



MAIN & MILL



02







Site Condition

05



















MAIN & MILL

14

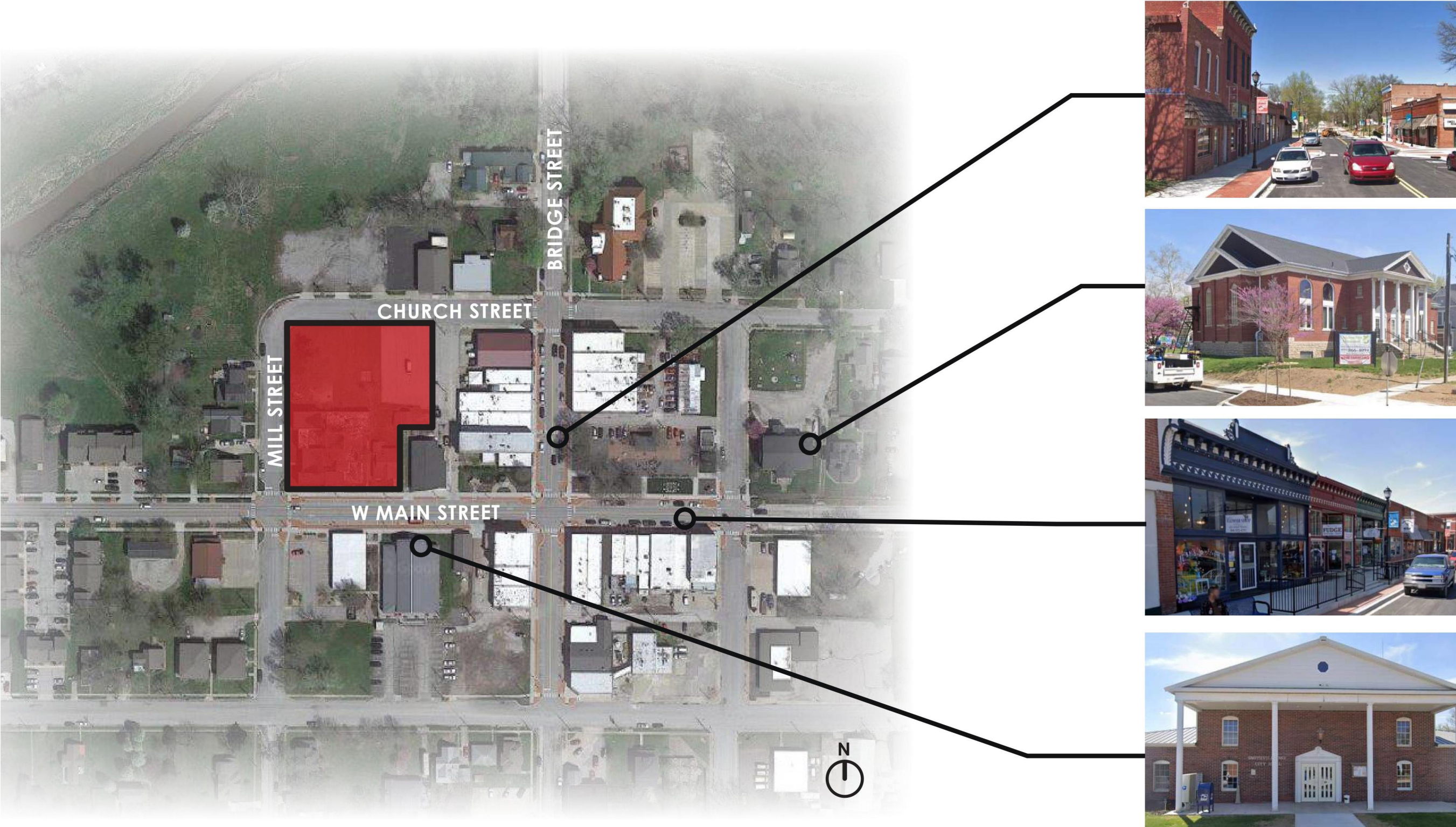


MAIN & MILL

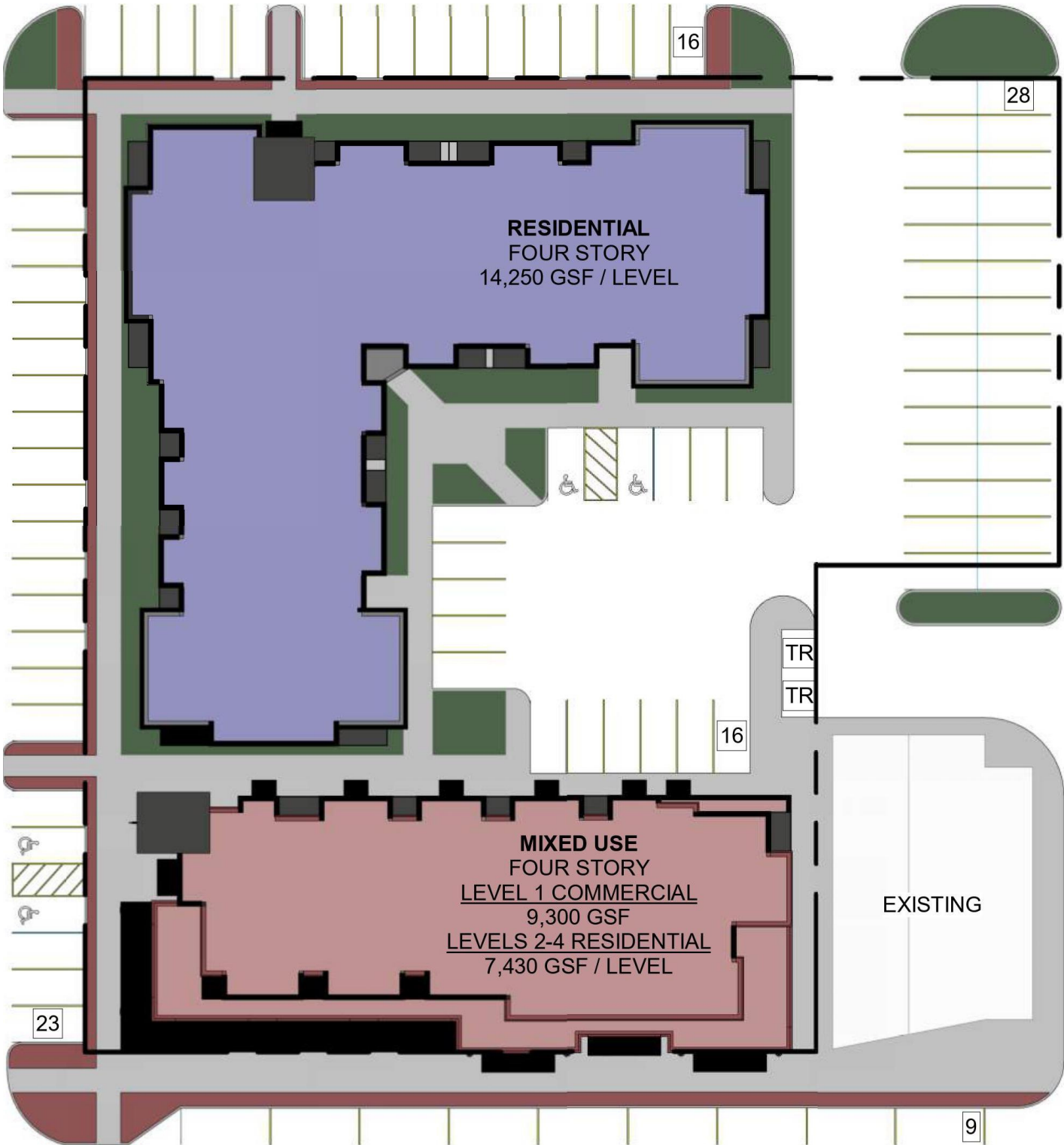
15



MAIN & MILL



MAIN & MILL



SUMMARY 17

SITE AREA
50,400 SF [1.16 AC]

