

# Producer's Co-Op and Marketplace Redevelopment

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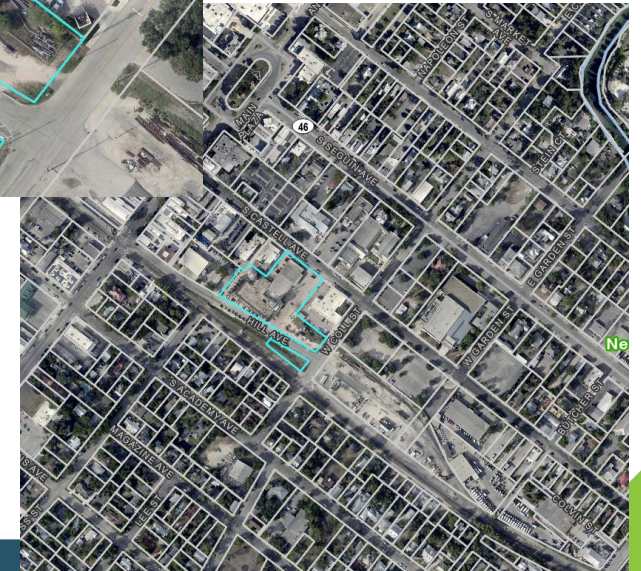
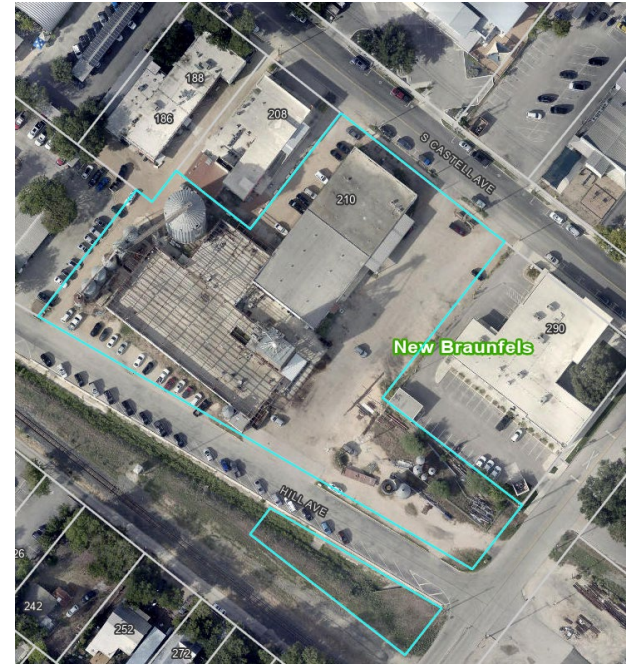


# Farmer's Co-Op into a Public Marketplace

## History of 210 South Castell Ave.

- 2.460 acres
- Portions conveyed to Producer's Cooperative Marketing Association around 1945
- Producer's Co-op Feed and Supply from November 1944 until sold in 2021 to 210 S. Castell, LLC

## Development plan to convert the space (~29,400 SF) into a destination marketplace with retail and food concepts



# Site Plan – Phases 1 and 2



- ▲ Areas 1-3 – civic/public space- has been identified in numerous plans/studies
- ▲ Building 15 is designated as the “public market”
- ▲ Small, scale, low-overhead lease spaces for operators to bridge and stabilize

# Project Concepts



# Project Concepts



# Development Budget – Phases 1 and 2

## TPC: \$19.34M

- Phases allocate acquisition and pre-development costs by SF
- Complete phases 1 and 2 together
- Phase 1 budget is derived from hard bids
- Phase 2 is estimated at this stage

Units:	Sq. Ft.	
Building A	6,175	
Food Trucks	-	
Mill Tower Bar	2,040	
Building B	6,265	
Building B-1	2,000	
Phase I Total:	<u>16,480</u>	56.1%
Building C	12,900	
Phase II Total:	<u>12,900</u>	43.9%
Project Total:	29,380	100%

Pre-Construction Investment Allocation		
Phase I Allocation (56.1%)	\$2,804,629	
Phase II Allocation (43.9%)	<u>\$2,195,371</u>	
Co-Op Investment To Date:	\$5,000,000	

