

December 13, 2023

Kimberlee McKee
Executive Director
Longmont Downtown Development Authority (LDDA)
Longmont, CO 80501

RE: TIF Application, and DIP information for the Granary Commercial Project

Applicant: Mass Equities, Inc.
Owner: 320 Granary Owner, LLC
Address: 320 2nd Avenue Longmont, CO

Dear Kimberlee:

Thank you for the opportunity to apply for the current development programs available under the LDDA. Mass Equities, Inc., is the developer of The Granary Commercial Property adaptive re-use, and is providing the Application for the DIP, and TIF request for the project. The following is our response to the TIF Application requirements to be included with our TIF Application.

a. NARRATIVE DESCRIBING THE PROJECT. The narrative should address the following topics:

a. A brief history of the site/building,

Applicant Response: The Property is one of the several properties purchased by the developer in 2015 and is part of the redevelopment and adaptive re-use of the old Butterball properties in downtown Longmont. 210 Emery and 320 2nd Avenue (the Granary property) originally consisted of two buildings with 210 Emery razed to make way for twenty new Townhomes that will be completed by the end of 2023, and 320 2nd Avenue, the old Granary building. The property was subdivided in 2021 into two lots. The old Granary building was built in the 1930's and our understanding is the building was originally used as a grain storage facility for local agricultural business, and then for a beverage company. Around the 1970's and 80's the property was used as a truck maintenance and materials storage facility for Butterball and Con Agra Foods. The building has been vacant for many years and is now ready for its next life.

b. A description of the proposed project, its use(s) and any secured or prospective tenants.

Applicant Response: The building will be repurposed as an adaptive re-use, multi-tenant building with a unique Food & Beverage concept (Food Hall) on the ground level, and commercial office and creative commercial on the second and third floors. The Lease for the Food Hall has been finalized, subject to financing and the start of construction. The Food Hall operator is an experienced operator that operates the largest food hall and marketplace in Colorado and also manages several other Food Halls in Colorado and other states. We are in discussions with a co-working/creative office operator, and other commercial users for the upper floors, but we do not anticipate any pre-leasing until construction is underway.

- c. A description of how the project aligns with the Downtown Longmont Master Plan of Development and its relationship to other City plans, including the Main Street Corridor Plan, Advance Longmont 2.0, Envision Longmont Plan or others.

Applicant Response: The Property is located in Phase 1 of the Redevelopment & Reimbursement Agreement (RRA) that was executed between the developer, City and LDDA in March 2015. The RRA (in the recitals section) confirmed compliance with the aforementioned planning efforts and programs. In addition to alignment of the City and LDDA planning efforts, the Creative Commercial uses will provide much needed daytime employment to the area, and the Food Hall a unique amenity for the local community as well as provide a regional draw from Boulder County and beyond.

- d. A description of the building design and its contextual relationship and compatibility of the proposed project to the surrounding area and the downtown district that includes:

Applicant Response: The existing building design and structure will be greatly enhanced by adding a new façade to the east side of the building. This new part of the building will include two, steel, exterior stair towers (similar to those at South Main Apartments), a new lobby, interior elevator, restrooms, and utility rooms at each level. In addition, the entire façade of the building will be repaired and upgraded with an attractive window package that takes advantage of previous window openings that were grouted over. The old openings, coupled with carefully designed new openings, will create a unique window pattern and structure to the façade that will bring needed light into the building and create an interesting and attractive look from the outside. Portal style windows will be cut into the existing silo to bring light into this area and enhance the unique exterior look of the historical silo along 2nd Avenue. In addition, a ridge light will be installed along the roofline to bring additional light into the third floor of the building. All new systems will be installed in the building (utilities, water/san, life, fire and safety, etc.) as well as a new roof that will be overlaid to preserve the patina of the existing structure. The renovation will include the improvement of the empty lot on the east side of the building into a new parking lot. On the west side, roll-up, glass doors, and ground level storefront will be added to connect the new outdoor plaza to the Food Hall. A large steel canopy and shade structure will be installed to provide protection for the elements and enable four season activities in the plaza area. The new plaza fronts 2nd Avenue with an engaging entrance area that includes a generous sidewalk, tree grates, a large planter box, fire elements, and public gathering area.

This project will be consistent with the city of Longmont's zoning and development plans by emphasizing the following points:

Adaptive reuse of a historic structure- The design team has been and will continue to make every effort to understand and prioritize the historic nature of this building and surrounding area.

Pedestrian oriented - The ground level food hall and exterior plaza are intended to encourage local pedestrian traffic that is connected to neighboring properties and downtown.

Bike friendly- The project's location is along the multi-modal corridor (2nd Ave and Emery Street) that includes large sidewalks, bike routes in a pedestrian and bike friendly atmosphere.