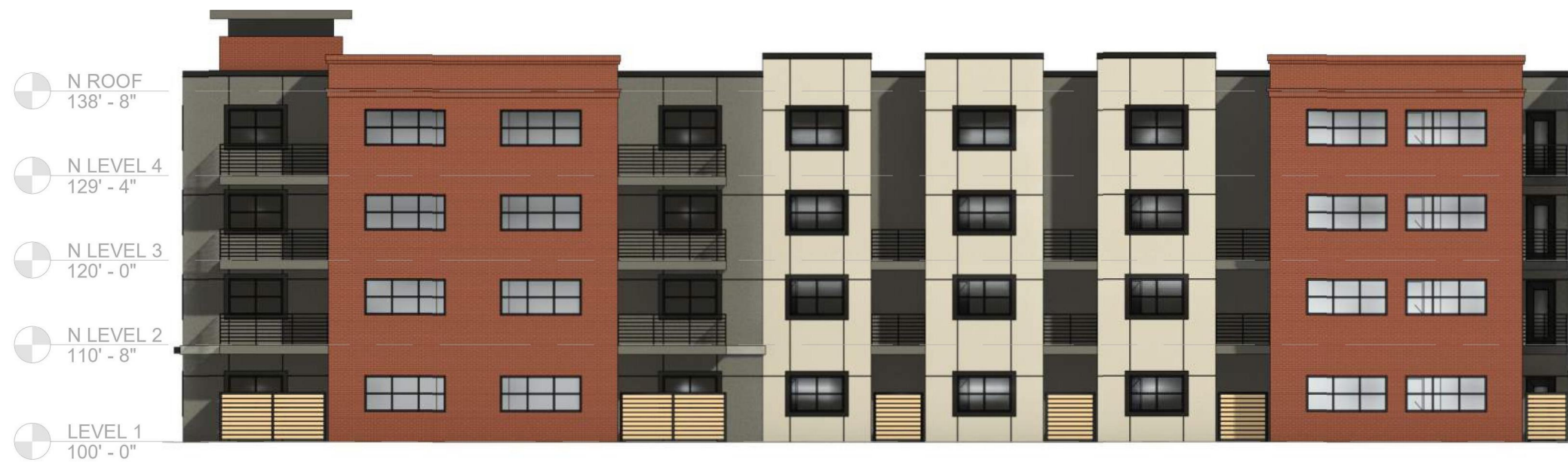
PARKING

ON SITE	44
MAIN ST	9
MILL ST	23
CHURCH ST	16
<hr/> TOTAL	<hr/> 92

UNIT COUNT

STUDIOS	18
LOFTS	12
1 BEDROOM	31
2 BEDROOM	24
<hr/> TOTAL	<hr/> 85

MILL STREET



MAIN STREET



CORNER OF MAIN & MILL

EAST

19



NORTH

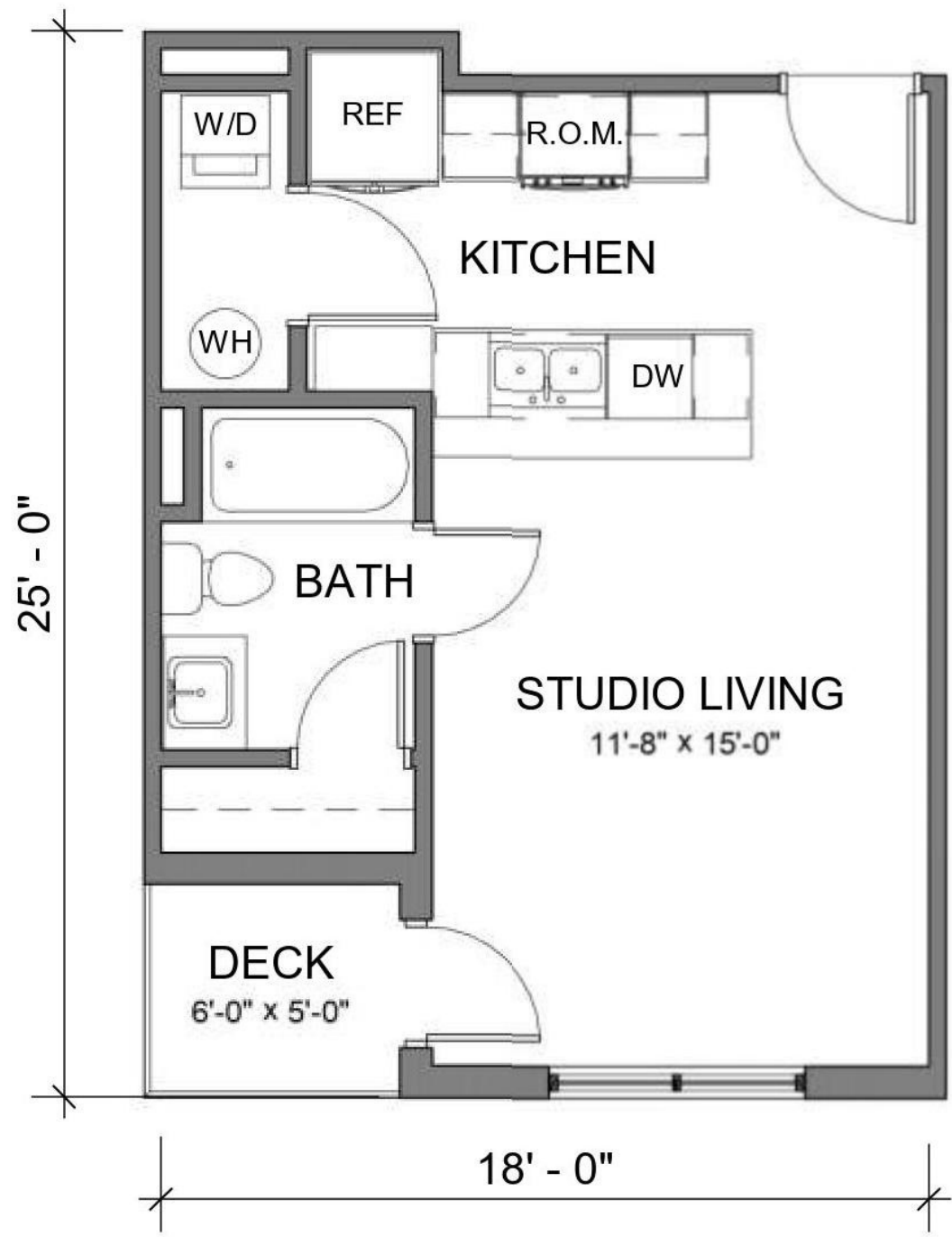


MAIN & MILL

20



FLOOR PLANS



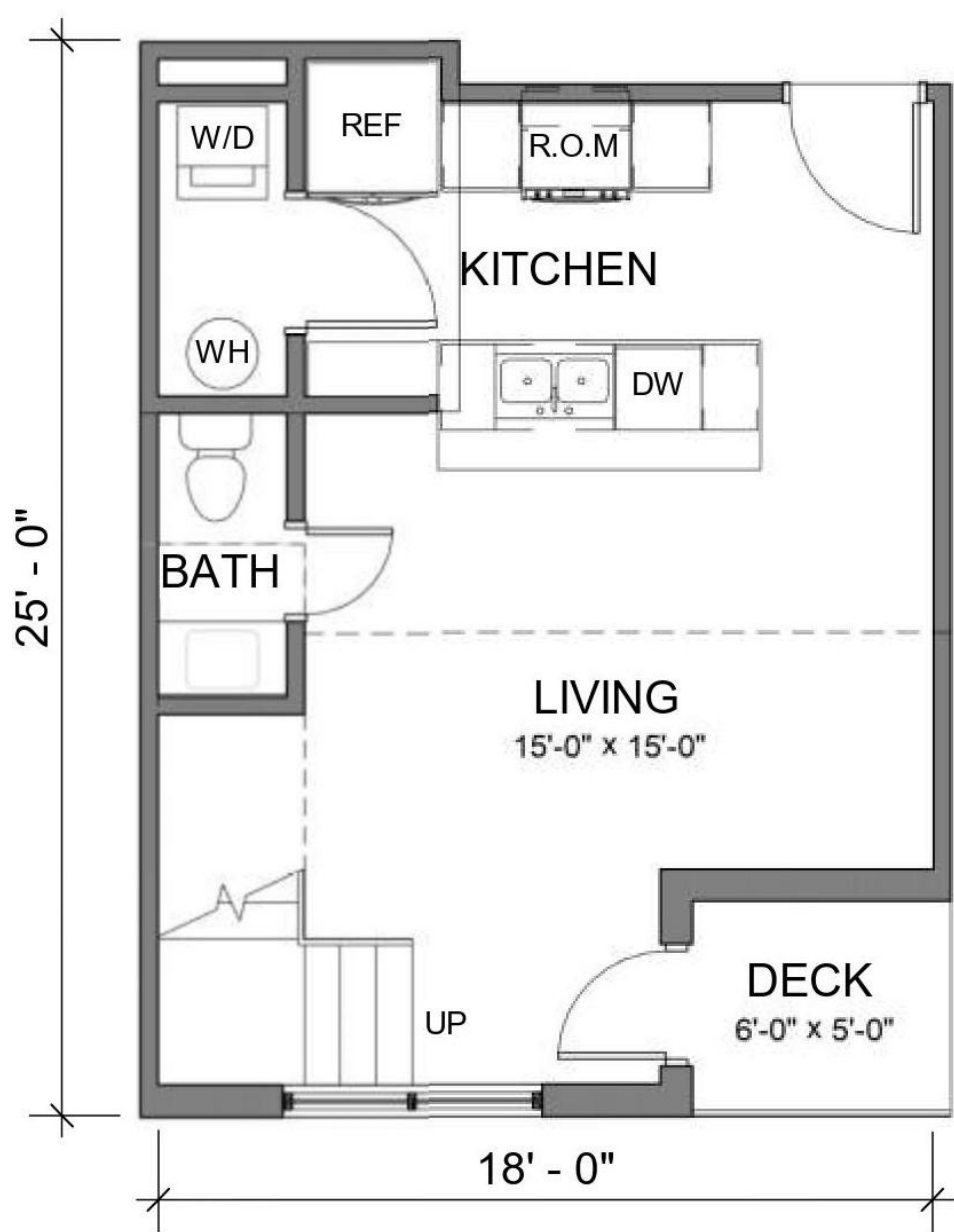
5 STUDIO PLAN
1/8" = 1'-0"