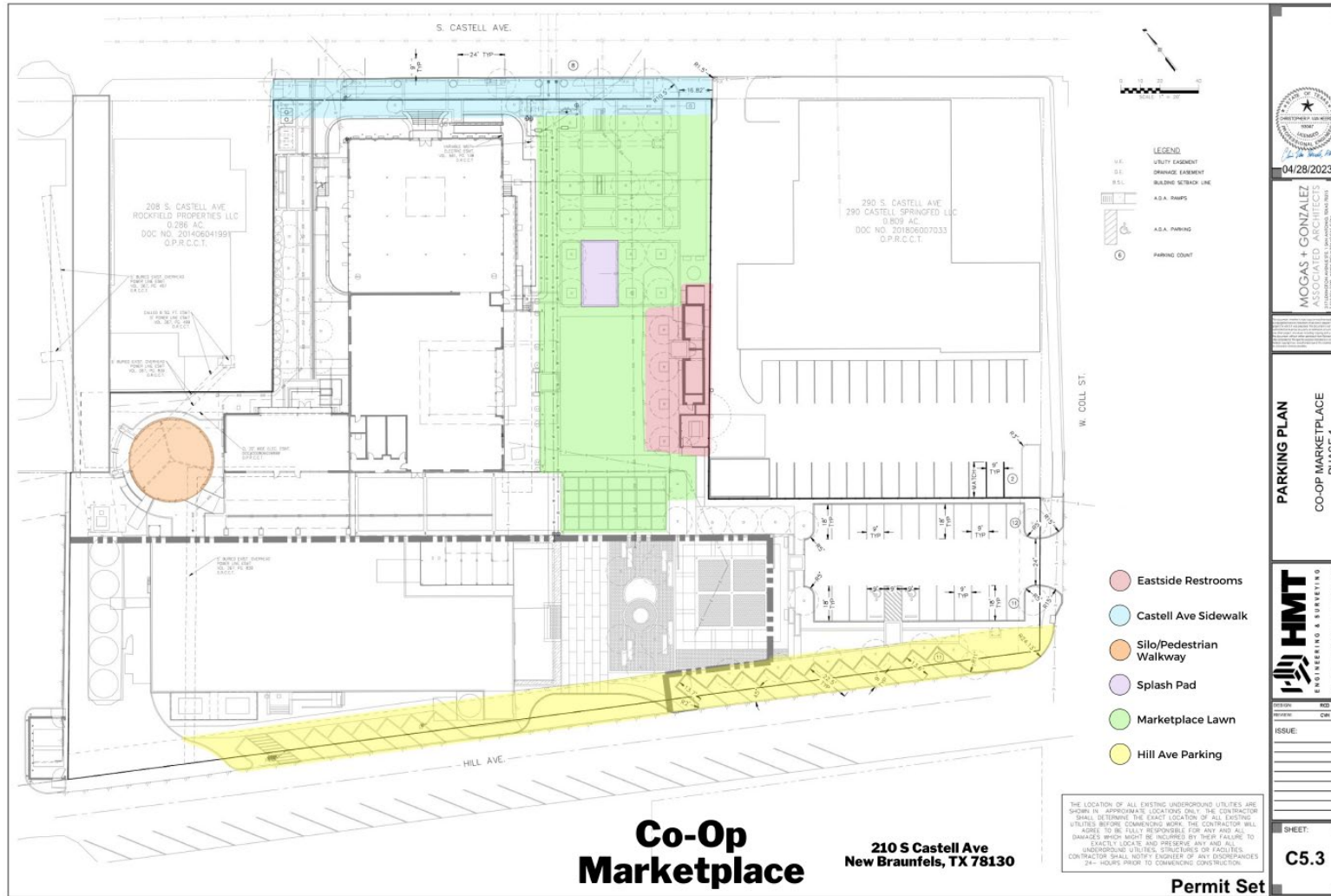
Construction Budget Phase I		
Hard Costs (Shell):	\$8,654,000	
Permit:	\$12,000	
Water Meter/Utility Impact Fees:	\$142,756	
Constion Mgmt/Procurment:	\$115,623	
Misc. (Soft Costs, Inspections, Etc.)	<u>\$50,000</u>	
Sub-Total	\$8,974,379	
Construction Contingency (10.0%)	<u>\$897,438</u>	
Total Budget	\$9,871,817	

