferee to Complete Construction, and the preservation and promotion of the Plan. The Developer shall, upon the Developer's gaining of knowledge thereof, promptly notify the Authority of any and all changes in the identity of the parties in Control of the Developer

and the degree of Control thereof. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Approval of an assignment or transfer by the Authority shall not relieve the Developer of its obligations to Complete Construction of the entire Project, unless the Authority agrees in writing. The foregoing restriction on assignment and transfer in this Section 2.9 shall terminate upon Completion of Construction of the Project.

Notwithstanding the foregoing, but subject to the Authority's receipt and prior written approval of all relevant documents confirming such transfer or assignment, which approval shall not be unreasonably withheld, conditioned or delayed, the Developer may: (i) assign this Agreement and transfer the Property to a Related Entity of the Developer; (ii) collaterally assign its right to receive reimbursement under this Agreement to any lender that provides all or any portion of the Developer Financing, provided that any document assigning the Developer's right to receive reimbursement hereunder shall expressly provide that no reimbursement will be made by the Authority unless and until Completion of Construction of the entire Project by the Developer under the terms of this Agreement; (iii) enter into a contract to sell all or a portion of the Project upon or after Completion of Construction, provided that no such sale may occur prior to Completion of Construction without the Authority's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; and (iv) after Completion of Construction of the entire Project, a transfer in Control of the Developer from Dennis Nater to Danielle Nater. Except when a permitted assignee expressly assumes such obligation, no permitted assignment of this Agreement or transfer of the Property shall relieve the Developer of its obligation to complete Construction of the entire Project under this Agreement.

Any assignment or transfer of the Developer's rights or obligations under this Agreement without the Authority's prior written consent or approval as required by this Section 2.9 shall be deemed null and void and of no effect.

2.10 Progress Reports. Until Completion of Construction of the Project, the Developer shall make reports in such detail and at such times as the Authority may reasonably request as to Developer's progress with respect to the Commencement of Construction and to the progress of the Completion of Construction as described in the Schedule of Performance.

SECTION 3. AUTHORITY OBLIGATIONS

3.1 Reimbursement Obligations/Reimbursement Caps. The Authority agrees to reimburse the Developer for the Eligible Costs and to pay it the Energy Star Payment as hereafter provided in satisfaction of the Reimbursement Obligations, but in a total amount not exceed the Reimbursement Caps.

3.2 Conditions for Reimbursement.

- 3.2.1 The Reimbursement Obligations are conditioned upon the Developer's Completion of the Project in conformance with all Project-related requirements set forth in this Agreement, including, without limitation, those in Sections 2.2, 2.3, 2.4, 2.5, and 2.6 of this Agreement. If this condition is not met by the Outside Date specified in the Schedule of Performance, the Authority shall have no Reimbursement Obligations to the Developer and this Agreement shall be deemed terminated.
- 3.2.2 The Reimbursement Obligations and any payments required to be made thereunder are further conditioned upon verification by the Authority that all of Developer's representations and warranties, as set forth in Section 5.1 of this Agreement, have been met and kept current. The Authority may delay payment of any payment under this Agreement, until the Developer provides reasonable evidence of full compliance with said representations and warranties, if requested by the Authority in the reasonable exercise of its discretion.
- 3.2.3 The Reimbursement Obligations are limited to reimbursement for Eligible Costs for the Funded Improvements and payment of the Energy Star Payment. As a condition to reimbursement for Eligible Costs, the Developer shall provide the Authority with documentation of the Eligible Costs using forms provided by the Authority. If this requirement is not met by the Outside Date specified in the Schedule of Performance, including lien waivers and releases for labor and materials provided for the Project for or related to the Funded Improvements, the Authority shall have no Reimbursement Obligations to the Developer and this Agreement shall be deemed terminated. After the Developer has submitted all required documentation of the Eligible Costs, the Authority shall have forty-five (45) business days thereafter to review such documentation, including using an expert to review the documentation as the Authority determines to be appropriate, and to notify the Developer of the Authority's determination of eligibility, the costs determined to be Eligible Costs reimbursable, and the total of the Reimbursement Obligation. The Authority's failure to complete its review of the documentation and to notify the Developer of the results of that review within that forty-five (45) business day period, shall be deemed approval by the Authority of the Developer's submitted Eligible Costs.
- 3.2.4 The Energy Star Payment is conditioned on the Developer providing the Energy Star Certification to the Authority within two (2) years of the date of the City's issuance of the Certificate of Occupancy for the Building to the Developer. The Developer's failure to timely satisfy this condition shall terminate the Authority's obligation hereunder to make the Energy Star Payment to the Developer as provide in Section 3.4 of this Agreement.

