

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: Development Incentive Proposal for the Construction of Panorama Estates – Buildings 2 & 3

Meeting Dates: Jan 29th, 2024 - February 6th, 2024

Requested by: Jasen Glasbrenner - Economic Development Director

Background:

- Recent financial studies by Ehlers and conversations with the developer of Panorama have resulted in this TIF Development Incentive Proposal for the construction of Panorama Buildings 2 & 3.
- Ehlers has concluded that this financial package represents a *reasonable* participation level by the City and that “but for” this development incentive buildings 2 & 3 (92 units in total) are not likely to be constructed.

Terms of the Development Incentive
• Two buildings to be constructed in succession – Summer 2024 start date.
• 20 Year Paygo Model utilizing 90% of increment generated by buildings 2 & 3 for an incentive of \$5.4 million (future value).
• Permitting and inspection fees of approx. \$71,000 to be paid by TIF funds.
• Developer to be released from Phase 1 infrastructure debt of \$310,940. TIF funds to be used to make the payments on associated G.O. Bond.

Staff Recommendation:

Accept the general terms as outlined above and authorize City personnel to proceed with finalizing the agreement.

Financial Impact / Funding Source:

Total Incentive Package to be funded by TIF is approximately \$5.79 Million.

Requested Action by Finance: **Passed 1/29/2024**

Motion to Recommend to the Common Council:

- The approval of the Development Incentive Terms, as outlined; and
- The authorization of City personnel to execute a Letter of Intent and prepare a Development Agreement for Council approval.

Requested Action by Common Council:

Motion to:

- Approve the Development Incentive Terms, as outlined; and
- Authorize City personnel to execute a Letter of Intent and prepare a Development Agreement for Council approval.

Attachments:

- Ehlers Analysis Document Set