Mixed use- The Granary redevelopment itself is mixed use, containing residential (phase 1), food and beverage, and creative office/commercial programming. The project is also intended to be a complement and amenity to the surrounding residential and commercial developments. This will contribute to the area's diverse overall programming.

Provide any additional information that addresses the evaluation criteria (see below) or TIF = project scoring matrix.

Applicant Response: Upon review of the Evaluation Categories, the subject Property will score well within the guidelines in many categories that use a 5-point score.

1. The Project Location is within the LDDA, 1st & Main, and Main Street Corridor.
 2. Existing Conditions- The existing property's appearance and compatibility with surrounding properties is poor or has been continuously vacant and includes vacant land.
 3. Community/Housing Impacts- Although not technically part of this Application, the adjacent property that was developed by the same developer, and part of the original Lot, includes 20 new townhomes for rent that are priced in the 100% AMI range and considered to be attainable housing.
 4. Project Design- The project is an adaptive re-use with a creative design, is pedestrian friendly, has an engaging street presentation with plaza and gathering space for the community, and is part of the larger TOD at 1st & Main.
 5. Project Sustainability and Resource Conservation – The Granary Commercial project is the ultimate in sustainability and resource conservation simply because it is the adaptive re-use of an existing structure built in the 1930's. We are re-using the core/shell and re-purposing into a modern and efficient building. Green strategies, water saving measures, and a recycling programs will be implemented for both construction and ongoing operations. The overall project (site design) utilizes distributed rain gardens and detention as well as low impact development techniques.
 6. Transportation Impacts- The project is included in the 1st & Main Transportation area and incorporates infrastructure and amenities to encourage alternate transportation. In addition, EV charging will be supported and approximately 16-18 new parking spaces will be created on site for the commercial uses.
 7. DDA Master Plan Alignment – The Granary project is aligned with the LDDA Master Plan and provides numerous positive Public Impacts related to 18-hour/7-day activity, mixed-use and creative place making. The project adds over 25,000 SF of food & beverage, retail and creative commercial to the downtown and will help to attract jobs and grow the local employment base. The project will also be a regional draw.
- e. Submit a project/development proforma and a statement of why the project owner and designer needs a public/LDDA investment in the project.

Applicant Response: Due to numerous factors including the construction cost to rehab a 95 year-

old building, City permitting and fees, lender requirements, interest rates, the cost of capital, the fact this is a specialty building use, and overall market conditions, we have identified a financial gap for the project, and we are seeking incentives to fill the gap. The requested incentives will ensure the project moves forward and enable the developer/owner to deliver a unique community gathering area (Food Hall and Plaza), and large-scale creative commercial that does not exist in this format in downtown Longmont.

The Granary Commercial will add to the successful residential and commercial that has already been developed at South Main Station and help to extend the downtown core south to 1st Avenue and beyond. The Food Hall will provide a unique community gathering space and allow restaurateurs and chefs to hone their craft and bring new products and services to downtown in a unique, shared environment. The Food Hall will also promote local farms and food sources, beverage and related products, local music, art, and work with other community and event-based providers.

Below is the Estimated Project Budget (as of 12/23) and Gap Analysis for the project:

****CONFIDENTIAL INFORMATION NOT FOR DISTRIBUTION****				
320 GRANARY - FOOD HALL & COMMERCIAL			Total	\$/SF
				<i>28,064</i>
Property & Building Cost		\$ 1,800,000		\$64
Construction Cost		\$ 7,677,872		\$274
Tenant Improvement & Leasing Costs		\$ 1,041,327		\$37
Soft Cost		\$ 1,964,044		\$70
Financing Costs		\$ 1,038,460		\$37
Total Est. Development Cost		\$ 13,521,703		\$482
Assumptions:				
Building NNN Rent (PSF, Yr. 1)		\$ 31.72		
Net Operating Income (NOI)		\$ 848,184		
Return on Cost (ROC)		6.25%		
Target Return on Cost (For Market Return)		7.50%		
Adjusted Total Cost to achieve Target ROC		\$ 11,310,000		
Shortfall (Gap) for Market Return			-\$2,211,703	\$ (79)

- b. FUNDING REQUEST & DOCUMENTATION: Provide the amount of funding requested and evidence of financing documentation.

Applicant Response: Due to the size of the project and financing gap, we are requesting the maximum funding available through Tax Increment, Grants, Rebates, and other sources from the LDDA and City. We are flexible as to how these funds are paid and distributed to the project, but we will need to show our investors and lender a funding commitment.

- a. Include the amount of funding requested and total cost for the proposed project.

