




AMMENDED TAD APPLICATION: Riverfront Place Mixed Use Development Columbus, GA

DRAFT

September 28, 2021



Prepared in collaboration with  **KB** ADVISORY GROUP

AMENDED REQUEST FOR TAD FUNDING

- **Riverfront Place initially secured a commitment for \$38 million in TAD funding over 19 years from Columbus City Council in March 2020. As a result of an expansion in the size of the mixed-use development and rapidly escalating construction costs during the past 18 months, we are seeking to amend our TAD funding request to \$52 million in funding over 20 years.**
- This funding request is supportable by the increased value of the development, as currently planned, and will not require any funding from other revenues generated in the Uptown TAD. Details include:
 - Use the PAYGO approach, of annual payments of real property tax increments from the development over a period of 20 years until \$52 million is received.
 - Use the proceeds to finance the development of the structured parking deck (1,200 +/- spaces), Mathews D. Swift Park, and other infrastructure improvements to the development.
 - TAD is required to produce a level of return necessary to make high-quality mixed-use development financially feasible, given likely rent levels for residential, office and retail uses in Uptown.
- During the next 20 years, the development would generate:
 - **Combined \$89.4 million in property taxes, sales taxes, and hotel/motel taxes to Columbus CG & Columbus Schools—\$37.4 million more than the amount of the requested TAD grant.**

PROJECTED PROPERTY TAXES FROM RIVERFRONT PLACE

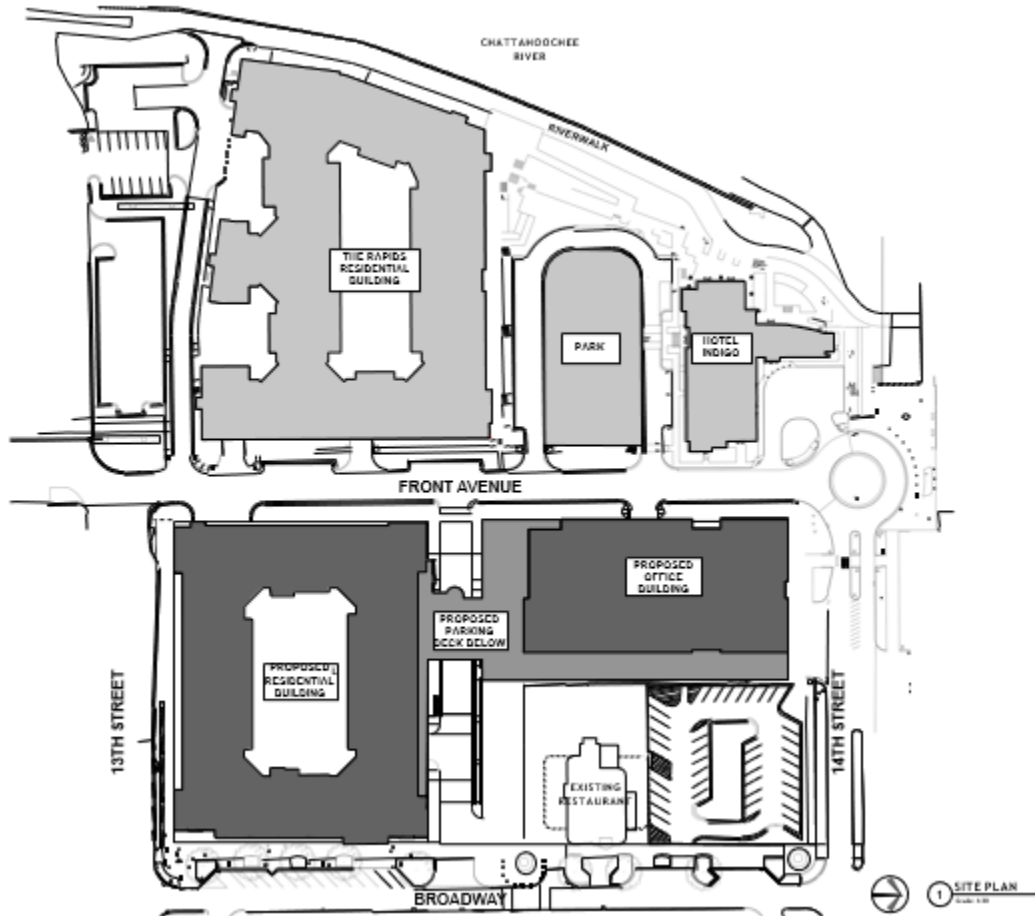
EXHIBIT: AMENDED TAD FUNDING REQUEST FROM INCREMENTAL PROPERTY TAXES OVER 20 YEARS FROM RIVERFRONT PLACE											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Subtotal
Annual Increment*	\$ 1,212,242	\$ 2,448,729	\$ 2,473,217	\$ 2,497,949	\$ 2,522,928	\$ 2,548,157	\$ 2,573,639	\$ 2,599,375	\$ 2,625,369	\$ 2,651,623	\$ 24,153,229
	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Total
Annual Increment*	\$ 2,678,139	\$ 2,704,921	\$ 2,731,970	\$ 2,759,289	\$ 2,786,882	\$ 2,814,751	\$ 2,842,899	\$ 2,871,328	\$ 2,900,041	\$ 2,929,041	\$ 52,172,490