SIZE
STUDIO UNIT

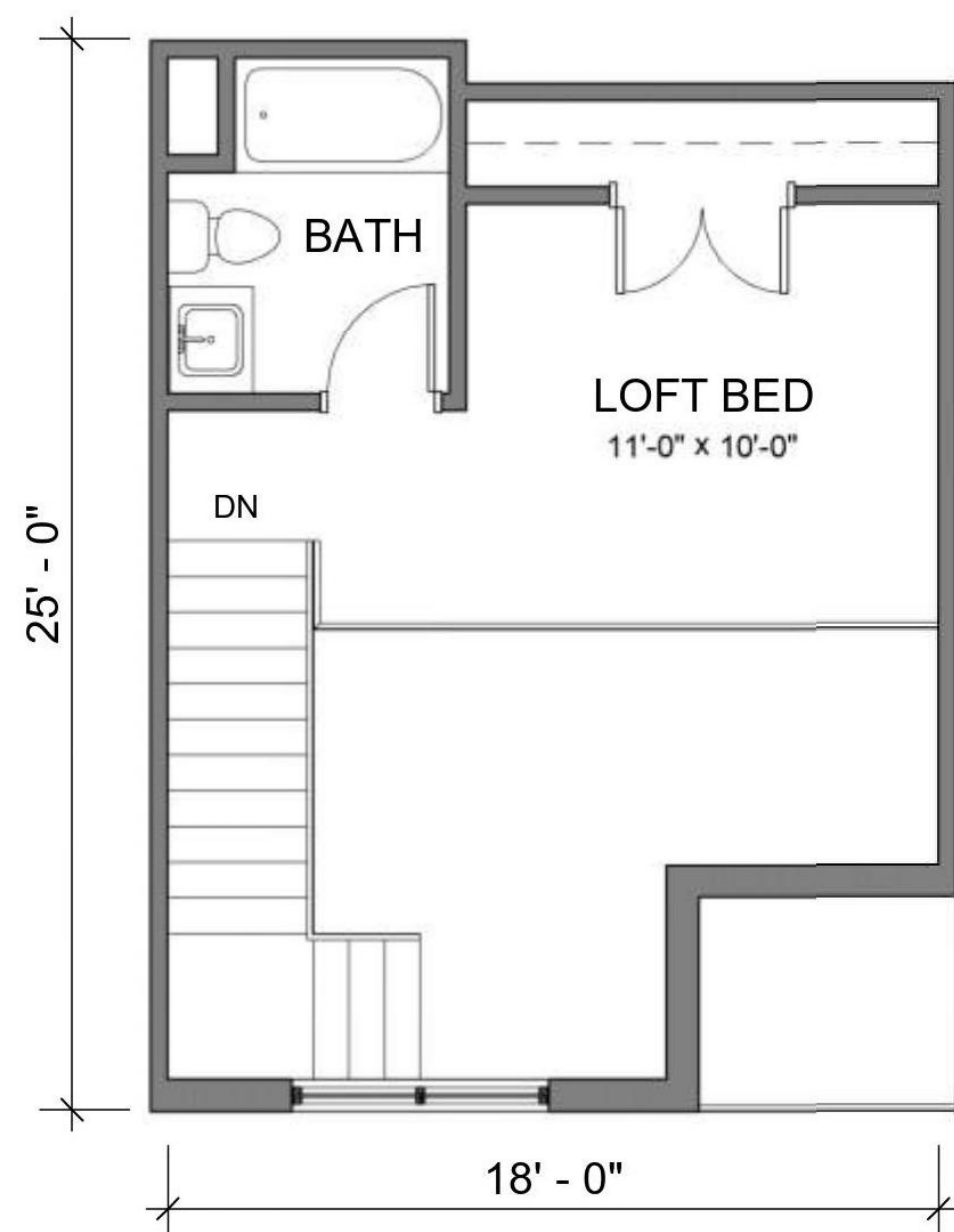
RENT
\$900/MONTH

AVAILABILITY
18 UNITS

FLOOR PLANS



4 LOFT LOWER PLAN
1/8" = 1'-0"



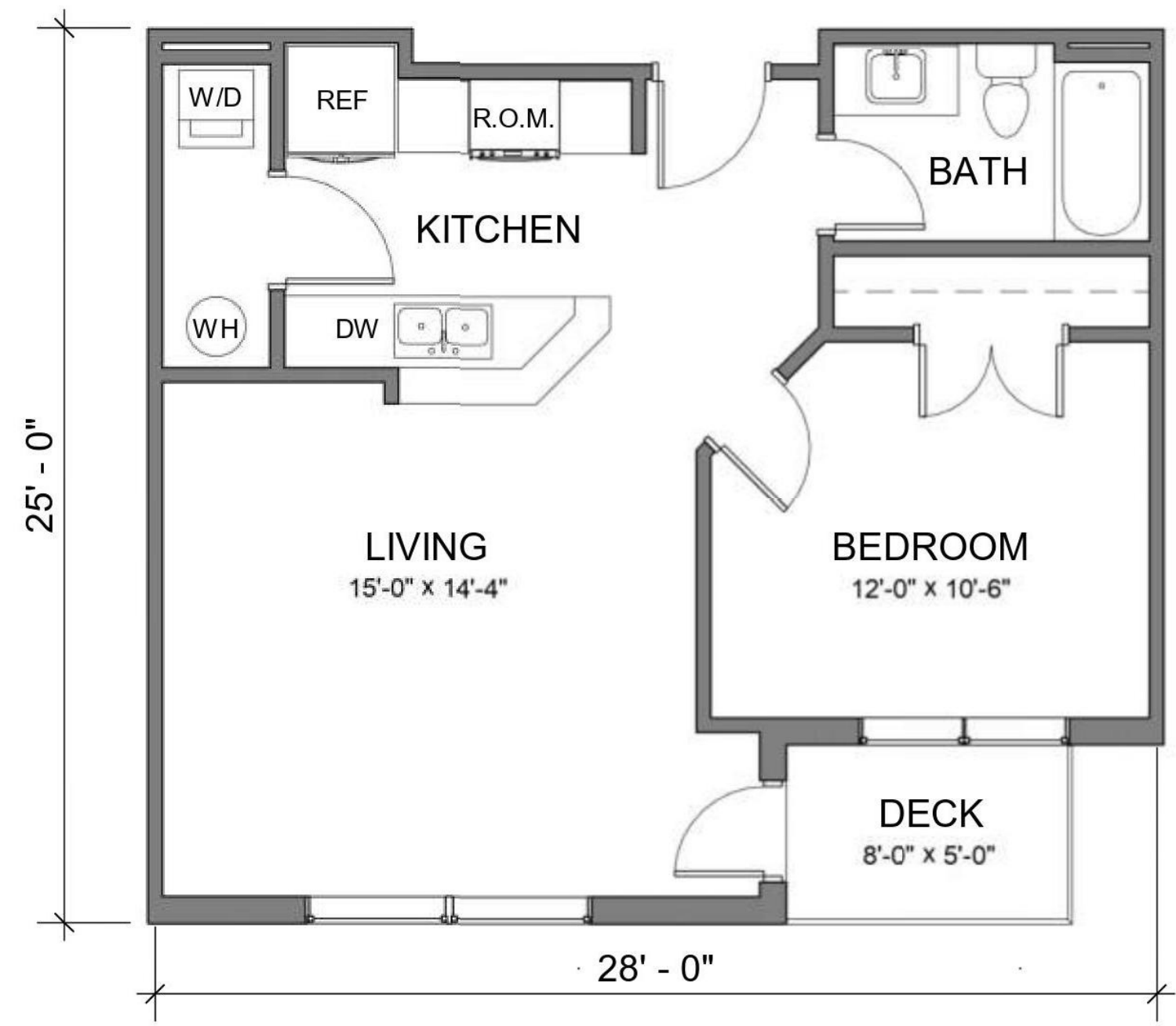
3 LOFT UPPER PLAN
1/8" = 1'-0"

SIZE