3.3 Reimbursement Payments for Eligible Costs. After the Developer has timely satisfied all of the conditions in Section 3.2 of this Agreement, excluding the condition in Section 3.2.4, the Authority shall reimburse the Developer for the Eligible Costs portion of the Reimbursement Obligations in the following manner:

3.3.1 The Reimbursement Obligation for Eligible Costs in the total amount of \$72,472 shall be paid by the Authority to the Developer commencing in 2017 and terminating on February 1, 2031. During that period, no later than January 31st of each year, the Authority shall pay to the Developer forty-six percent (46%) of the Tax Increment that was generated from the Property and paid for the previous calendar year. The Tax Increment generated by the Project on the Property for each previous year shall be calculated by subtracting the Pre-Project Tax Base Amount from the total property taxes actually paid for the Property in that previous calendar year.

3.3.2 The Authority's total of all reimbursement payments for Eligible Costs shall not exceed a total cumulative amount of \$72,472. In addition, in the event the Developer's actual costs are less for any estimated line item of Eligible Costs as set out in Exhibit B, the Developer shall be entitled to transfer those saving for reimburse to any line item of Eligible Costs where the estimated amount is exceed by the actual costs, so long as the total cumulative amount of reimbursed Eligible Costs does not exceed \$72,472. The Authority shall continue to annually make these reimbursement payments to the Developer until the earlier of either: (1) the full payment of the \$72,472; or (2) February 1, 2031. Upon the occurrence of either of these events, the Authority shall have no further obligation to the Developer for reimbursements under this Section 3.3.

3.4 Energy Star Payment. Provided that the Developer has timely satisfied all of the conditions in Section 3.2 of the this Agreement, the Authority shall make the Energy Star Payment to the Developer within thirty (30) days after the Developer has delivered the Energy Star Certificate to the Authority.

3.4 Authority Right to Pre-Pay. The Authority reserves the right to pre-pay any amount due hereunder without penalty, in its discretion.

3.5 Limitation. The Authority shall not enter into any agreement or transaction that impairs the rights of the Developer under this Agreement, including, without limitation, the right to receive reimbursement for the Eligible Costs allocated to it under the procedures established in this Agreement and the payment of the Energy Star Payment; provided, however, nothing herein shall preclude the Authority from entering into other financial obligations, or other financial obligations regarding the Plan and the Plan Area, so long as the Authority in its reasonable discretion concludes its actions do not and will not in the future interfere with its obligations under this Agreement.

3.6 Subrogation. Notwithstanding anything herein to the contrary, the Authority's Reimbursement Obligations to the Developer under this Agreement shall be subrogated and junior to any and all other existing indebtedness the Authority has incurred in connection with other urban renewal projects under the Plan prior to the date of this Agreement, which shall include, without limitation, all bonds issued, redevelopment agreements entered into, and any other debt obligations incurred by the Authority under the Plan for other urban renewal projects in the Plan Area prior to the date of this Agreement (collectively, "Existing Authority Debt"). Therefore, the Developer acknowledges and agrees that in the event in any year under this Agreement the Authority does not have sufficient funds to make all or any of portion of its reimbursement payments to the Developer under this Section 3 because of the Authority's payment obligations for Existing Authority Debt, the Authority's obligation to the Developer for that year shall be limited to only those Plan Area funds the Authority has available after payment of all of its obligations for Existing Authority Debt.

