

From: Dykstra, Russell W. <RDykstra@spencerfane.com>
Sent: Monday, June 17, 2019 2:53 PM
To: Schueler, Carl
Cc: Cope, Bob
Subject: RE: Scheels Interquest BID exclusion
Attachments: Certificate of Mailing Notice of Exclusion - INBID 2019.pdf

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Carl,

This correspondence is being submitted on behalf of the petitioners as clarification of the information submitted to you on May 16, 2019 in regard to the Interquest Marketplace, LLC petition for exclusion.

Of note, the prior information as to the impact of the Scheels store in relation to comparable commercial property in the Interquest North Business Improvement District was based on erroneous information (the projected annual sales amount was wrong) and should be disregarded. The information below is in line with the projections and sales information provided by Scheels and as previously submitted to the City in regard to the project.

Scheels stores can do sales of \$60 million a year or more which will result in revenue to the District of \$750,000+ per year from the PIF alone. A more conservative assumption is sales of \$40 million a year that would equate to \$500,000 revenue per year to the District.

A typical retail center or competing restaurants would produce a significantly lower level of revenue to the District and residential development would produce no property tax or PIF revenue to the District. Comparable retail/restaurant (based on existing values/PIF in Interquest as previously submitted) would produce approximately \$185,000 annually (property tax and PIF combined) for a similar amount of square footage. These are projections and no one knows what the actual sales will be but we are confident that even at a most conservative level the District, and its taxpayers will benefit significantly from the addition of Scheels not only from revenues to the District but increased traffic and sales to all businesses in the area.

Additionally, the Scheels announcement has already generated new activity in the District including a 125 room hotel along with leases and letters of intent for 40,000 sq ft of new users including restaurants, bank, fitness studio, etc. All of these will contribute both property tax and PIF to the BID as a direct result of Scheels coming in.

Per City Council request, we have also sent notice to all property owners in the BID of the exclusion. Please find the list and a certification attached.

Best

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