Phase I Investment		
Pre-Construction Investment (56.1%)	\$2,804,629	\$170
Hard Construction ("Building")	<u>\$9,871,817</u>	<u>\$599</u>
Phase I Land & Building Investment:	\$12,676,446	\$769

Phase II Investment		
Pre-Construction Investment (43.9%)	\$2,195,371	\$170
Hard Construction ("Building")	<u>\$3,225,000</u>	<u>\$250</u>
Phase I Land & Building Investment:	\$5,420,371	\$420

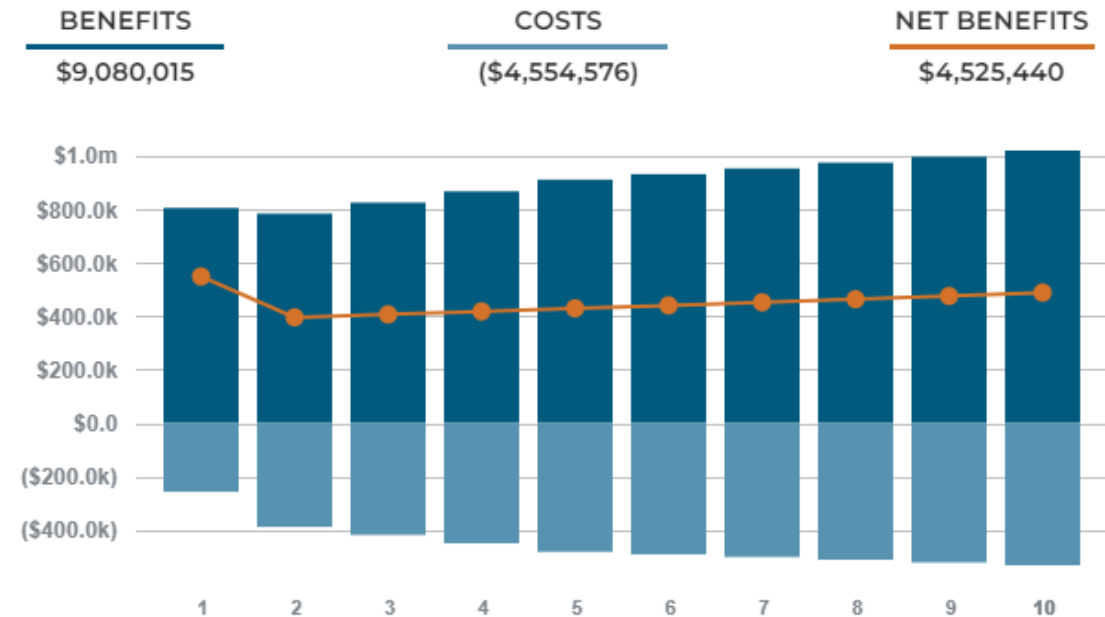
Project Investment		
Phase I	\$12,676,446	
Phase II	<u>\$5,420,371</u>	
Total:	\$18,096,817	\$616
Construction Interest	\$0	
Year 1 Tis and LC	<u>\$1,248,385</u>	
Project Cost	\$19,345,202	\$658

# Analysis



# Return Estimates: Private and Public

- ▲ Cost of \$12.7M in Phase 1
- ▲ Cost of \$5.24M in Phase 2 (public market)
- ▲ Project without public/green space performs financially better and is easiest path

