Memo

To:	Ken Ondich, City of New Prague Joshua Tetzlaff, City of New Prague
From:	Mikaela Huot, Director, BTMA
Date:	November 18, 2024
Subject:	Summary of Financial Analysis and Tax Abatement Revenue Projections for Proposed 166-Unit Multifamily Market Rate Housing Project (Yellow Tree)

Executive Summary

The City of New Prague (the "City") has received a request for tax abatement assistance from Yellow Tree (the "developer") to assist with financing a portion of the costs associated with construction of an approximate 166-unit multifamily residential rental market rate housing development in the City. *The initial unit count was 155 and has since been refined to be closer to 166 total housing units.* The total development cost of the project is estimated to be $42,699,000 and Scott County assessor's office has provided a taxable value range of $200,000 to $210,000 average per unit providing a total value for the project between from $33,200,000 - $34,860,000. The developer requested tax abatement assistance from the City (including requests for potential participation from Scott County and New Prague Area Schools) that would provide additional cash flow to the project as necessary to meet minimum debt coverage and equity returns. The developer's initial request was for up to 75% of the annual tax abatements from the City, County and School District resulting in total tax abatements of $4.3 million over 15 years.

Tax abatement is a financing tool the City may consider utilizing to provide cash flow assistance and close a funding gap for a project. All or a portion of the incremental taxes generated from the new development may be rebated back to the developer. Actual tax abatement amounts are subject to 1) generation of taxes by each participating entity and 2) approval by respective Board/Council. Terms of tax abatement assistance based on individual Board/Council approvals are included within a tax abatement agreement and provide for maximum number of years and abatement amounts. Each taxing entity chooses to participate on its own following a public hearing that is noticed more than ten days prior to the public hearing.

Prior to granting a tax abatement, a finding is made to determine that the benefits gained equal or exceed the cost and that the granting of a tax abatement is in the public interest. There is not a statutorily required 'but-for test; however, many communities consider incorporating a determination that the project as proposed would not proceed without public assistance (meeting the "but-for" test) as well as consideration of increased market value of the property to be developed. When reviewing requests for financial assistance it is important to understand how the level of financial assistance would impact the ability of the project to proceed as proposed and maximize new value created on the current project site.

Review of the sources and uses and operating proforma based on the developer assumptions with pay-as-you-go assistance as compared to no assistance provides an understanding of financial feasibility for this project and need for public assistance. The purpose of the analysis is to test the level of assistance that may be needed using those assumptions and if the recommended structure is reasonable while remaining consistent with the City's objectives for new development projects.

Without financial assistance, the project would not be feasible due to the projected cash flow projections. Without assistance, the projected cash flow is less than what would be necessary to support the level of debt financing and equity investment required for this type of project. The analysis indicates that the provided financing structure without assistance would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax abatement revenues, reduced financing rates or equity returns), and/or 3) additional funding sources.

Annual tax abatements pledged by the City would enhance cash flow of the project. However, as described further in the Financial Needs (Pro forma Analysis) section of this memo, the City's share of tax abatement revenues is not sufficient to close the financing gap. The developer is requesting assistance from the City and subject to approvals, will continue to explore solutions to close the funding gap. Solutions may include reduction in total development costs, increased equity to reduce debt financing to a level supported by cash flows, potential interest rate savings and other sources. Without tax abatement pledged by the City, the project is not expected to be financially feasible. While not closing the gap, public assistance from the City is projected to have a positive impact on the project performance as compared to no assistance.