STUDIO W/ LOFT

RENT
\$1,200/MONTH

AVAILABILITY
12 UNITS

FLOOR PLANS



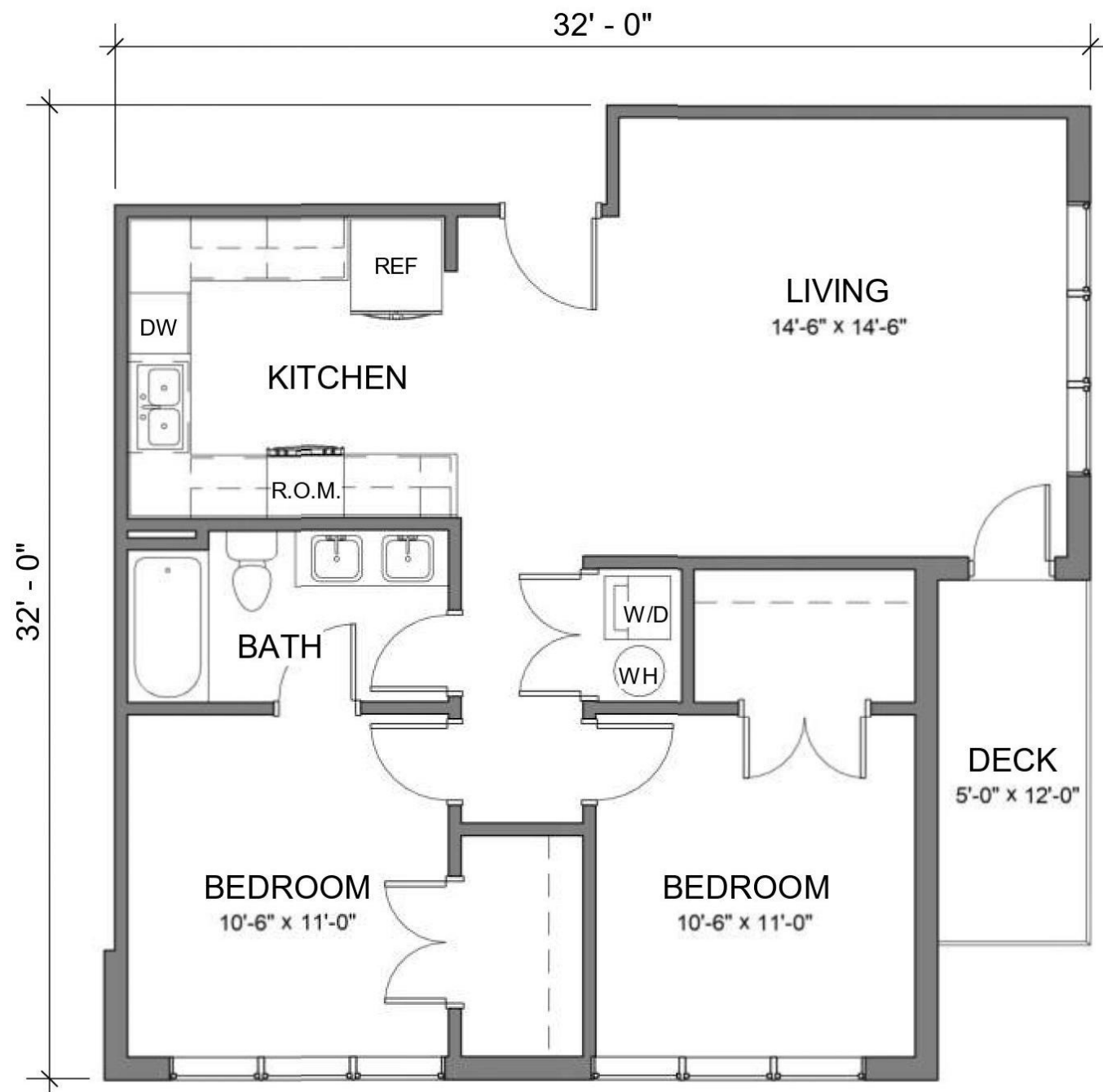
2 1 BED PLAN
1/8" = 1'-0"

SIZE
1 BEDROOM

RENT
\$1,100/MONTH

AVAILABILITY
31 UNITS

FLOOR PLANS



1 2 BED PLAN
1/8" = 1'-0"