Applicant Response: The gap is estimated to be \$2.2MM, so we are seeking the maximum available. See above Proforma and cost projection.

- b. Provide evidence of financing documentation for the project to be reviewed by the LDDA's finance Committee. The finance Committee approval of evidence of financing is required prior to the official funding request to the LDDA Board. These should be submitted as a stand-alone document, and not included in the project narrative.

Applicant Response: For the South Main project in general, we have secured over \$100,000,000 in financing over the past 5 years. Currently, we are in discussions with multiple lenders for the Granary Commercial project, and we anticipate a final lender commitment in January or February 2024.

- C. CURRENT PHOTOS of the project. All project applications should provide photos of the existing site the surrounding area.

Applicant Response: See attached **Exhibit B** Existing Photos.

- D. COLOR BOARD & ELEVATIONS with proposed materials called-out/labeled, and at least one photo simulation or color perspective rendering from the pedestrian point of view that captures the proposed building improvements in the context of its setting on the block.
 - a. Provide exterior building material samples or brochures for presentation at the LDDA Board meeting.
 - b. Provide a scaled site plan, if applicable, detailing proposed improvements on-site and in public right-of-way (ROW), if applicable.
 - c. These color elevations, renderings and site plan if applicable must be developed by a licensed professional architect.

Applicant Response: See attached **Exhibit A** Site Plan, Renderings, Materials Board, and Elevations.

- E. A DETAILED COST BREAKDOWN of the proposed facade and ROW improvements prepared by the design architect and/or contractor. This can be done after or concurrently with the City of Longmont development review process. Please provide two contractor bids for any eligible expenses that will receive funding.

Split **ELIGIBLE COSTS** between costs associated with work proposed on the facade(s); life & safety; and/or public improvements in the ROW. These may include, but are not limited to: applicable deconstruction and construction activities including tools and equipment; materials and labor for facade improvements; replacement/repairs of doors and windows; restoration of historic materials, brick masonry, cafe patio fencing in the ROW, facade lighting fixtures etc. In some instances, life/safety improvements may be considered. the investment from the LDDA **may not be used** for soft costs such as architectural, structural, electrical, or mechanical design fees; construction site amenities; surveying and staking; traffic

controls; profit and overhead; any interior work; taxes, fees, or insurance. General conditions are accepted, but must not contain any soft cost-related items including profit or overhead.

Applicant Response: See attached **Exhibit C** of the approved format for the detailed costs. Currently we are estimating the total eligible costs to be in the \$1.9MM to \$2.2MM range. The final cost estimates will be determined in January, 2024.

- c. A WORKSHEET from the County Assessor's office
 - a. Providing an estimate of value for the project, (upon completion, fully leased) and broken out by uses (e.g. commercial or residential). Contact the Boulder County Assessor's Office at (720) 574-1880.

Applicant Response: See attached **Exhibit D** from the County Assessor

- d. PROVIDE NOTICE OF GOOD STANDING
 - a. Provide proof that all LDDA, City, General Improvement District and other applicable taxes are paid to date for the property owner(s) and business(es) associated with the project.