SECTION 4. INSURANCE AND INDEMNIFICATION

4.1 Insurance. At all times after the date of this Agreement during which the Developer is engaged in preliminary work on the Property or adjacent streets and during the period from the Commencement of Construction until Completion of Construction of the Project, the Developer shall carry, or cause its general contractor to carry, and, upon request, will provide to the Authority certificates of insurance as follows:

- a. Builder's risk insurance (with a deductible not to exceed \$5,000) in an amount equal to 100% of the projected replacement value of the Improvements at the date of Completion of Construction;
- b. Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) and umbrella liability insurance with a combined single limit for both bodily injury and property damage of not less than \$1,000,000. Such insurance may carry a deductible in an amount not to exceed \$10,000 per claim for property damage and \$5,000 per claim for employee benefits; and
- c. Worker's compensation insurance, with statutory coverage, including the deductible permitted by statute.

All such insurance policies shall be issued by responsible companies selected or approved by the Developer, subject to the reasonable Approval of the Authority. Prior to Commencement of Construction, the Developer shall deliver to the Authority policies or certificates evidencing or stating that such insurance is in force and effect. Each policy shall contain a provision that the insurer shall not cancel or modify it without giving written notice to the Developer and to the

Authority at least 30 days before the date the cancellation or modification becomes effective and shall name the Authority and the City as additional insureds, specifying that the insurance shall be treated as primary insurance.

4.2 Indemnification. The Developer shall defend, indemnify, assume all responsibility for and hold the Authority, the Authority's commissioners, the City, the City's council members, and the officers and employees of the City and the Authority harmless (including, without limitation, for attorneys' fees and costs) from all claims or suits for and damages to property and injuries to persons, including accidental death, that may be caused by acts or omissions of the Developer under this Agreement or in connection with the Project, whether such activities are undertaken by the Developer or anyone directly or indirectly employed by or under contract to the Developer and whether such damage shall accrue or be discovered before or after termination of this Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 The Developer represents and warrants, as of the date of this Agreement, as follows, with a continuing obligation to notify the Authority of changes to the same through the completion of payment of the Reimbursement Obligation by the Authority:

- a. The Developer is a limited liability company under no disability that is qualified to do business in the State of Colorado, and has the legal capacity and the authority to enter into and perform its obligations under this Agreement. The Developer has duly authorized the execution, delivery and performance of this Agreement;
- b. The execution and delivery of this Agreement and such documents and the performance and observance of their terms, conditions and obligations have been duly and validly authorized by all necessary action to make this Agreement and such documents and such performance and observance are valid and binding upon the Developer;
- c. To the Developer's current, actual knowledge, after reasonable inquiry, the execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:
 - i. conflict with or contravene any law, order, rule or regulation applicable to the Developer or to its governing documents,
 - ii. result in the breach of any terms or provisions of, or constitute a default under, any agreement or other instrument to which the Developer is a party or by which the Developer may be bound or affected, or

- iii. permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Developer;
- d. To the Developer's current, actual knowledge, after reasonable inquiry, there is no litigation, proceeding, initiative, referendum, or investigation or any threat of the same contesting the powers of the Developer with respect to this Agreement not disclosed in writing to the Authority; and
- e. The Developer has the legal ability to perform its obligations under this Agreement and has the financial ability, through borrowing or otherwise, to complete the Funded Improvements, the Building and the Project, subject to the terms and conditions of this Agreement. This Agreement constitutes a valid and binding obligation of the Developer, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

5.2 The Authority represents and warrants as of the date of this Agreement the following:

- a. The Authority is an urban renewal authority duly organized and existing under applicable law and has the right, power, legal capacity, and the authority to enter into this Agreement and has authorized the execution, delivery and performance of this Agreement by proper action of its Board of Commissioners;
- b. To the Authority's current, actual knowledge, after reasonable inquiry, the Authority knows of no litigation or threatened litigation, proceeding or investigation contesting the powers of the Authority or its officials with respect to this Agreement not disclosed to the Developer;
- c. To the Authority's current, actual knowledge, after reasonable inquiry, the execution and delivery of this Agreement and the documents required hereunder and the consummation of the transactions contemplated by this Agreement will not:
 - i. conflict with or contravene any law, order, rule or regulation applicable to the Authority or to its governing documents,
 - ii. result in the breach of any terms or provisions of, or constitute a default under, any agreement or other instrument to which the Authority is a party or by which it may be bound or affected, or

iii. permit any party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of the Authority; and

d. This Agreement constitutes a valid and binding obligation of the Authority, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Authority will defend the validity of this Agreement in the event of any litigation arising hereunder that names the Authority as a party or which challenges the authority of the Authority to enter into or perform its obligations hereunder.