SIZE

2 BEDROOM

RENT

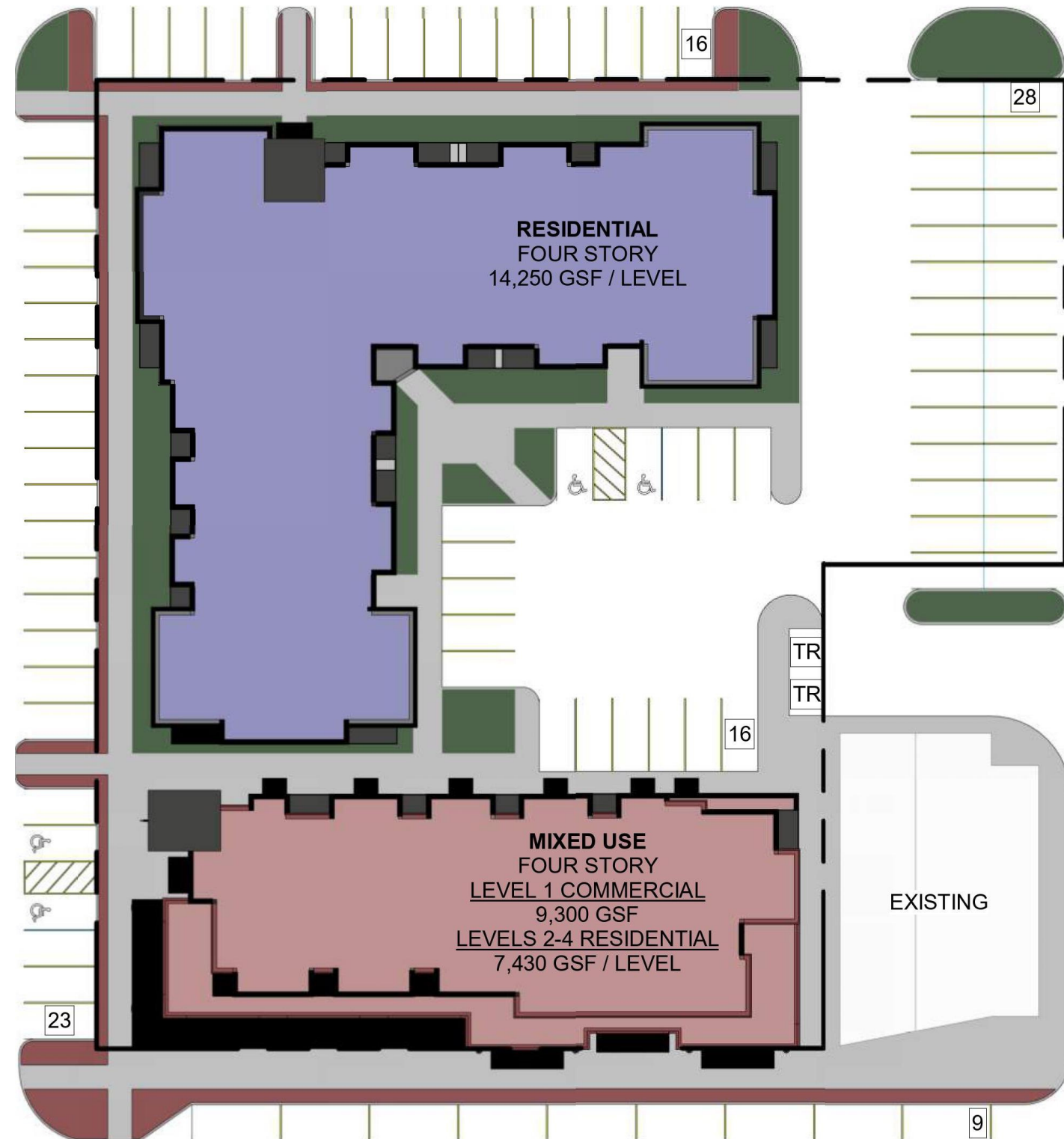
\$1,500/MONTH

AVAILABILITY

24 UNITS

PARKING

25



ONSITE

92 SPOTS

NORTH LOT

42 SPOTS

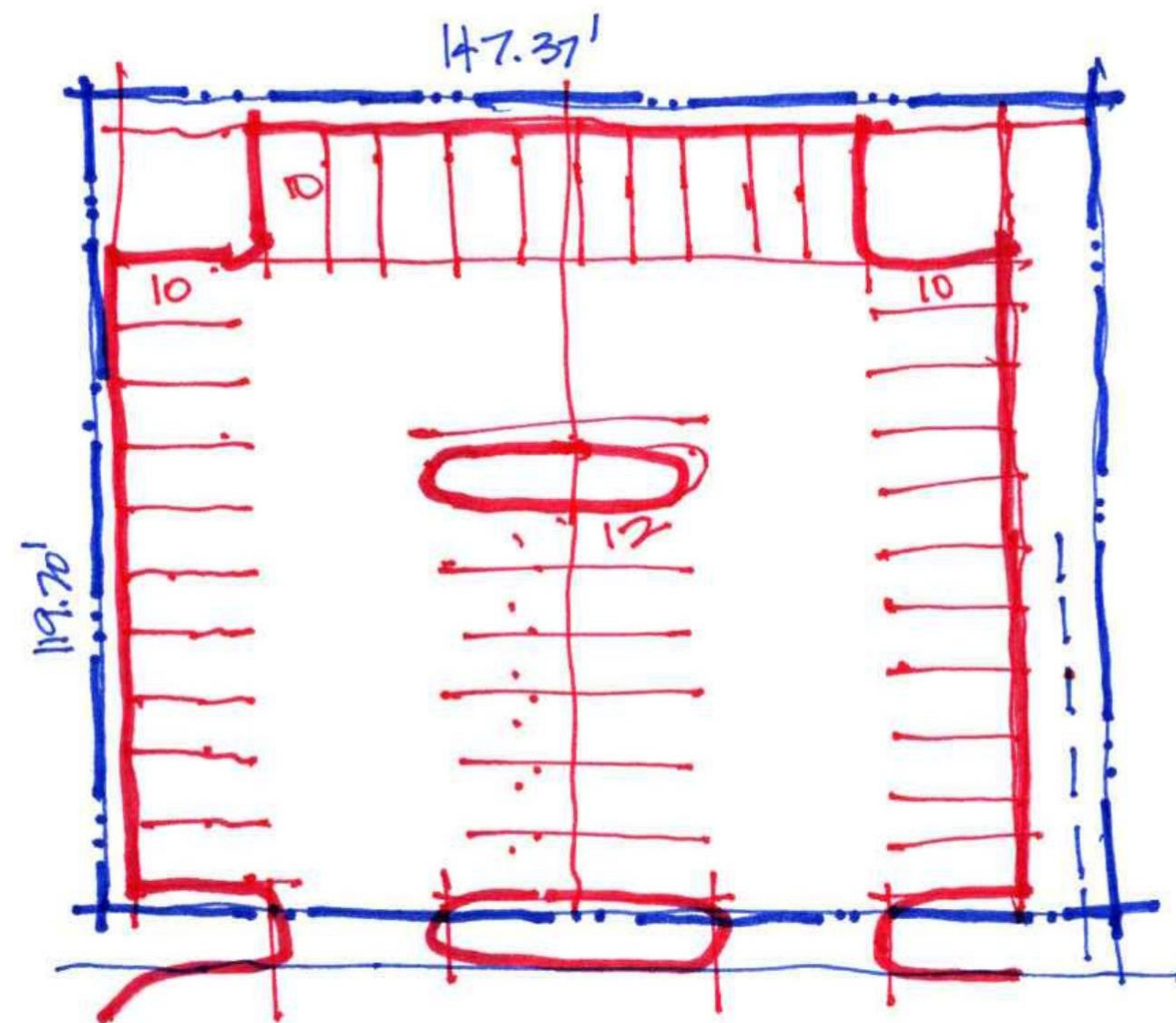
SOUTH LOT

39 SPOTS

**173 TOTAL
PARKING SPOTS**

PARKING

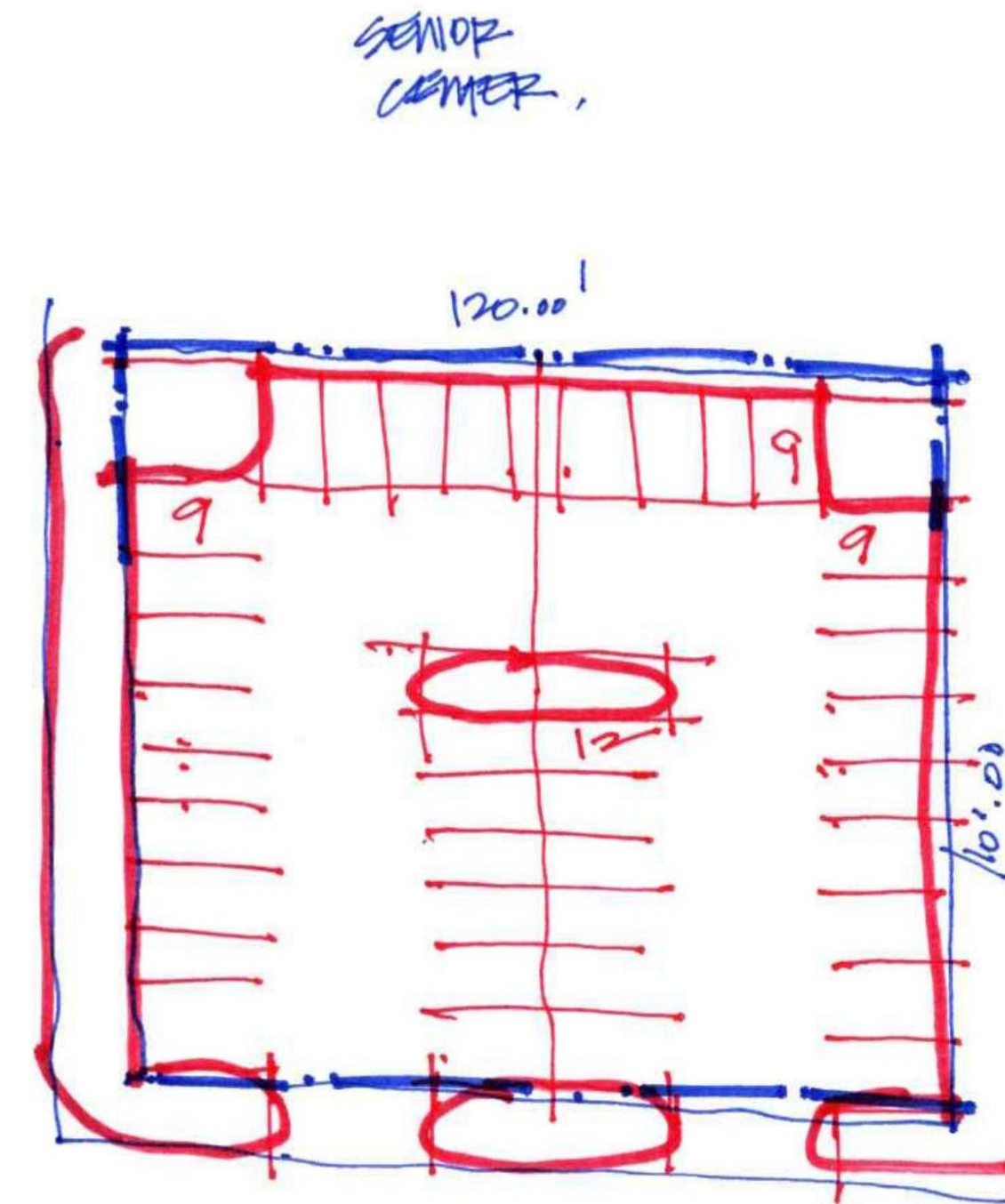
26



Funeral Home property.