The City had discussions with both the School District and Scott County regarding possible tax abatement assistance. It is our understanding that Scott County's tax abatement policy does not allow for participation in housing projects. The School District has indicated it is not interested in participating in multiple tax abatement project requests. As a result, the tax abatement structure for consideration of the granting of a tax abatement for the project is based on the City, County and School District share with the following scale:

- Years 1-5: 100% City and 0% School District and County
- Years 6-10: 75% City and 0% School District and County
- Years 11-15: 50% City and 0% School District and County
- Average blended percentage of participation by City is 75% over 15 years
- Total maximum abatement for City is $2,071,999

The purpose of this memorandum is to provide a summary of the financial review of the proposed project including sources and uses and operating pro forma as provided by the developer to assist with understanding need for public assistance as well as provide tax abatement revenue projections based on up to 75% participation levels by the City. The other taxing entities have indicated they do not wish to participate so any tax abatement assistance would be based on city share only. Should the City choose to provide assistance to the project, all or a portion of the annual tax abatement revenues generated by the City's share of taxes from the new project would be remitted back to the developer to provide additional cash flow.

Developer Request for Assistance

The developer requested assistance from the City (with both County and School District support) through tax abatement in an estimated annual amount of approximately $385,560 for years 1-5, $289,170 for years 6-10 and $192,780 for years 11-15 based on total taxes due of $465,000 upon project stabilization. Total tax abatement assistance over 15 years assuming a blended participation of 75% resulted in a request of $4,337,550. The total development costs are approximately $42,669,000. Upfront funding sources to support development costs include construction financing and developer equity. The primary loan is approximately 70% of total funding sources and investor equity would be 30%. We would expect to see the primary debt financing percent in the range of 60-75%, subject to availability of net operating income to meet minimum debt coverage requirements and repay annual debt service with the remaining sources as secondary mortgage, equity, grants, etc. The overall project performance without assistance is lower than what lenders and investors would tolerate (i.e. minimum debt coverage requirements and equity returns are not met), thus resulting in a financial gap. Due to the current market environment and interest rates, annual debt service payments are higher with increased interest costs and resulting lower overall funding amounts.

Total project costs that cannot be supported solely by the project alone typically justify the need for public financial assistance and allow the project to proceed as proposed. In addition, current market conditions of increased interest rates requiring reduced debt financing and increased equity amounts have resulted in higher funding gaps. Tax abatement from the City would provide an additional funding source to the project that would facilitate the developer being able to obtain an appropriate level of upfront debt and equity funding and meet minimum debt coverage and investor return metrics. Summary of the sources and uses of funds is illustrated in Table 1 below.

The recommendation for a reasonable level of public assistance is balanced by a combination of public benefit and projected financial cash flow performance of the project, public policy guidelines/considerations and potential financial parameters as further outlined below:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation limit of 10%)*
- Public assistance and private equity: *(public does not exceed private equity)*
- Extraordinary costs: (*new development)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of assistance: (*up to 15-20 years)*
- Other identified public improvements: *(case by case basis to be determined)*

Sources and Uses of Funds

The proposed total development cost of the project is estimated to be $42,699,000 and is summarized below.

Table 1: Sources and Uses of Funds

Sources			Uses		Percent	Per Unit
Bank Loan	29,889,300	70.00%	Land	1,100,000	2.58%	6,627
Equity	12,809,700	30.00%	Construction	34,860,000	81.64%	210,000
Grants		0.00%	Construction Contingency	1,000,000	2.34%	6,024
Deferred Developer Fee		0.00%	Arch / Structural Eng	525,000	1.23%	3,163
Public Assistance		0.00%	Legal	85,000	0.20%	512
			Leasing / Marketing	200,000	0.47%	1,205
			Fees and Permits	500,000	1.17%	3,012
			Construction Period Interest	2,000,000	4.68%	12,048
			Closing Fees	500,000	1.17%	3,012
			Appraisal / Phase I / Geotech	25,000	0.06%	151
			Market Study	4,000	0.01%	24
			FF&E	150,000	0.35%	
			Operating Reserve	250,000	0.59%	
			Developer Fee	1,500,000	3.51%	
						-
Total	42,699,000	100.00%	Total	42,699,000	100.00%	245,777

Operating Assumptions

The developer provided a breakdown of the projected revenues from the individual unit types for the residential housing units based on number of bedrooms (studio, 1, 1+, 2, 2+ and 3-bedrooms). The estimated range is rents for each unit type of $1,275, $1,400, $1,650, $1,900, and $2,300. The estimated operating revenues and expenditures include 3% annual inflationary increases and 5% stabilized vacancy rates (revenues). Total operating expense ratio for the residential project component is approximately 41% annually. Assumptions utilized for the operating proforma are generally reasonable as compared to industry standards and may warrant additional analysis as the project proceeds.