* assumes an annual growth of 1% in incremental value of development

Source: KBA Group

We are requesting that the Columbus Consolidated Government (CCG) amend the existing TAD commitment to Riverfront Place to award W. C. Bradley Real Estate Co. the anticipated property taxes generated by the development over the next 20-year period (2022-2041) up to a maximum of \$52,000,000.

RIVERFRONT PLACE DEVELOPMENT PLAN



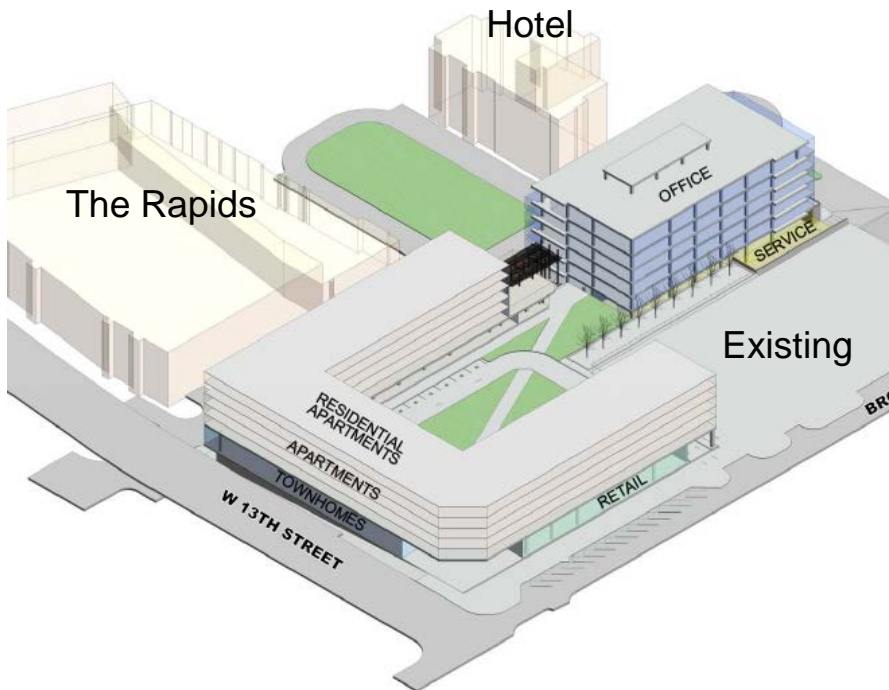
- The development plan calls for a mix of land uses over the two-block site in Uptown Columbus, with a key public amenity in Mathews D. Swift Park.
 - The Rapids rental apartments are not included in this TAD funding application.