SECTION 6. DEFAULT AND REMEDIES

6.1 Default by Developer. "Default" by Developer under the Agreement shall mean one or more of the following events:

a. The Developer fails to obtain the Developer Financing as required and set forth in the Schedule of Performance;

b. The Developer, in violation of Section 2.9 of this Agreement, assigns this Agreement or transfers any part of the Property, or any rights in the same;

c. There is any change in Control of the Developer or in the identity of the parties in Control of the Developer that violates this Agreement;

d. The Developer fails to provide approved construction documents as required by this Agreement;

e. The Developer fails to Commence Construction within a reasonable period of time after: (i) approval of the Final Development Plan, final construction drawings and issuance of permits by the City and (ii) funding of the Developer Financing; or the Developer fails to Commence Construction on or before the Outside Deadline required by the Schedule of Performance;

f. The Developer fails to complete its obligations by the Outside Deadlines in the Schedule of Performance;

g. The Developer fails to materially observe or perform any other covenant, obligation or agreement required of it under this Agreement; or

- h. The Developer successfully protests the actual value of the Property with the Larimer County Assessor in violation of the Covenant Not to Protest required under Section 2.11.

If any Default is not cured within the time allowed in Section 6.3 of this Agreement then the Authority may exercise any remedy available under this Agreement.

6.2 "Default" by the Authority under the Agreement shall mean one or more of the following events:

- a. The Authority fails to pay the Reimbursement Obligation or the Energy Star Payment in violation of this Agreement; or
- b. The Authority fails to materially observe or perform any covenant, obligation or agreement required of it under the Agreement.

6.3 Grace Periods. Upon a Default by either Party, that Party shall, upon written notice from the non-defaulting Party, proceed diligently to cure or remedy the Default and shall have cured the Default within 30 days (60 days if the Default relates to the Outside Date for Completion of Construction) after receipt of such notice, or shall have commenced the cure and diligently pursued it to completion within a reasonable time if the cure cannot reasonably be accomplished within 30 days (or 60 days if the Default relates to the Outside Date for Completion of Construction). There shall be no grace period for the Submission of Documentation for Eligible Costs to URA by the Outside Date as set forth in **Exhibit D**.

6.4 Remedies on Default. Whenever any Default occurs and is not cured under Section 6.3, the non-defaulting Party may take any one or more of the following actions:

- a. Suspend performance under this Agreement until it receives assurances from the defaulting Party, deemed reasonably adequate by the non-defaulting Party, that the defaulting Party will cure its Default and continue its performance under this Agreement;
- b. Cancel and rescind the Agreement; or
- c. Take whatever legal or administrative action or institute such proceedings as may be necessary or desirable in its opinion to enforce observance or performance of this Agreement, including, without limitation, specific performance or to seek any other right or remedy at law or in equity, including damages.

6.5 Delays; Waivers. Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights under the Agreement shall not operate as a waiver

of such rights or deprive it of or limit such rights. No waiver in fact made by a Party with respect to any specific default by the other Party under the Agreement shall be considered or treated as a waiver of the rights with respect to any other defaults by the other Party under the Agreement or with respect to the particular default except to the extent expressly waived in writing. The Parties intend this provision will enable each Party to avoid the risk of being limited in the exercise of a remedy provided in the Agreement by waiver, laches or otherwise in the exercise of such remedy at a time when it may still hope to resolve the problems created by the default involved.

6.6 Enforced Delays. Any delays in or failure of performance by any Party of its obligations under this Agreement shall be excused if such delays or failure result from acts of God, fires, floods, strikes, labor disputes, accidents, regulations, order of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, that are beyond the control of such Party.

6.7 Rights and Remedies Cumulative. The rights and remedies of the Parties to the Agreement are cumulative, and the exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for any other default or breach by any other Party.

SECTION 7. MISCELLANEOUS

7.1 Conflicts of Interest. None of the following shall have any personal interest, direct or indirect, in the Agreement: A member of the governing body of the Authority or of the City; an employee of the Authority or of the City who exercises responsibility concerning the Project, or an individual or firm retained by the City or the Authority who has performed consulting services for the Project. None of the above persons or entities shall participate in any decision relating to the Agreement that affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested.

