

Economic Development Work Session

January 7, 2020



TIF Items for Consideration

- Heritage on Webster – funding request
- 729 Washington Avenue – funding request
- The Cottages at Cameron Heights - contract extension

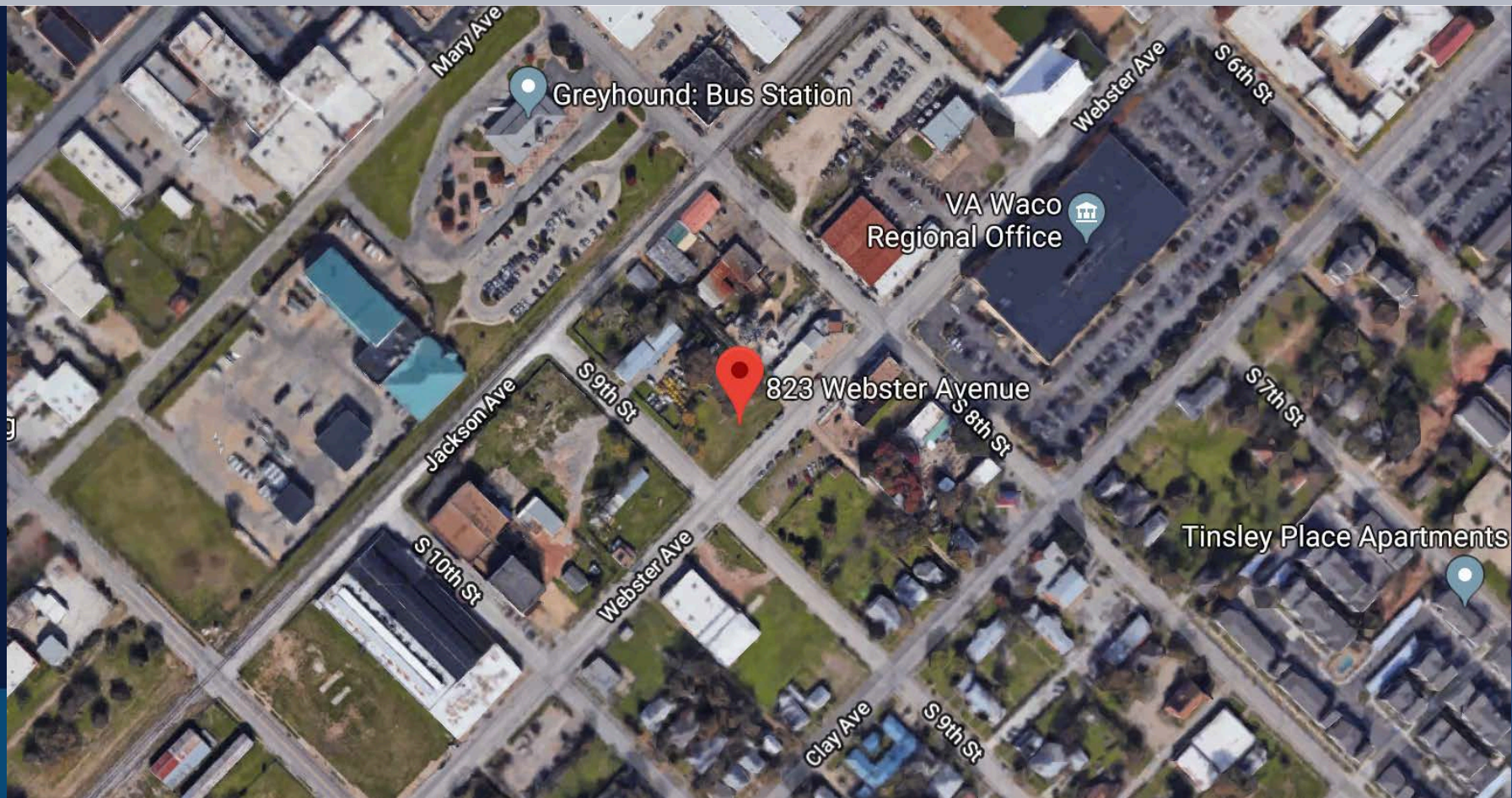


Heritage on Webster

823 Webster Avenue



Heritage on Webster -- 823 Webster Ave.