Net Add:
42 parking spaces.

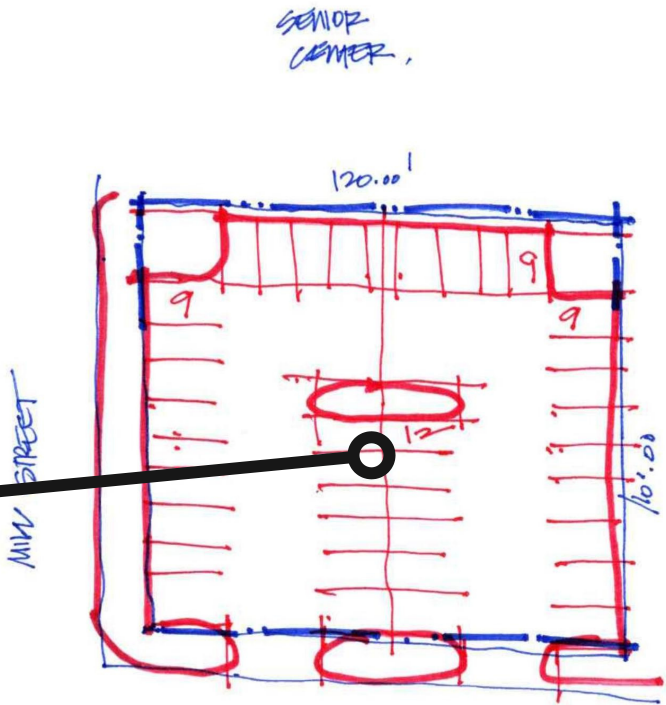
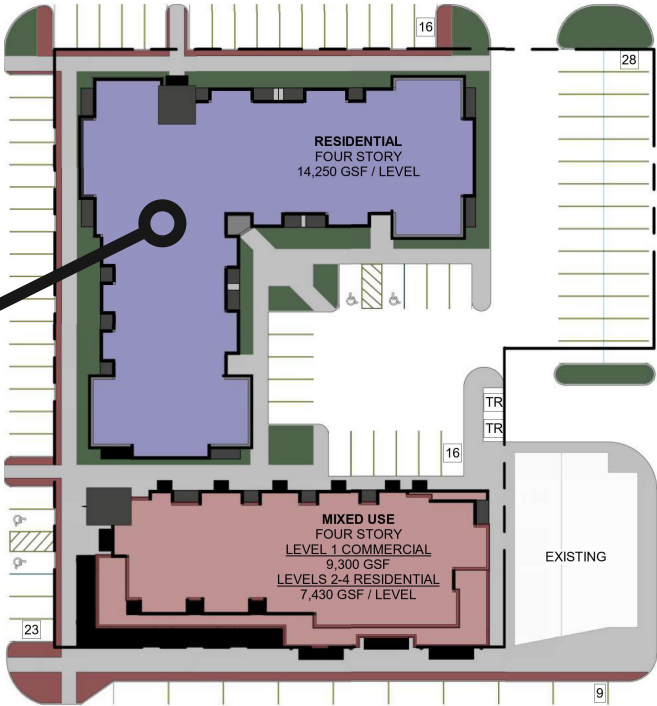
Church Street



Net Add:
39 parking spaces.

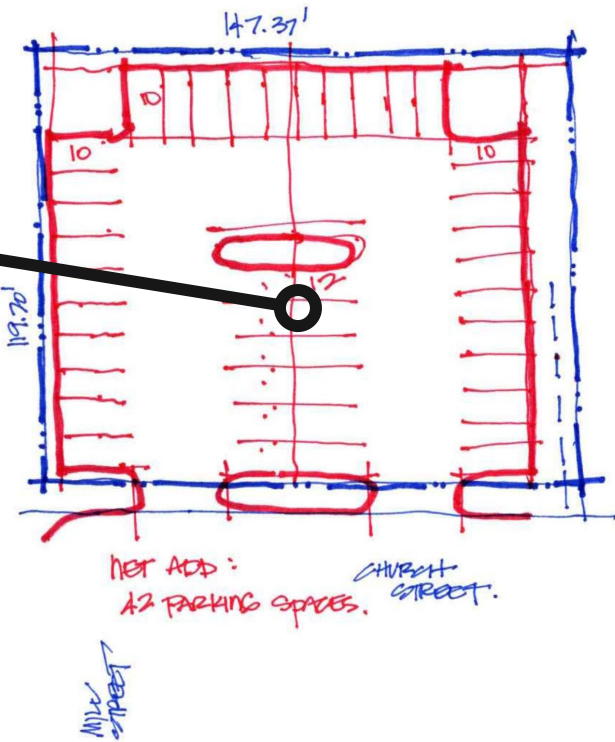
Church Street

PARKING



NET ADD:
39 PARKING SPACES.

FIREMAN
HOME PROPERTY.



NET ADD:
12 PARKING SPACES.