Unit Type	Unit #	SF/Unit	Rent/SF	Rent/Unit
Studio	13	600	2.13	1,275
1 Bedroom	52	705	1.99	1,400
1 Bedroom plus	49	900	1.83	1,650
2 Bedroom	42	1188	1.60	1,900
3 Bedroom	10	1336	1.72	2,300

Tax Abatement Analysis

The following assumptions were used to estimate the amount of projected tax abatement revenues based on the respective taxing entity participants:

- Total project area
    - Parcel ID: 24.113.0050
- Total estimated base value of $131,200
    - Assumed existing land value would be calculated as 'base'
- Estimated total taxable value upon completion (including base)
    - $34,860,000 classified as residential rental
    - 166 units valued at $210,000 per unit
- Maximum term of tax abatement
    - 15 years with 3 taxing entity participation (City, County and School District)
    - 20 years with 1 or 2 taxing entity participation
- Anticipated term of tax abatement based on initial review
    - Up to 15 years with 75% blended share City participation
        - Years 1-5: 100%
        - Years 6-10: 75%
        - Years 11-15: 50%
    - Sliding scale (reduced percentages in future years anticipated for all scenarios subject to further analysis and discussion)
- Construction commences in 2025 and is completed in 2026
    - 100% assessed in January of 2027 for taxes payable in 2028
- Tax rates, class rates and future market values remain constant
    - Tax rates
        - City share: 42.427%
    - 1.25% class rates for residential rental
    - 0% annual market value inflator

Table 2: Tax Abatement Revenue Estimates

Tax Abatement Revenue Projections	
Total Estimated Taxable Value	$34,860,000
Scenario 1: City Only Participation Blended 75% 15 Years	
City Share Annual Tax Abatement Years 1-5	$184,178
City Share Annual Tax Abatement Years 6-10	$138,193
City Share Annual Tax Abatement Years 11-15	$92,089
Estimated City Share (15 Years)	$2,071,999

There is a statutory limit on the total amount of property taxes that may be abated by a political subdivision on an annual basis. The City's annual property tax abatement may not exceed (1) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) $200,000, whichever is greater. We estimate the total City share of tax abatement from this project could be up to $184,178 with 100% participation based on a taxable value of $34,860,000. We recommend consideration for both existing abatements and potential future abatements as it relates to the City's maximum participation level on an ongoing basis. The City's 2024 taxable net tax capacity is $11,371,733 allowing for the City's total annual tax abatement capacity of approximately $1,137,173 and would be expected to adjust each year subject to the City's net tax capacity.

Project Financing

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the applicant's initial project costs through the issuance of bonds or as an internal loan. Future tax abatements would be levied for collection by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the developer would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the developer. If revenues are less than originally projected, the developer receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if revenues are not sufficient. The City has historically financed projects as pay-as-you-go for reimbursement to the developer of eligible costs. The request for assistance as related to this project would be as annual reimbursement/remittance based on a determination of a certain percentage of pledged annual abatements.

Financial Needs (Pro forma Analysis)

The developer has stated that without tax abatement assistance, the project as proposed would not occur. Based on the developer's stated position relative to the need for assistance, the City could provide tax abatement assistance. We recommend, however, that the City review the provided assumptions to consider if the project needs assistance and, if so, what an appropriate level may be based on the information submitted by the developer.