Company Summary

- Elm Equity Inc
- For profit C-corporation owned by member of the Homestead Heritage community
- Directors of Elm Equity are also owners in other businesses
 - Heritage Barns, Café Homestead, Brazos Valley Cheese, Deerfield Estates Venue and Cabins, Cargo Home

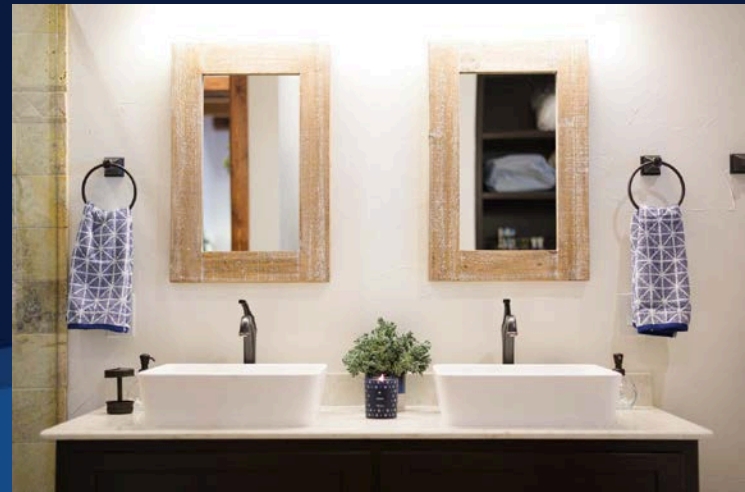


Project Summary

- New Construction Mixed Use -- Retail and Lodging
- 5,000 SF of local artisan retail space
- Small coffee/fine pastry shop
- 12 cottages operated as a hotel (& built to hotel building code requirements)
 - Fire suppression sprinklers in each cottage
 - no kitchens in the hotel rooms







TIF Recommendation

Project	Current MCAD Value	Total Construction Cost	TIF Ask	% of Total Construction Cost	Staff Recommends	% of Total Construction Cost
Heritage on Webster	\$614,872	\$3,222,075	\$722,075	22.41%	\$483,311	15%