**SMITHVILLE TAX INCREMENT FINANCING COMMISSION
AGENDA**

March 30, 2023, 6:00 p.m.

**SMITHVILLE CITY HALL
Council Chambers**

Unit Mix

29

Unit Type	Units	NRSF / Unit	Total NRSF	Pct of NRSF	Rent/Unit	Rent/SF	Gross Potential Inc.
Studio	18	410	7,380	11.3%	\$900	\$2.20	\$194,400
Studio/Loft	12	660	7,920	12.1%	\$1,200	\$1.82	\$172,800
1 BDR	31	650	20,150	30.8%	\$1,100	\$1.69	\$409,200
2 BDR	24	925	22,200	33.9%	\$1,500	\$1.62	\$432,000
Total MF	85	678	57,650	88.1%	\$1,185	\$1.75	\$1,208,400
Commercial			7,800	11.9%	\$13,000	\$1.67	\$156,000
Total			65,450	100.0%	\$14,185	\$1.74	\$1,364,400

- 72% of units are studios and 1 bedrooms
- Units are designed approximately 10% smaller than units in large garden apartment complexes
- Projected rental rates were established in a market study prepared by Valbridge Property Advisors
- The Target Market as established by Valbridge is Young Professionals and Empty Nesters who desire maintenance free housing.

Development Budget

30

Budget Item	Gross SF	Unit	Total Costs	Est. TIF Reimbursable Costs	Est. Private Debt & Equity
Land					
Land Purchased From City	\$0.40	\$273	\$23,243	\$23,243	\$0
Private Land Purchase	\$4.94	\$3,353	\$285,000	\$285,000	\$0
Land Value	\$5.35	\$3,626	\$308,243	\$308,243	\$0
Sitework/ Infrastructure					
Demolition	\$3.82	\$2,588	\$220,000	\$220,000	\$0
Utilities	\$2.60	\$1,765	\$150,000	\$150,000	\$0
Asphalt and Landscaping	\$5.20	\$3,529	\$300,000	\$300,000	\$0
Total Sitework	\$11.62	\$7,882	\$670,000	\$670,000	\$0
Hard Costs					
Building Construction	\$130.00	\$135,491	\$11,516,700	\$250,757	\$11,265,943
Initial Commercial Tenant Improvements	\$4.74	\$3,212	\$273,000	\$0	\$273,000
Total Constrction Cost	\$204.50	\$138,702	\$11,789,700	\$250,757	\$11,538,943
Soft Costs					
Payoff Existing Debt	\$1.21	\$824	\$70,000	\$0	\$70,000
Architecture	\$4.20	\$2,847	\$242,000	\$0	\$242,000
Engineering	\$5.13	\$3,482	\$295,950	\$0	\$295,950
Permitting	\$1.21	\$824	\$70,000	\$0	\$70,000
Parkland Dedication Fees	\$0.92	\$625	\$53,125	\$0	\$53,125
Misc. Pre-Construction Costs (Inspect.)	\$0.87	\$588	\$50,000	\$0	\$50,000
Title and Survey	\$0.87	\$588	\$50,000	\$0	\$50,000
Legal (Including TIF)	\$2.17	\$1,471	\$125,000	\$0	\$125,000
Loan Origination Fee (Lender)	\$0.77	\$525	\$44,628	\$0	\$44,628
Loan Advisory Fee (Inc.TIF)	\$2.20	\$1,493	\$126,933	\$0	\$126,933
Interest Carry	\$12.19	\$8,269	\$702,896	\$0	\$702,896
Construction Period Taxes	\$0.26	\$176	\$15,000	\$0	\$15,000
Developer Fees	\$10.23	\$6,935	\$589,485	\$0	\$589,485
Total Soft Costs	\$42.24	\$28,647	\$2,435,017	\$0	\$2,435,017
Subtotal Project Cost	\$263.71	\$178,858	\$15,202,960	\$1,229,000	\$13,973,960
Contingency: 3%	\$7.91	\$5,366	\$456,089	\$36,870	\$419,219
Grand Total	\$271.62	\$184,224	\$15,659,049	\$1,265,870	\$14,393,179

Stabilized Operating Proforma

31

Stabilized Operations						
		2025		Per Unit		
Operating Income		Stabilized Total	Annual	Monthly	Per SF	Pct EGI
Gross Potential Income - Multifamily		\$1,244,652	\$14,643	\$1,220	\$1.80	91.0%
Misc. Income/Reimbursements		\$42,024	\$480	\$40	\$0.06	3.1%
Gross Potential Income - Multifamily		\$1,286,676	\$15,123	\$1,260	\$1.86	94.1%
Market Vacancy	5.0%	-\$64,334	-\$756	-\$63	-\$0.09	-4.7%
EGI - Multifamily		\$1,222,342	\$14,367	\$1,197	\$1.77	89.4%
Commercial EGI at vacancy of	7.0%	\$145,080	\$1,707	\$142	\$0.21	10.6%
Effective Gross Income		\$1,367,422	\$16,074	\$1,339	\$1.74	100.0%
Expenses			Untrended			
Payroll/Contract Labor		\$104,040	\$1,200	\$100	\$0.15	7.61%
Repairs & Maintenance		\$43,350	\$500	\$42	\$0.06	3.17%
Grounds		\$43,350	\$500	\$42	\$0.06	3.17%
Utilities		\$1,734	\$20	\$2	\$0.00	0.13%
Gas		\$867	\$10	\$1	\$0.00	0.06%
Electric		\$1,301	\$15	\$1	\$0.00	0.10%
Trash		\$18,360	\$212	\$18	\$0.03	1.34%
Property Mgmt	3.0%	\$41,023	\$483	\$40	\$0.06	3.00%
Property Taxes		\$219,725	\$2,585	\$215	\$0.32	16.07%
Insurance		\$28,178	\$325	\$27	\$0.04	2.06%
Total Operating Expenses		\$501,927	\$5,849	\$487	\$0.73	36.71%
NOI		\$865,495	\$10,224	\$852	\$1.02	63.29%
Reserves		\$25,500	\$300	\$25	\$0.04	1.86%
NCF After Reserves		\$839,995	\$9,924	\$827	\$1.21	61.43%
Debt Service		\$684,266	\$8,050	\$671	\$0.99	50.04%
Net Cash Flow After Debt Service		\$155,730	\$1,874	\$156	\$0.23	11.39%
Perm Loan DSCR		1.23				
Max Perm Loan Supported		\$8,925,658				
LTV at Max Loan Amount		57.0%				

Property Tax Calculation 2025

32

Valuation		Total	Per SF	Per Unit
Multifamily NOI		\$773,668	\$13.42	\$9,102
Cap Rate - Multifamily		5.50%		
Multifamily Property Value		\$14,066,697	\$244.00	\$165,491
Commercial NOI		\$91,827	\$11.77	\$1,080
Cap Rate - Commercial		7.50%		
Commercial Property Value		\$1,224,358	\$156.97	\$14,404
Total NOI		\$865,495	\$13.22	\$10,182
Cap Rate - Blended		5.66%		
Total Property Value		\$15,291,055	\$233.63	\$179,895
NPV of Tax Abatement		\$1,706,944	\$26.08	\$20,082
Total Project Value		\$16,997,999	\$259.71	\$199,976
REAL ESTATE TAX				
Property Tax Calculation - Projected at Stabilization				
Formula		Residential	Commercial	Total
Stabilized Market Value		\$14,066,697	\$1,224,358	\$15,291,055
Assessment Factor		19.0%	32.0%	20.0%
Assessed Value		\$2,672,673	\$391,794	\$3,064,467
Mill Levy		7.1701%	7.1701%	7.1701%
Projected Tax Amount		\$191,633	\$28,092	\$219,725

