

South Nevada Avenue
&
South Tejon Street

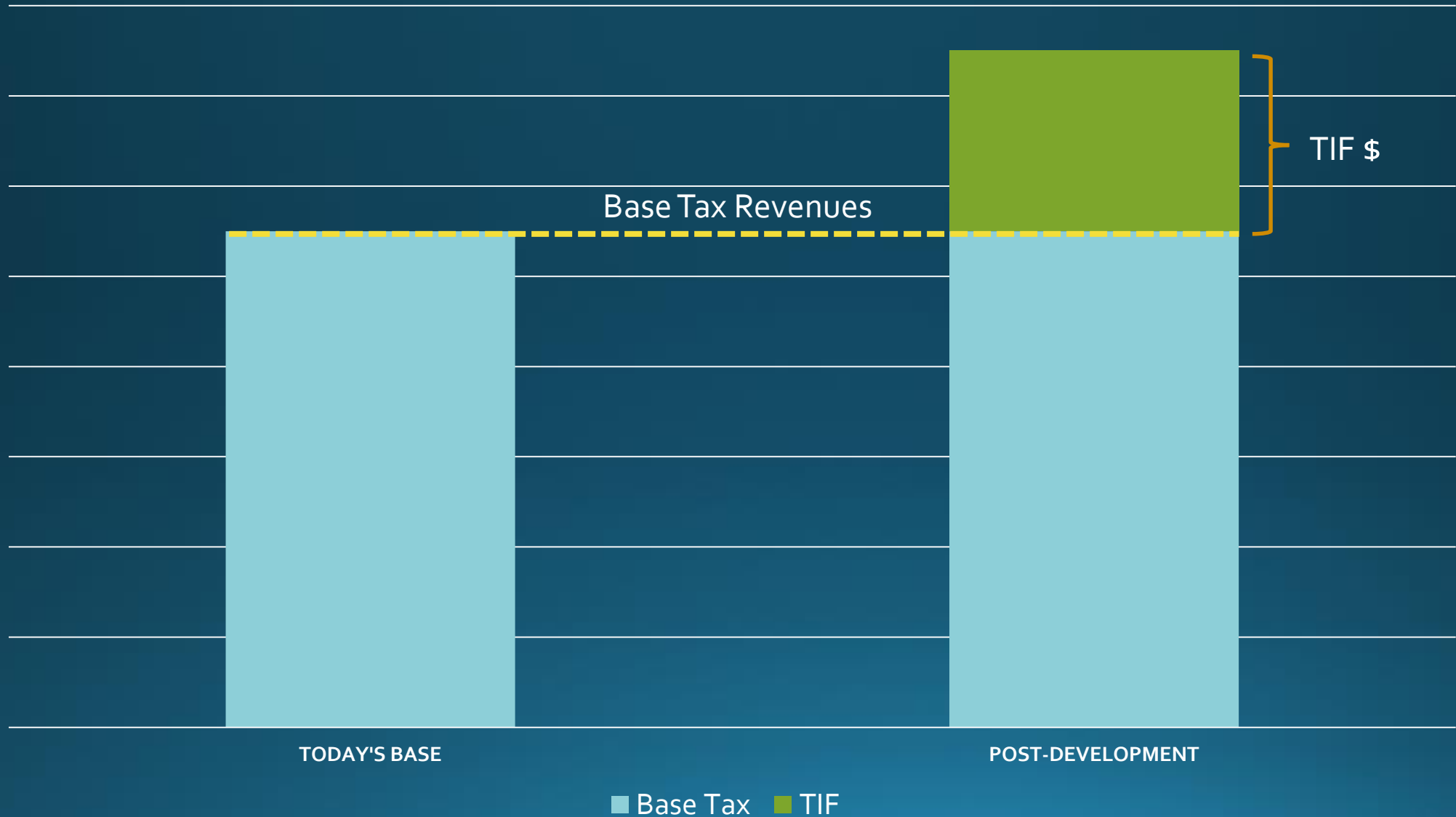
Urban Renewal Plan

The Equity Group & Ivywild Development

Discussion

- The South Nevada Avenue (SNA) Urban Renewal Plan will require multiple Public and Private financing strategies in order to be economically feasible;
- The Equity Group intends on using Business Improvement District (BID) Financing and Public Infrastructure Financing (PIF) to supplement the Tax Incremental Financing (TIF) – thereby sharing the financing burden with the City;
- The existing sales tax revenues or Base within the URA Boundary is over \$1m per year. Contrast this with University Village which had a base of \$60,000;

Tax Increment Financing



Discussion

- Unlike other Urban Renewal projects, SNA has a high rate of crime. The City will undoubtedly realize cost savings from reduced police and fire calls. This is an important return on investment that is unique to this particular plan;
- The TIF period will be less than 25 years and more likely 19 to 20 years and so we won't get the full impact of the TIF given the nature of how long it takes to remove what's there, construct a new development, stabilize the tenancies, get back to the Base and before any TIF begins to materialize.

South Nevada Avenue Redevelopment

Summary of Public Financing Requirement

Total Land Area	41.7 Acres
➤ 93 Parcels Under Control, 47 Different Owners	
Total Acquisition/Option Costs	\$49,549,178
Environmental/Demolition Costs	\$3,542,081
Public Improvements	\$24,000,000
Other Pre-Development Costs	<u>\$1,000,000</u>
Land Acquisition, Remediation, & PI's (Rounded)	\$78,000,000
Greenbelt Value @ \$6 Per Square Foot	\$11,000,000
Public Financing Requirement	\$67,000,000
Tax Increment Financing @ 2% (Proposed)	\$25,000,000
TIF Percentage	37%

Return On Investment



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