Appraisal Dispute Amount: \$3,836,947



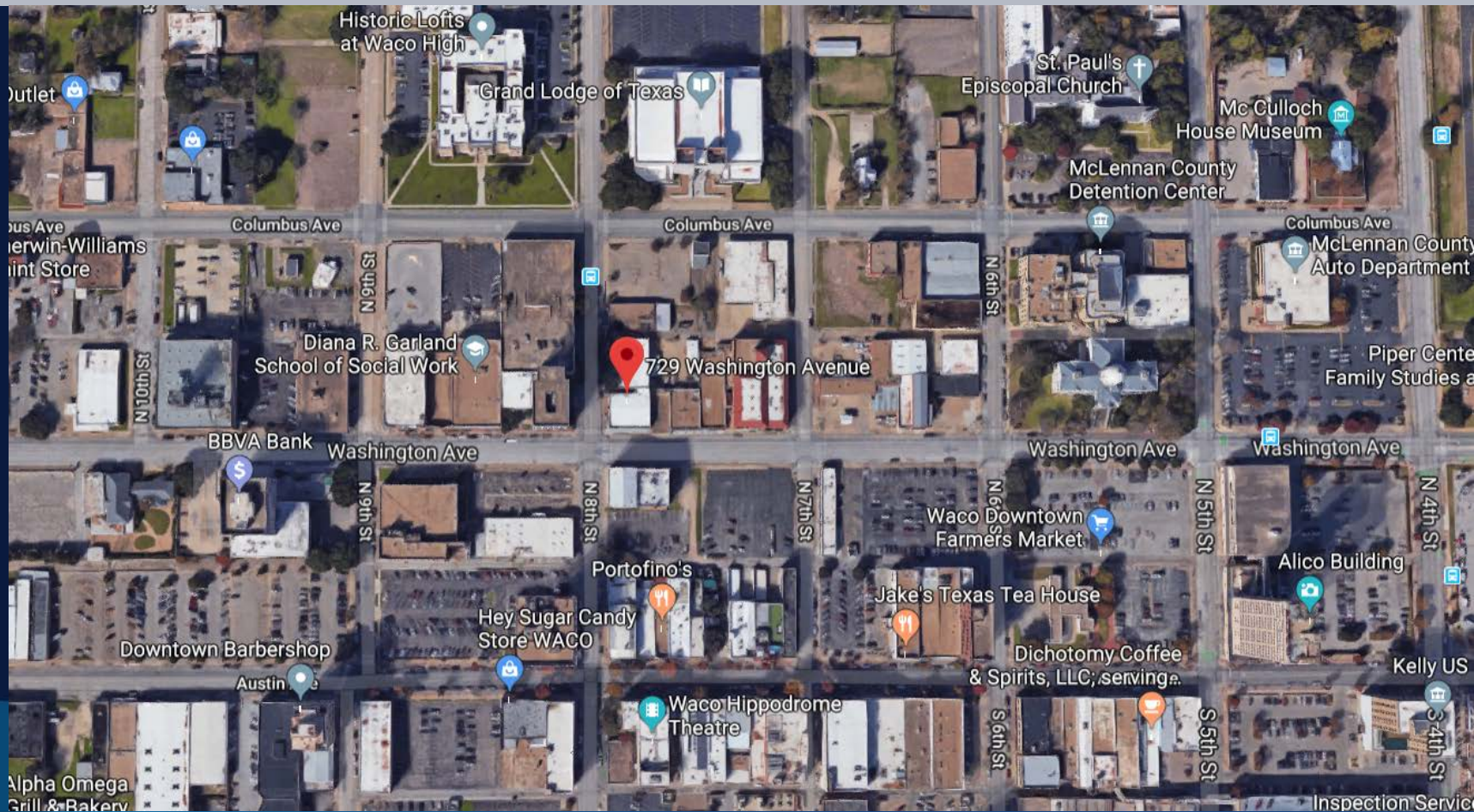
Recommendations - continued

- The project must be under contract within 6 months of City Council approval, or the grant may be forfeited.
- The project must be under construction within 6 months of contract execution, or 12 months if a 6 month extension is granted.
- The property cannot be sold or transferred to a non-profit during the term of the contract period without prior written consent of the City.
- The project must be compliant with all city ordinances, building codes, and zoning requirements to be eligible for funding.
- The contract term shall be a period of 11 years (1 year for construction and 10 years of payments)
- Payments will be based on the **tax increment** generated by the project