RIVERFRONT PLACE PROJECT SUMMARY

- W. C. Bradley Co. Real Estate (Bradley) is proposing the creation of Riverfront Place on a prominent site within the Uptown District of Columbus— located between the Chattahoochee Riverfront, Broadway, 13th and 14th Streets. Riverfront Place will be a vibrant mix of several land uses including rental apartments, office space, retail space, a hotel and a park, with underground parking to service the site.
- **Rental Apartments**—226 one-, two-, and three-bedroom apartment units in five stories above ground floor retail. The units will offer a full range of amenities appealing to renters looking to enjoy urban living in the Uptown District.
- **Office**—175,000 SF of modern office space, which will be designed to appeal to a wide-range of office tenants seeking a location in the Uptown District with its unique set of amenities and services.
- **Retail**—45,000 SF of ground floor retail space in the development. Current plans call for an urban grocery store occupying much of the space, with the remaining retail space designed for a mix of retail and restaurant uses.
- **Hotel**—107-room Hotel Indigo located in mixed use setting which allows it to benefit from its proximity to the River as well as the many amenities of Riverfront Place and the Uptown District.
- **Riverfront Park**—Mathews D. Swift Park- An urban park adjacent to the planned hotel for use of the residents and tenants of Riverfront Place, and an important public gathering space.
- **Structured Parking**—1,200 +/- structured parking spaces provided to address the parking requirements of Riverfront Place.

RIVERFRONT PLACE DEVELOPMENT PLAN

Concept Plan for Riverfront Place



AMENDED RIVERFRONT PLACE MIXED USE DEVELOPMENT					
Components	Units/Rooms	SF	Total SF	Cost Per	
				Unit/Room/SF	Cost
Apartments	226	1,050	237,300	\$239,381	\$ 54,100,000
Office		175,000	175,000	\$295	\$ 51,700,000
Grocery		29,000	29,000	\$204	\$ 5,928,894
Other Retail		16,000	16,000	\$204	\$ 3,271,106
Hotel	107		75,000	\$264,486	\$ 28,300,000
Total Development			532,300		\$ 143,300,000
Structured Parking					
Residential			271		
Office			560		
Retail			157		
Hotel			110		
Total Spaces			1,098	\$ 50,455	\$ 55,400,000
Total Project Cost					\$ 198,700,000

Source: W.C. Bradley Co. Real Estate/KBA Group

The Rapids rental apartments are not included in this TAD funding application.

THE “BUT FOR” NEED FOR TAD FUNDING

- The request for TAD funding assistance for Riverfront Place is to make the project financeable and therefore economically feasible.
- Given the \$198 million construction cost, balanced against the level of rents that can be charged in Uptown Columbus, without TAD assistance a project of this quality does not generate the net cashflow needed to be financially feasible.
 - Our cashflow analysis shows that over a 10-year period, without any TAD assistance, the overall return on cost (Internal Rate of Return) is 5.5%.
 - With the requested TAD funding assistance, the overall return on cost increases to slightly more than 8%
 - An internal rate of return (IRR) of 8% is the required minimal level to provide a sufficient return to attract investment capital and justify the risk associated with a complex mixed-use development like Riverfront Place.
 - Thus, TAD funding is needed to provide the “but for” funding to achieve this minimal investment threshold.

SEEKING TAD FUNDING FOR THESE IMPROVEMENTS

- The requested TAD funding would be primarily used to off-set the substantial cost of constructing an underground parking deck for the mixed-use development, creation of Mathews D. Swift Park, and other infrastructure improvements, consistent with the use of TADs in Columbus.