Following thorough evaluation of the project as provided allows the City to be prepared to make an informed decision based on the likelihood of the project needing assistance, as well as the appropriate level of assistance. To complete this analysis, we reviewed the ten-year operating project proformas, showing a result if the project received financial assistance as requested and did not receive assistance. Analysis of the proformas includes a review of the development budget, projected operating revenues and expenditures, and the project's capacity to support annual debt service on debt financing. The purpose of evaluating the operating proformas is to understand the potential cash flow performance through initial development of the project and the annual operations of the project over a 10-year period to assist with determining if the project is financially feasible and in need of public participation.

Measuring project feasibility is typically accomplished by analyzing a combination of 1) projected rate of return – both annual and cumulative and 2) estimated debt coverage ratio (DCR). Internal rate of return (IRR) analysis illustrates the projected return to the investor(s) using the available cash flow after payment of operating expenses and debt repayment as a measurement to the initial equity investment. Industry standards for certain development types indicate the level of investment a developer is willing to make based on projected returns from the project. Should the projected annual and cumulative returns fall below those standards, the project would require a reduced level of equity participation and/or increased cash flow to be feasible. Debt Coverage Ratio (DCR) is a calculation detailing the ratio by which operating income exceeds the debt payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service payment by some margin; conversely if the DCR is less than 1.0, it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources in order to pay its debt.

For a project to be considered financially feasible and likely to secure private financing, lenders will require net operating income (NOI) that exceeds the debt-service amount by a specific threshold. This is a test based on a stabilized year of revenue. Typically, we see lenders identifying a desired threshold for DCR of 1.15-1.25. The developer's financing terms include Loan to Cost (LTC) of 70% meaning the remaining 30% of project costs will need to be funded by investor/developer equity – subject to rate of return – and may include request for public assistance.

Table 3 below provides a summary of the project's cash flow proforma including operating revenues and expenses, net operating income, estimated annual debt service payments and projected debt service coverage ratios. There are 4 scenarios illustrating the estimated impacts of tax abatement assistance and additional adjustments that would be required for the project to proceed as proposed.

Scenario 1:
Without any tax abatement assistance and current financing assumptions, the DCR is projected to be considerably lower than 1.0x and at 0.86x meaning the debt financing amount of 70% LTC would not be achievable and would need to be reduced to an amount significantly less to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 2:
The initial request for tax abatement assistance assumed a blended 75% participation from all taxing entities (City, County and School District) with 100% tax abatement first 5 years. The estimated annual tax abatement revenue of $385,560 would have resulted in an increased DCR of 1.02x. This still results in a debt financing amount of 70% LTC not being achievable and would need to be reduced to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 3:
Modified tax abatement scenario assuming City-only tax abatement assistance with a blended 75% participation and 100% tax abatement first 5 years. The estimated annual tax abatement revenue of $184,178 would result in an increased DCR of 0.94x. This still results in a debt financing amount of 70% LTC not being achievable and would need to be reduced to be financially feasible. The resulting equity investment would need to be increased by an equal amount to achieve feasibility.

Scenario 4:
Modified tax abatement scenario assuming City-only tax abatement assistance with a blended 75% participation and 100% tax abatement first 5 years to equal estimated annual tax abatement revenue of $184,178. This scenario also assumes a reduction in interest rates on the developer's permanent financing to a level that may be considered feasible while striving to meet minimum DCR requirements of 1.15x – 1.25x, subject to lender criteria. This scenario may not require additional equity investment, subject to actual feasible. This illustration is hypothetical only as an effort to understand alternate options for achieving financial feasibility beyond city tax abatement. Additional remedies to achieve financial feasibility may include reduction in total development costs, reduction in operating expenses, increase in operating revenues or alternate funding sources.