7.2 Antidiscrimination. The Developer, for itself and its successors and assigns, agrees that in the completion of the Funded Improvements, the Building and the Project provided for in the Agreement and in the use and occupancy of the Property, the Developer will not discriminate against any employee or applicant for employment otherwise qualified because of race, color, creed, religion, sex, sexual orientation, age, disability (subject to the availability of a reasonable accommodation of the disability), marital status, ancestry, or national origin.

7.3 Title of Sections. Any titles of the several parts and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting its provisions.

7.4 No Third-Party Beneficiaries. No third-party beneficiary rights are created in favor of any person not a party to the Agreement except with respect to those rights and protections granted to the City under this Agreement.

7.5 Venue and Applicable Law. Any action arising out of the Agreement shall only be brought in the Larimer County District Court and the laws of the State of Colorado shall govern the interpretation and enforcement of the Agreement, without giving effect to its conflicts of law provisions.

7.6 Non-liability of Officials, Agents and Employees. No council member, board member, commissioner, official, employee, consultant, attorney or agent of the Authority or the City shall be personally liable to the Developer under the Agreement or in the event of any default or breach by the City or Authority or for any amount that may become due to the Developer under the Agreement. No official, employee, consultant, attorney or agent of the Developer shall be personally liable to the Authority or the City under the Agreement or in the event of any default or breach by the Developer or for any amount that may become due to the Authority or the City under the Agreement.

7.7 Authority or City Not a Partner. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, neither the Authority nor the City shall be deemed or represented as a partner or joint venturer of the Developer or any contractor or subcontractor performing work on the Property or the Funded Improvements, the Building or the Project. Neither the Authority nor the City shall be responsible for any debt or liability of the Developer, or its managers or members, or such contractor or subcontractor.

7.8 Integrated Contract. This Agreement is an integrated contract and invalidation of any of its provisions by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect unless the Parties otherwise agree to an amendment.

7.9 Counterparts. The Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

7.10 Notices. A notice, demand, or other communication under the Agreement by any party to the other shall be in writing and sufficiently given if delivered in person or if it is delivered by overnight courier service with guaranteed next-day delivery or by certified mail, return receipt requested, postage prepaid, and:

a. In the case of the Developer, is addressed to or delivered to the Developer, with a copy to Danielle Nater, as follows:

Northern Colorado Feeders Supply, LLC
Attn: Danielle Nater
300 Hickory Street

Fort Collins, CO 80524

b. In the case of the Authority, is addressed to or delivered to the Authority as follows:

Executive Director
Fort Collins Urban Renewal Authority
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80522

And

City Attorney
City of Fort Collins
300 LaPorte Avenue
PO Box 580
Fort Collins, CO 80522

or at such other substituted address as the affected party may, from time to time, designate in writing and forward to the other as provided in this Section. Notice provided by in-person delivery or by overnight courier shall be considered delivered as of the verified date of delivery. Notice provided by regular U.S. Mail shall be considered delivered three (3) days after the date of deposit with the U.S. Postal Service.

7.11 Good Faith of Parties. In performance of the Agreement or in considering any requested extension of time or in giving any approval, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously or unreasonably withhold, condition or delay any approval required by this Agreement.

7.12 Exhibits Merged. All Exhibits attached to the Agreement are expressly integrated herein.

7.13 Days. If the day for any performance or event provided for herein is a Saturday, Sunday or other day on which either national banks or the office of the Clerk and Recorder of Larimer County, Colorado, is not open for the regular transaction of business, the day for performance shall be deemed to be the next day on which the banks or Clerk and Recorder are open for the transaction of business.

7.14 Further Assurances. Each Party agrees to execute such documents and take such action as shall be reasonably requested by the other Party to confirm, clarify or effectuate this Agreement.

7.15 Certifications. Each Party agrees to execute such documents as the other Party may reasonably request to verify or confirm the status of this Agreement and of the performance of the obligations hereunder and such other matters as the requesting Party may reasonably request.

7.16 Amendments. This Agreement shall not be amended except by written instrument. Each amendment, which shall be in writing and signed and delivered by the Parties, shall be effective to amend the provisions hereof.