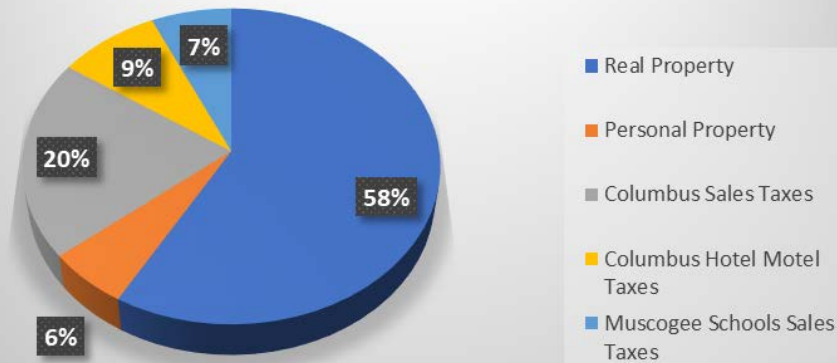
RIVERFRONT PLACE TAD FUNDING REQUEST

Riverfront Park	\$	1,780,440
Shared Site Cost	\$	2,203,823
Dragon Fly Trail connection to Riverwalk, fire access	\$	630,897
Surveying	\$	5,000
Soft Cost--Landscape Architect/Civil Engineer	\$	150,000
Permit Fees	\$	5,000
Site Inspection Fees	\$	25,000
Public Art	\$	250,000
Parking Structure	\$	46,949,840
Total	\$	52,000,000

Source: W. C. Bradley Real Estate

TOTAL LOCAL REVENUES TO COLUMBUS AND MUSCOGEE SCHOOLS

20 Year Public Revenues



SUMMARY RIVERFRONT PLACE'S LOCAL REVENUES

Property Taxes	10 Years	20 Years
Real Property Increment	\$ 24,153,229	\$ 52,172,490
Personal Property Increment**	\$ 2,415,323	\$ 5,217,249
Total Property Taxes	\$ 26,568,552	\$ 57,389,738
Sales Taxes		
Columbus Sales Taxes	\$ 8,682,550	\$ 18,273,486
Columbus Hotel Motel Taxes	\$ 3,661,071	\$ 7,705,176
Muscogee Schools Sales Taxes	\$ 2,894,183	\$ 6,091,162
Total Sales and H/M Taxes	\$ 15,237,804	\$ 32,069,824
Total Local Revenues	\$ 41,806,356	\$ 89,459,563

- Over a **20-year period**, Riverfront Place will generate for Columbus and Muscogee Schools, combined local revenues of:
 - \$57.4 million in property taxes
 - \$32.0 million in sales and hotel/motel taxes
 - \$89.4 million in total local revenues**
 - Net of the \$52 million in TAD funding, Riverfront will generate \$37.4 million in property tax and sales tax revenues for Columbus and Muscogee Schools over the next 20 years.