Table 3: Summary Project Operating Proforma

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	No Assistance	Original Request	Recommendation	Recommendation with Modification
Total Rental Income	3,112,485	3,112,485	3,112,485	3,112,485
Total Recurring Tenant Fees	393,011	393,011	393,011	393,011
Total Non-Recurring Tenant Fees	68,602	68,602	68,602	68,602
Total Other Revenue	15,000	15,000	15,000	15,000
Total Revenues	3,589,097	3,589,097	3,589,097	3,589,097
Plus: Tax Abatement	-	385,560	184,178	184,178
Total Administrative Expense	37,366	37,366	37,366	37,366
Total Management Fee	143,564	143,564	143,564	143,564
Total Amenities Expenses	18,350	18,350	18,350	18,350
Total Marketing Expenses	68,890	68,890	68,890	68,890
Total Personnel Expenses	274,191	274,191	274,191	274,191
Total Utilities	246,840	246,840	246,840	246,840
Total Repair & Maintenance Expense	112,878	112,878	112,878	112,878
Total Turnover Expenses	21,260	21,260	21,260	21,260
Total On-Call Services Expense	10,521	10,521	10,521	10,521
Total Property Expenses	75,000	75,000	75,000	75,000
Total Property Taxes	465,000	465,000	465,000	465,000
Total Operating Expenses	1,473,860	1,473,860	1,473,860	1,473,860
Net Operating Income	2,115,238	2,500,798	2,299,416	2,299,416
Annual Debt Service Payments	2,446,773	2,446,773	2,446,773	1,943,184
Annual Cash Flow	(331,535)	54,025	(147,357)	356,231
Estimated Debt Coverage	**0.86**	**1.02**	**0.94**	**1.18**

Conclusion

The developer has requested financial assistance as related to construction of a new 166-unit multifamily housing project that would include 13 studios, 52 1-bedroom units, 49 1-plus den units, 42 2-bedroom units, and 10 3-bedroom units. The total development cost for the project is $42,699,000 and the request for financial assistance is annual tax abatement in an estimated annual amount of $299,650 (based on 75% participation from all three taxing entities). The other taxing entities have declined participation resulting in a revised request to the City of up to 75% of blended tax abatement over 15 years.

The project capital stack includes 70% debt financing (based on LTC ratio) with remaining 30% funded through developer/investor equity. Public assistance through tax abatement would assist with closing the financial gap as it would provide additional cash flow to support the debt financing repayment and equity investment. The developer is seeking financial assistance from the City. Through submission of the tax abatement request and supporting financial information, the developer has indicated that the project would not occur as proposed without financial assistance from the City due to the project not meeting minimum debt financing coverage requirements and resulting below market rates of equity returns due to increased equity investment thresholds.

Following analysis of the developer's financing assumptions and considering current market environment, without financial assistance, the project would not be financially feasible. While the potential City tax abatement participation would enhance cash flow and is projected to have a positive impact on the project performance, it alone would not be sufficient to meet minimum debt coverage requirements. The projected debt coverage ratios are projected to be below industry standards, meaning the level of achievable debt would need to be reduced and required increased equity funding. The analysis indicates that the provided financing structure would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax abatement revenues, reduced financing rates or equity returns), and/or 3) additional funding sources.

With public assistance through tax abatement assistance with additional annual cash flow, the project is projected to achieve higher debt coverage and returns. The developer will need to pursue additional strategies to achieve a financially feasible scenario to allow for the project to have sufficient cash flow after debt service and provide reasonable equity returns. There are ranges of what would be considered market returns and are generally subject to the project type, market indicators, investor demands and financing structure. The level of public assistance is expected to have positive impact on projected returns for the project.

Considered parameters for level of public assistance include the following:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation limit of 10%)*
- Public assistance and private equity: *(public does not exceed private equity)*
- Extraordinary costs: *(new development)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of assistance: (*up to 15-20 years)*
- Other identified public improvements: *(case by case basis to be determined)*

The developer has requested tax abatement from the City as a method of providing additional cash flow revenues required to achieve financial feasibility. Assistance may be provided through a pledge of annual tax abatement to provide additional cash flow to support debt repayment, enhance cash flow and increase the developer's return. We typically review both the annual (upon stabilization) and longer-term (10-year period) investment returns to understand financial performance and verification of need for public assistance, as well as identifying those costs considered extraordinary to the project.