7.17 Survival of Representations, Warranties and Covenants. No representations or warranties whatever are made by any Party except as expressly set forth in this Agreement. The representations, warranties and indemnities made by the Parties and the covenants and agreements to be performed or complied with by the respective Parties shall be deemed to be continuing. Nothing in this Section shall affect the obligations and indemnities of the Parties with respect to covenants and agreements in this Agreement that are permitted or required to be performed in whole or in part after issuance of a Certificate of Occupancy.

7.18 Minor Changes. This Agreement has been approved in substantially the form submitted to the governing bodies of the Parties. The officers executing the Agreement have been authorized to make, and may have made, minor changes in the Agreement and the attached Exhibits as they have considered necessary. So long as such changes followed the intent and understanding of the Parties at the time of Approval by the governing bodies, the execution of the Agreement shall constitute conclusive evidence of the approval of such changes by the respective Parties.

7.19 Joint Draft. The parties agree they drafted this Agreement jointly with each having the advice of legal counsel and an equal opportunity to contribute to its content.

7.20 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns.

IN WITNESS WHEREOF, the Authority and the Developer have caused the Agreement to be duly executed as of the day first above written.

DEVELOPER:

NORTHERN COLORADO FEEDERS SUPPLY,
A Colorado limited liability company

By: Danielle Nator

Name: Danielle Nater
Title: co-owner/manager

AUTHORITY:

THE FORT COLLINS URBAN RENEWAL AUTHORITY

By: [Signature]
Darin Atteberry, Executive Director

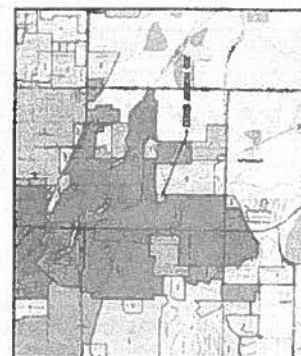
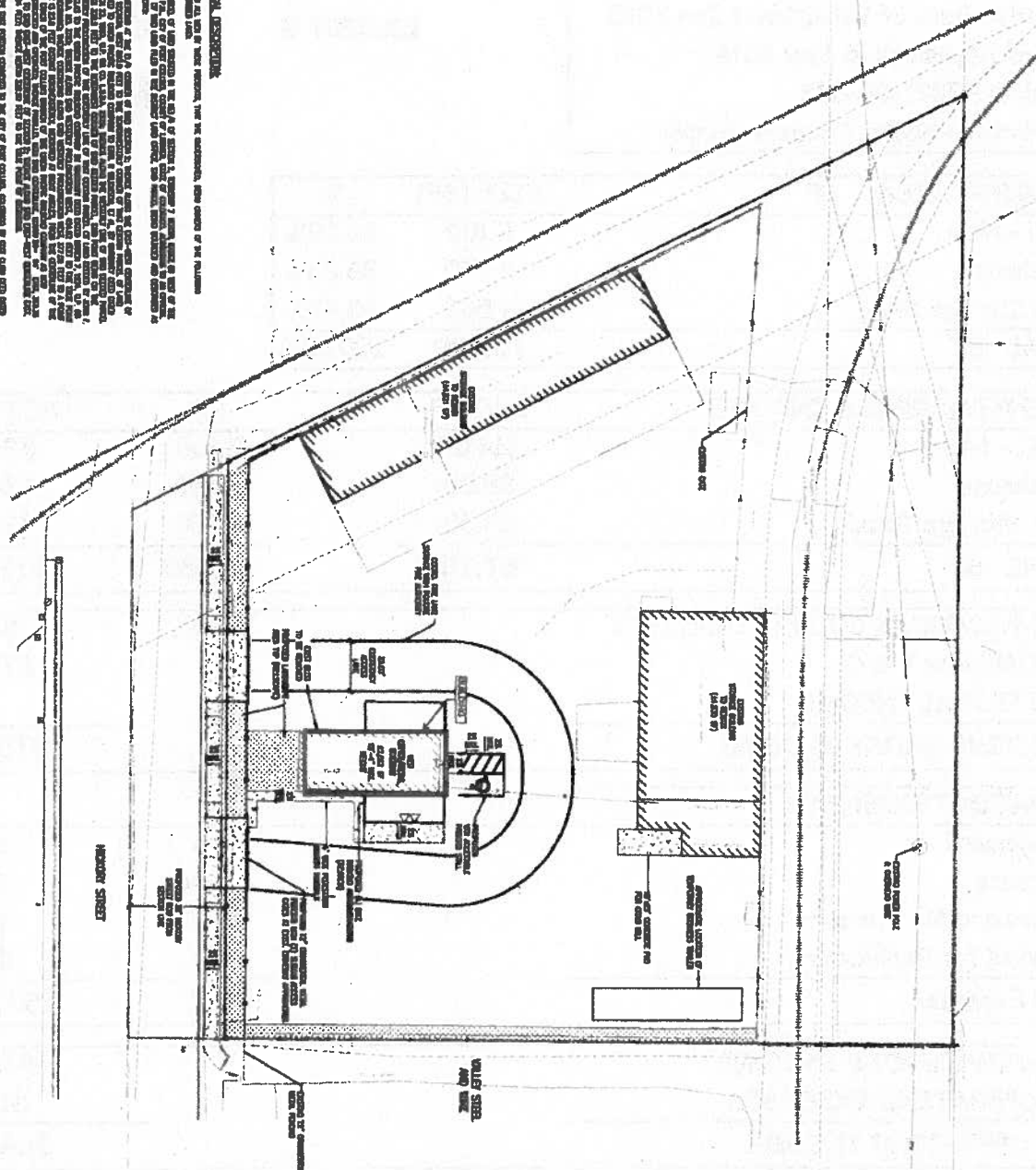
ATTESTED:

By: [Signature]
City Clerk

APPROVED AS TO FORM:

By: [Signature]
Authority Legal Counsel





SCALE 1" = 2000'

**NORTHERN COLORADO FEEDERS SUPPLY
ZONING: SERVICE COMMERCIAL DISTRICT
2.015 ACRES / 87,899 SQUARE FEET**

PROPOSED COVERAGE		DATE	
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2	1/1/2000	1/1/2000	1/1/2000
3	1/1/2000	1/1/2000	1/1/2000
4	1/1/2000	1/1/2000	1/1/2000
5	1/1/2000	1/1/2000	1/1/2000
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71	1/1/2000	1/1/2000	1/1/2000
72	1/1/2000	1/1/2000	1/1/2000

GENERAL NOTES

- [illegible]

SIGNATURES AND APPROVALS

History of the City of New Orleans, Louisiana

United Housing Units

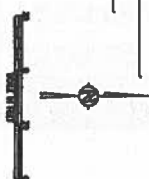
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THE UNIVERSITY OF CHICAGO PRESS

FREE

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ISSUE FOR PERMIT

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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**NORTHERN COLORADO
FEEDERS SUPPLY
300 HICKORY STREET
FORT COLLINS, COLORADO 80524**

**SHEET
CONTENTS**

SITE PLAN



ARCHITECTURE PLUS

**Two Good Gals stayed - but called 911
SOS that 1976 Green - loaded 2023**

INCOME APPROACH

Effective Date of Valuation: 1 Jan 2015

Date of Appraisal: 6 May 2014

Parcel #: 97021-00-023

300 Hickory-No.Co. Feeders Supply

EXHIBIT B

2013

Typical

INC / EXP

Typical

VACANCY

BUILDING AREA - SF	SIZE (SF)	%
Retail - New	2,100	20.29%
Warehouse	3,750	36.23%
Open Storage Shed	4,500	43.48%
TOTAL SF	10,350	100.00%

POTENTIAL GROSS INCOME	INC/SF	SF	NET
Retail - New	\$14.00	2,100	\$29,400
Warehouse	\$8.00	3,750	\$30,000
Open Storage Shed	\$4.50	4,500	\$20,250
TOTAL SF	\$7.70	10,350	\$79,650

LESS VACANCY & COLLECTION LOSS	5.00%	\$3,983
INCOME less V & C		\$75,668
ADDITIONAL INCOME		\$0
EFFECTIVE GROSS INCOME		\$75,668

OPERATING EXPENSES

Management	4%	\$3,186
Insurance	\$0.30	\$3,105
Repairs and Maintenance	3%	\$2,390
Reserves for Replacement	3%	\$2,390
Total Expenses	15%	\$11,070