Washington Partners, Ltd.
729 Washington Avenue



Washington Partners Ltd. -- 729 Washington



Company Summary

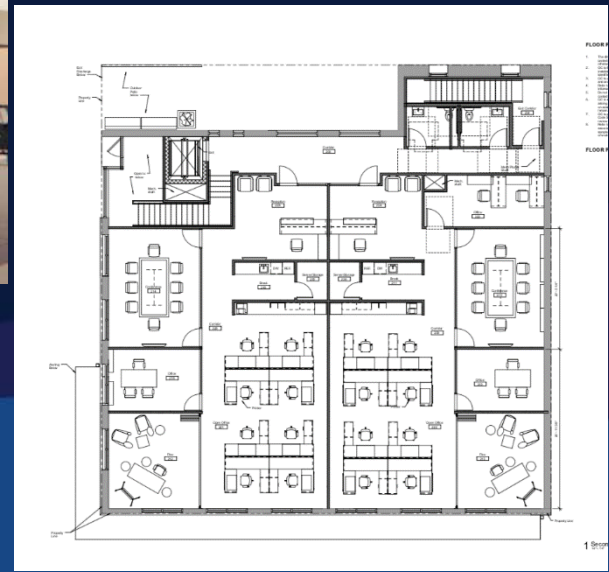
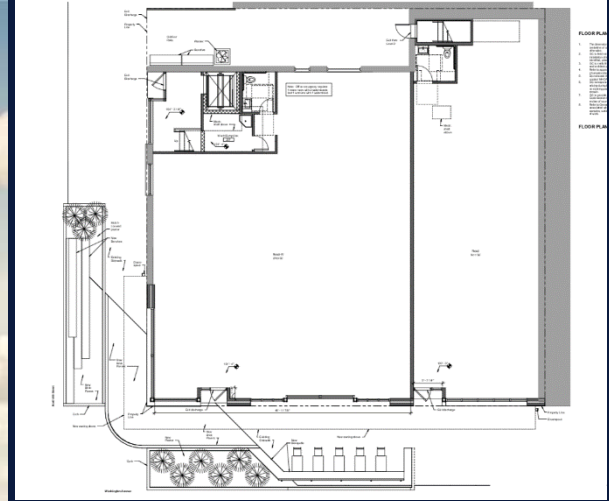
- Washington Partners, Ltd.
- For profit property ownership group with long history of property ownership & management in downtown Waco
- Members include:
 - Jed Cole, manager
 - Adam Kent, construction manager
 - Clifton Robinson, Advisory Board
 - Chad Robinson, manager
 - Gordon Robinson, Advisory Board



Project Summary

- 10,000 SF Building Renovation and Rehabilitation
- 5,000 SF retail - bottom floor
- 5,000 SF office - second floor
- Current building has been vacant for 10+ years
- Contributing building to the National Historic District





TIF Recommendation

Project	Current MCAD Value	Total Construction Cost	TIF Ask	% of Total Construction Cost	Staff Recommends	% of Total Construction Cost
729 Washington	\$209,080	\$1,869,760	\$514,960	27.54%	\$514,960 (Public Impv.) \$308,960 (Building Impv.) \$206,000	27.54% 16.52% 11.02%

Appraisal Dispute Amount: \$2,078,840



Recommendations - continued

Total TIF Grant Recommended: \$514,960 (27.54% of total)

- Public Improvements - \$308,960 (**16.52%**)
 - Streetscape improvements; pedestrian lighting, landscaping, traffic signal, pedestrian railing and a wider sidewalk for potential outdoor space.
 - Reimbursed after construction of the Washington Street Improvements are accepted by the city
- Building Improvements - \$206,000 (**11.02%**)
 - New doors and energy efficient windows
 - Revitalization of the storefront and relocation of the entry way
 - Removal and construction of the new awning
 - Paid after certificate of occupancy for the building; paid in two equal annual payments of \$103,000



Recommendations - continued

- The contract term shall be a period of 4 years (1 year for construction, 2 years of payments and 1 year of additional appraisal dispute period following the last payment).
- Project must be under contract within 6 months of City Council approval, or the grant may be forfeited.
- The project must be under construction within 6 months of contract execution, or 12 months if a 6 month extension is granted.
- The project must work with Public Works to ensure that all sidewalk design and construction is in compliance with the planned City project to redesign the parking, sidewalks, traffic signals, and streetscape as part of the Washington Avenue Improvements.
- The property cannot be sold or transferred to a non-profit during the term of the contract period without prior written consent of the City.
- No renovations that cause the “contributing building” designation to be removed. If this designation is lost, the building portion of the grant will be canceled and/or recaptured.

The Cottages at Cameron Heights

Contract Extension



Cottages of Cameron Heights

400 block of Bosque



The Cottages at Cameron Heights Timeline:

- October 18, 2011 - Funding approved by City Council – anticipated Completion date 12.31.15
- February 2, 2016 - Request for extension granted by City Council – Completion date 12.31.19

Project Update:

- 8 units completed and sold
- 8 units under construction (4 are presold)
- 3 units remain to be constructed and sold
- Total TIF grant \$437,280; \$393,552 paid; \$43,728 remaining



TIF Recommendation

Approval of the contract extension for an additional year

New project deadline December 31, 2020



Thank you