Thank you for the opportunity to be of assistance to the City of New Prague. Please contact me at 651-223-3036 or mikaela.huot@bakertilly.com with any questions or to discuss.

Definition of Tax Abatement

Any political subdivision, including statutory cities, home rule charter cities, towns, counties, and school districts, is authorized to abate property taxes on selected parcels or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

- The benefits gained equal or exceed the cost to the political subdivision or the abatement phases in a property tax increase, and
- The abatement is in the public interest because it will:
  - increases or preserves the tax base;
  - provides employment opportunities;
  - provides or helps acquire or construct public facilities;
  - helps redevelop or renew blighted areas;
  - helps provide access to services;
  - finances or provides for public infrastructure;
  - phase in a property tax increase on the parcel resulting from an increase of 50% or more in one year on the estimated market value of the parcel, other than an increase due to improvement of the parcel; or
  - stabilize the tax base through equalization of property tax revenues for a specified time period with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Cities, counties, and school districts as combined jurisdictions may grant an abatement for no longer than 15 years (8 year maximum if no initial duration is specified), or for no longer than 20 years if two or fewer jurisdictions participate.

No back-to-back abatements. Eight years must pass before a new abatement can be applied.

In any given year, the total amount of property taxes abated by a political subdivision for all parcels may not exceed the greater of (1) 10% of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) $200,000.

The State will not reimburse school districts for lost taxes resulting from abatement.

Property in a tax increment financing district is not eligible for abatement; however, a tax abatement can be established following a tax increment district (as the proposed financing structure for this project).

Projected Tax Abatement Report

City of New Prague, Minnesota
Proposed Tax Abatement Assistance
155 Unit Apartment Complex
Draft Abatement Revenues: $34.875M new taxable value

Annual Period Ending (1)	Total Market Value [1] (2)	Total Net Tax Capacity [2] (3)	Less: Non-Abated Net Tax Capacity [3] (4)	Retained Captured Net Tax Capacity (5)	Times: Tax Capacity Rate [4] (6)	Estimated Annual Property Taxes (7)		Maximum Tax Abatement City * 42.43% (8)		Maximum Tax Abatement County * 26.13% (9)		Maximum Tax Abatement School * 20.26% (10)	Estimated Project Abatement (11)
12/31/28	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	0%	0	184,178
12/31/29	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	0%	0	184,178
12/31/30	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	0%	0	184,178
12/31/31	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	0%	0	184,178
12/31/32	34,860,000	435,750	1,640	434,110	91.649%	397,859	100%	184,178	0%	0	0%	0	184,178
12/31/33	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	0%	0	138,133
12/31/34	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	0%	0	138,133
12/31/35	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	0%	0	138,133
12/31/36	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	0%	0	138,133
12/31/37	34,860,000	435,750	1,640	434,110	91.649%	397,859	75%	138,133	0%	0	0%	0	138,133
12/31/38	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	0%	0	92,089
12/31/39	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	0%	0	92,089
12/31/40	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	0%	0	92,089
12/31/41	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	0%	0	92,089
12/31/42	34,860,000	435,750	1,640	434,110	91.649%	397,859	50%	92,089	0%	0	0%	0	92,089
						$5,967,885		$2,071,999		$0		$0	$2,071,999

[1] *Total estimated market value based on preliminary value estimate following review by County Assessor*
very preliminary and subject to further review. Includes 0% annual market value inflator
[2] *Total net tax capacity based on rental class rate of 1.25%*
[3] *Original net tax capacity based does include existing land value*
[4] *Local tax capacity rate for the City of New Prague, Scott County and ISD 721 for taxes payable 2024*