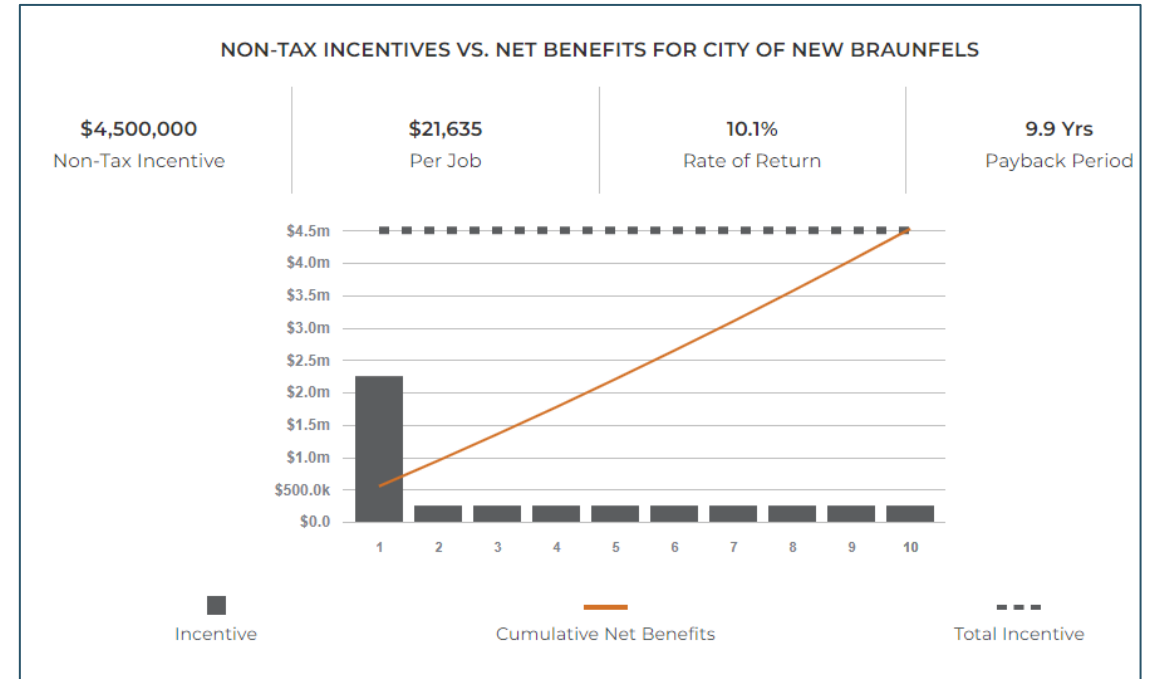




- ▲ If the public space improvements are desired, there will need to be a subsidy
- ▲ Project is not financially feasible as designed
  - Project is projecting aggressive rents, reasonable vacancies and reasonable expenses
  - Project is upside down – development costs relative to value
- ▲ **Entrepreneurship** - Project is creating space for nascent small businesses to operate and grow their businesses – “incubator like”
  - 20-30 retail/food businesses will have a leased space with lower overhead/risk
- ▲ **Public space/park** - Direct and secondary impacts
  - Project is adding taxable increment to the downtown TIRZ
    - Cumulative TIRZ revenue of \$500k over 10 years
- ▲ Significant sales tax producer with anticipated product mixes and types

# Discussion

- ▲ Cumulatively, all the benefits can justify supporting the project
- ▲ Major benefits in sales tax and expected secondary benefits



# Proposed Incentive

- ▲ \$3.5M+ spent on public amenities and space
- ▲ \$4.5M over a 10 year period
- ▲ \$2 million reimbursed upon completion of the public improvements (green space, restrooms, etc.)
- ▲ Annual \$250,000 payment for 10 years
  - Operate and run the market as represented
- ▲ Dedicated space/conference room for use by SPARK for mission-advancing activities
- ▲ Annual reporting on tenant employment and sales to understand impacts

		Total Revenue	To TIRZ	Cumulative TIRZ Revenue	Cumulative Benefit	EDC Sales Tax
<b>Year</b>	<b>Year</b>					
<b>2026</b>	1	\$ 345,188	\$ 33,629	\$ 33,629	\$ 345,188	\$ 76,406
<b>2030</b>	5	\$ 387,493	\$ 47,099	\$ 213,951	\$ 1,831,955	\$ 83,021
<b>2035</b>	10	\$ 447,465	\$ 54,600	\$ 471,506	\$ 3,946,013	\$ 95,807
<b>2040</b>	15	\$ 516,393	\$ 63,297	\$ 770,082	\$ 6,386,270	\$ 110,481
<b>2045</b>	20	\$ 595,701	\$ 73,378	\$ 1,116,215	\$ 9,201,693	\$ 127,343
<b>2050</b>	25	\$ 687,044	\$ 85,065	\$ 1,517,476	\$ 12,449,050	\$ 146,742
	<b>Total</b>			<b>\$ 1,517,476</b>	<b>\$ 12,449,050</b>	<b>\$ 2,665,946</b>
		<b>Present Value of Cumulative Benefits</b>				
		<b>10 YR PV</b>	<b>2,936,204</b>			
		<b>20 YR PV</b>	<b>6,846,924</b>			

# Questions?