PUBLIC REVENUE ESTIMATE FOR RIVERFRONT PLACE 2022-2041

ESTIMATE TAD INCREMENTAL TAXES OVER 20 YEARS FROM RIVERFRONT PLACE											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Subtotal
Property Taxes											
Real Property Increment	\$ 1,212,242	\$ 2,448,729	\$ 2,473,217	\$ 2,497,949	\$ 2,522,928	\$ 2,548,157	\$ 2,573,639	\$ 2,599,375	\$ 2,625,369	\$ 2,651,623	\$ 24,153,229
Personal Property Increment**	\$ 121,224	\$ 244,873	\$ 247,322	\$ 249,795	\$ 252,293	\$ 254,816	\$ 257,364	\$ 259,938	\$ 262,537	\$ 265,162	\$ 2,415,323
Total Property Taxes	\$ 1,333,466	\$ 2,693,602	\$ 2,720,538	\$ 2,747,744	\$ 2,775,221	\$ 2,802,973	\$ 2,831,003	\$ 2,859,313	\$ 2,887,906	\$ 2,916,785	\$ 26,568,552
Sales Taxes											
Columbus Sales Taxes	\$ 829,896	\$ 838,195	\$ 846,577	\$ 855,043	\$ 863,593	\$ 872,229	\$ 880,951	\$ 889,761	\$ 898,659	\$ 907,645	\$ 8,682,550
Columbus Hotel Motel Taxes	\$ 349,933	\$ 353,432	\$ 356,966	\$ 360,536	\$ 364,141	\$ 367,783	\$ 371,461	\$ 375,175	\$ 378,927	\$ 382,716	\$ 3,661,071
Muscogee Schools Sales Taxes	\$ 276,632	\$ 279,398	\$ 282,192	\$ 285,014	\$ 287,864	\$ 290,743	\$ 293,650	\$ 296,587	\$ 299,553	\$ 302,548	\$ 2,894,183
Total Sales and H/M Taxes	\$ 1,456,461	\$ 1,471,026	\$ 1,485,736	\$ 1,500,593	\$ 1,515,599	\$ 1,530,755	\$ 1,546,063	\$ 1,561,523	\$ 1,577,139	\$ 1,592,910	\$ 15,237,804
Total Local Revenues	\$ 2,789,927	\$ 4,164,628	\$ 4,206,274	\$ 4,248,337	\$ 4,290,820	\$ 4,333,728	\$ 4,377,066	\$ 4,420,836	\$ 4,465,045	\$ 4,509,695	\$ 41,806,356
	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	Total
Property Taxes											
Real Property Increment	\$ 2,678,139	\$ 2,704,921	\$ 2,731,970	\$ 2,759,289	\$ 2,786,882	\$ 2,814,751	\$ 2,842,899	\$ 2,871,328	\$ 2,900,041	\$ 2,929,041	\$ 52,172,490
Personal Property Increment**	\$ 267,814	\$ 270,492	\$ 273,197	\$ 275,929	\$ 278,688	\$ 281,475	\$ 284,290	\$ 287,133	\$ 290,004	\$ 292,904	\$ 5,217,249
Total Property Taxes	\$ 2,945,953	\$ 2,975,413	\$ 3,005,167	\$ 3,035,218	\$ 3,065,571	\$ 3,096,226	\$ 3,127,188	\$ 3,158,460	\$ 3,190,045	\$ 3,221,945	\$ 57,389,738
Sales Taxes											
Columbus Sales Taxes	\$ 916,722	\$ 925,889	\$ 935,148	\$ 944,499	\$ 953,944	\$ 963,484	\$ 973,118	\$ 982,850	\$ 992,678	\$ 1,002,605	\$ 18,273,486
Columbus Hotel Motel Taxes	\$ 386,544	\$ 390,409	\$ 394,313	\$ 398,256	\$ 402,239	\$ 406,261	\$ 410,324	\$ 414,427	\$ 418,571	\$ 422,757	\$ 7,705,172
Muscogee Schools Sales Taxes	\$ 305,574	\$ 308,630	\$ 311,716	\$ 314,833	\$ 317,981	\$ 321,161	\$ 324,373	\$ 327,617	\$ 330,893	\$ 334,202	\$ 6,091,162
Total Sales and H/M Taxes	\$ 1,608,839	\$ 1,624,927	\$ 1,641,177	\$ 1,657,588	\$ 1,674,164	\$ 1,690,906	\$ 1,707,815	\$ 1,724,893	\$ 1,742,142	\$ 1,759,564	\$ 32,069,820
Total Local Revenues	\$ 4,554,792	\$ 4,600,340	\$ 4,646,343	\$ 4,692,807	\$ 4,739,735	\$ 4,787,132	\$ 4,835,004	\$ 4,883,354	\$ 4,932,187	\$ 4,981,509	\$ 89,459,558

* assumes an annual growth of 1% in incremental value of development

** assumes personal property at 10% of commercial real property value; city average 20%

Source: KBA Group