33

Taxing Jurisdiction	NPV Revenue WITHOUT Redevelopment	NPV Revenue WITH Redevelopment	Net NPV Benefit	Benefit Ratio
State	\$282	\$1,217,531	\$1,217,249	4,317.67
School	\$45,498	\$1,194,530	\$1,149,033	26.25
Fire	\$7,120	\$462,777	\$455,657	65.00
City	\$3,878	\$383,358	\$379,480	98.85
Ambulance	\$3,703	\$166,943	\$163,240	45.08
Library	\$3,045	\$22,633	\$19,587	7.43
County	\$1,292	\$181,294	\$180,003	140.37
Handicap Tax	\$966	\$7,181	\$6,215	7.43
Health Tax	\$806	\$5,986	\$5,181	7.43
Mental Health Tax	\$806	\$5,986	\$5,181	7.43
Zoo	\$0	\$17,727	\$17,727	Undefined
		Total NPV Benefits:	\$3,598,552	

NMHA National Statistics

34

School Age Children Projection						
National Averages of Children Age 6 -17 according to National Multifamily Housing Association 2021						
Category						
			All Households	Multifamily Owner	Multifamily Renter	Single-Family Owner
Households with School Age Children			23.3%	7.5%	14.2%	24.8%
						33.0%
Households with School Age Children by Apartment Age			All	Built before 1990	Built 1990-1999	Built 2000-2009
			14.2%	15.1%	14.8%	13.5%
						10.8%
Children per Household			Multifamily Owner	Multifamily Renter	Single-Family Owner	Single-Family Renter
School Age Children per 100 Households			10.8	21.3	41.5	57.6
Adjusted for 85 Units, 2 Bedroom Average				18.1		

- 14.2 % of Multifamily rental units are occupied by families with school age children. A 2-bedroom unit averaging 1000 to 1100 SF is typical
- New multifamily properties only have about 10.8% of units with school age children. The subject property is projecting 11.4% of units will have school age children.
- The target market for this property is Young Professionals and Empty Nesters, and both groups rarely have school age children living with them

School Age Children Projection

35

Unit Type	Units	NRSF / Unit	Total NRSF	Pct of NRSF	Pct of Units with Students	Students in Complex
Studio	18	410	7,380	11.3%	0.0%	0.0
Studio/Loft	12	660	7,920	12.1%	5.0%	0.6
1 BDR	31	650	20,150	30.8%	10.0%	3.1
2 BDR	24	925	22,200	33.9%	25.0%	6.0
Total MF	85	678	57,650	88.1%	11.4%	9.7
Commercial			7,800	11.9%	0.0%	0.0
Total			65,450	100.0%	11.4%	9.7
					x Pct New Students to District	50%
					Additional Students to District	4.9
					x Cost per Student per Year	\$11,000
					Total Cost for New Students	\$53,350

- Given the relatively smaller unit size, the target market is individuals who would like to live in a “walkable” maintenance free environment
- The developer anticipates that most units will be rented by individuals. 2 Bedroom units may be rented by a couple, or roommates or an individual who works from home
- Some 2-bedroom units will have school age children
- Average space per person in an apartment is 525 Square Feet. Even the largest 2-bedroom apartment in the complex does not accommodate this ratio.

Net Benefit to School District

36

Year	Total Property Taxes	Captured Mill Taxes for Project	School District Allocation	Cost for Additional Students	Net Benefit
2023	\$4,224	\$0	\$4,224	\$0	\$4,224
2024	\$74,166	\$34,971	\$39,195	\$26,675	\$12,520
2025	\$148,332	\$72,054	\$76,278	\$54,417	\$21,861
2026	\$152,782	\$74,279	\$78,503	\$55,505	\$22,998
2027	\$157,366	\$76,571	\$80,795	\$56,615	\$24,180
2028	\$162,087	\$78,931	\$83,156	\$57,748	\$25,408
2029	\$166,949	\$81,363	\$85,587	\$58,903	\$26,684
2030	\$171,958	\$83,867	\$88,091	\$60,081	\$28,010
2031	\$177,117	\$86,446	\$90,670	\$61,282	\$29,388
2032	\$182,430	\$89,103	\$93,327	\$62,508	\$30,819
2033	\$187,903	\$91,839	\$96,064	\$63,758	\$32,305
2034	\$193,540	\$94,658	\$98,882	\$65,033	\$33,849
2035	\$199,346	\$97,561	\$101,785	\$66,334	\$35,451
2036	\$205,327	\$100,551	\$104,776	\$67,661	\$37,115
2037	\$211,487	\$103,631	\$107,855	\$69,014	\$38,842
2038	\$217,831	\$106,804	\$111,028	\$70,394	\$40,634
2039	\$224,366	\$110,071	\$114,295	\$71,802	\$42,493
2040	\$231,097	\$113,436	\$117,661	\$73,238	\$44,423
2041	\$238,030	\$116,903	\$121,127	\$74,703	\$46,424
2042	\$245,171	\$120,473	\$124,698	\$76,197	\$48,501
2043	\$252,526	\$124,151	\$128,375	\$77,721	\$50,654
2044	\$260,102	\$127,939	\$132,163	\$79,275	\$52,888
2045	\$267,905	\$131,840	\$136,065	\$80,861	\$55,204
2046	\$271,718	\$0	\$271,718	\$82,478	\$189,240
2047	\$277,237	\$0	\$277,237	\$84,128	\$193,109
2048	\$282,866	\$0	\$282,866	\$85,810	\$197,056
2049	\$288,608	\$0	\$288,608	\$87,526	\$201,081
2050	\$294,464	\$0	\$294,464	\$89,277	\$205,187
2051	\$300,438	\$0	\$300,438	\$91,062	\$209,376
2052	\$306,531	\$0	\$306,531	\$92,884	\$213,648

- The School District will have a net benefit of \$21,000+/- in the first year the property is fully occupied
- The TIF will be in place for 23 years and the school district should be earning \$55,000 beyond the cost of students living in the property in year 23
- When the TIF expires, the school district should be receiving \$271,000 per year to cover a student cost of \$82,000 for a surplus of \$189,000 annually.

TIF vs. No TIF

37

<i>Item</i>	Stabilized in 2025			
	Without TIF		WITH TIF	
Effective Gross Income (EGI)	\$1,367,422		\$1,367,422	
Expense	\$501,927		\$501,927	
NOI	\$865,495		\$865,495	
1st Mortgage Payment	\$684,266		\$684,266	
Net Cash Flow After Devt Service	\$181,230		\$181,230	
Annual Proceeds from TIF	\$0		\$143,841	
Net Cash Flow After TIF Allocation	\$181,230		\$325,070	
TIF Loan Payment	\$0		\$112,290	
Net Cash Flow After TIF Debt Service	\$181,230		\$212,781	
Investor Returns				
Capital Structure	Without TIF		WITH TIF	
Total Development Budget	\$15,659,049		\$15,659,049	
Maximum Loan Amount	\$8,925,658	57%	\$8,925,658	57%
Supplemental Loan Amount	\$0	0%	\$1,229,000	8%
Total Proceeds	\$8,925,658	57%	\$10,154,658	65%
Equity Required	\$6,733,391	43%	\$5,504,391	35%
Annual Cash-on-Cash Return 2025	2.7%		3.9%	
Annual Cash-on-Cash Year 5	13.8%		16.9%	
Annual Cash-on-Cash Year 10	16.4%		20.0%	
Total Cash Flow over 10 Years with Sale	\$11,198,995		\$14,346,915	
Equity Multiple	1.7		2.6	

Development Risks

38

- Interest Rate
- Construction Cost
- Supply Chain
- Geo-Political
- Domestic Political
- Regulatory
- Economic
- Local Conditions

Alternative Projects

39

- Short Term Rentals
- Hotel or Air B&B
- Mission Oriented (Affordable Housing)
- Nursing Home
- Commercial (car wash, hardware store etc.)
- Co-working space
- Self-storage
- Food Court for Food Trucks

Conclusion

- The developer is committed for the long term
- The developer has a vested interest in the success of the project, Smithville's future and more projects over the years
- Tax Increment Financing is essential to the success of development of a market rate multifamily project



MAIN & MILL