EFFECTIVE GROSS INCOME	\$75,668
less OPERATING EXPENSES	\$11,070
NET OPERATING INCOME	\$64,598

VALUE (NET INCOME/OAR)	\$64,598 divided by 8.50%	\$760,000
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VALUE PER SQUARE FOOT	\$73
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Value x Assessment Rate x Mill Levy = tax liability

Value	AssessmentRate	Mill Levy		Annual Taxes
\$760,000	29%	91.3060	=	\$20,123.84
\$361,300	29%	91.3060	=	\$9,567.04
				\$10,556.80

Christine Murray

CG01317730

Certified General Appraiser, Larimer County Assessor's Office

2014 Mill levy subject to change, values based on preliminary figures, median lease & expense data
and a suitable capitalization rate.

EXHIBIT C - ELIGIBLE COSTS

1	Site Work/Miscellaneous Clean-Up	\$3,600
2	Abatement/Demolition of Existing Office Building	\$8,750
3	Site Preparation (Excavating/Trenching) for New Office Building	\$10,350
4	Landscape Improvements	\$19,950
5	Sidewalk Improvements	\$18,900
6	Iron Fence along Hickory Street	\$10,922
	Total Eligible Costs	\$72,472

**EXHIBIT D
SCHEDULE OF PERFORMANCE**

Action	Responsible Party	Target Date	Outside Date
Final Plan Approval	Developer	Oct 31, 2014	Jan 1, 2015
Execution of Development Agreement	Developer	Nov 31, 2014	Feb 1, 2015
Deliver Proof of Insurance	Developer	Nov 31, 2014	Feb 1, 2015
Deliver DEES Certification	Developer	Nov 31, 2014	Feb 1, 2015
Commence Construction of Project	Developer	Dec 1, 2014	Mar 1, 2015
Complete Construction of Project	Developer	Mar 1, 2015	Dec 1, 2015
Submit Documentation for Eligible Costs to URA	Developer	Apr 1, 2015	Jan 1, 2015
Submit Energy Star Certification	Developer	Mar 1, 2017	Dec 1, 2017

Northern Colorado Feeders Supply Reimbursement Request



- Feeders Supply in business since 1972
- Relocated to 300 Hickory St. in 2014
- Redevelopment Agreement with URA
- Satisfied requirements for reimbursement



Eligible Costs

Type of Eligible Cost	Cost
Site work/miscellaneous clean-up	\$3,600
Abatement/demolition of existing office building	\$8,750
Site preparation (excavating/trenching) for new office building	\$10,350
Landscape improvements	\$19,950
Sidewalk improvements	\$18,900
Iron fence along Hickory Street	\$10,922
Total Eligible Costs	\$72,472

Reimbursement Request

- Feeders Supply requested lump sum reimbursement
 - Redevelopment Agreement = annual payments
 - Pay 46% of tax increment generated
- Redevelopment Agreement allows pre-payment

Tax Increment Generation Overview

Year	Property Value	Assessed Value	Tax Increment	Reimbursement
Base	\$361,300	\$104,777	-	-
2016	\$593,000	\$171,970	\$6,134	\$2,821.64
2017	\$595,000	\$172,550	\$6,156	\$2,831.76
2018	\$595,000	\$172,550	\$6,177	\$2,841.42
2019	\$597,100	\$173,159	\$6,426	\$2,955.96
2020	\$597,100	\$173,159	\$6,398	\$2,943.08
2021	\$619,200	\$179,568	\$6,937	\$3,191.02
Total To Date	-	-	\$38,228	\$17,584.88
2022-2029	\$619,200	\$179,568	\$63,539	\$29,227.94
Projected Total	-	-	\$102,471	\$46,812.70

Take away: Feeders Supply forecasted to generate less tax increment than contemplated in the Redevelopment Agreement

Pros and Cons of Lump Sum Payment

Pros	Cons
Supports small business	Total contribution as percentage of TIF generated will exceed what redevelopment agreement contemplated
Frees up cash later in plan area's life	Impacts cash position in short term
Relieves administrative burden of annual payment	Sets informal precedent

Question for Finance Committee

Does the Finance Committee support the applicant's request for a lump sum reimbursement?