Applicant Response: See attached **Exhibit E** from the County Assessor

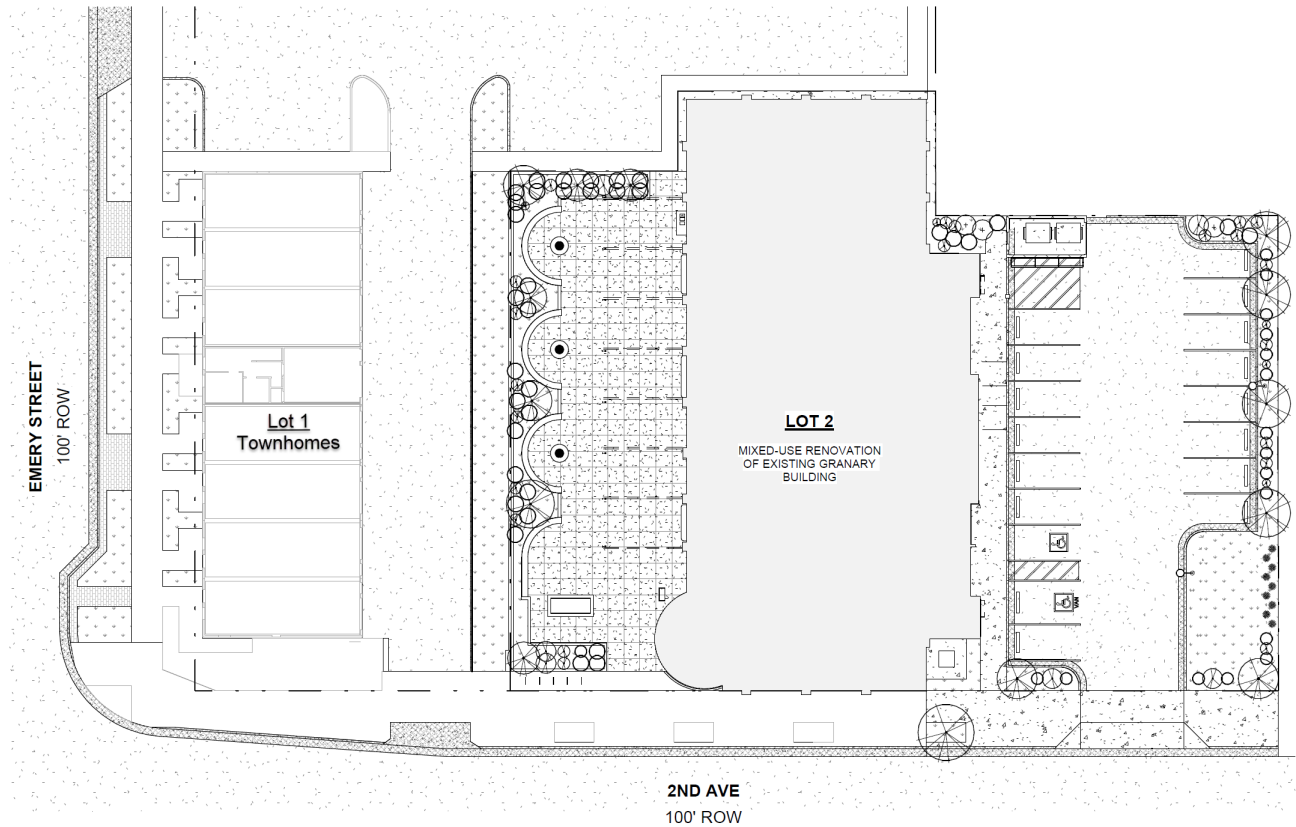
Thank you for the opportunity to provide an Application for the TIF Program. Please let us know if you have any questions or comments about the Application.

Regards,



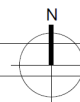
Brian W. Bair
Manager
320 Granary, LLC
Email: brian@masseq.com

EXHIBIT A- Site Plan, Renderings & Elevations



tres birds
12.12.2023

THE GRANARY
210 Emery Street, Longmont, CO 80501



SITE PLAN
LDDA-1

Rendering looking Northeast from 2nd Avenue



tres birds
12.12.2023

THE GRANARY
210 Emery Street, Longmont, CO 80501

SOUTH-WEST RENDER
LDDA-6

Rendering looking Northwest from 2nd Avenue



tres birds

12.12.2023

THE GRANARY

210 Emery Street, Longmont, CO 80501

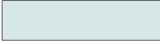




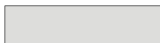
SOUTH-EAST RENDER

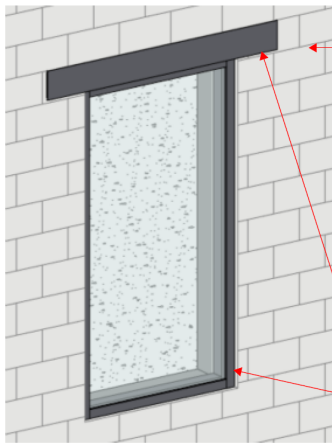
LDDA-7

Rendering of Westside Plaza



LEGEND

	CLEAR GLAZING		ASPHALT SHINGLES
	PAINTED CMU BLOCK		CMU BLOCK
	CONCRETE		PAINTED STUCCO



EXISTING CMU (PAINTED)

THE EXISTING BUILDING WILL BE REPAIRED AS NEEDED AND THEN PAINTED WHITE TO MATCH THE CURRENT CONDITION

EXISTING CAST IN PLACE CONCRETE (PAINTED)

THE EXISTING BUILDING WILL BE REPAIRED AS NEEDED AND THEN PAINTED WHITE TO MATCH THE CURRENT CONDITION

STRUCTURAL STEEL

USED AT NEW HEADERS IN THE EXISTING CMU, EXTERIOR STAIRCASES, AND MISC. SITE COMPONENTS (TRASH ENCLOSURE, PLAZA TRELLIS, ETC.)

GLAZING AND MULLIONS

DARK FINISH TO MATCH STRUCTURAL STEEL USED ELSEWHERE

tres birds

12.12.2023

THE GRANARY

210 Emery Street, Longmont, CO 80501

EXTERIOR MATERIALS

LDDA-9



tres birds
12.12.2023

THE GRANARY
210 Emery Street, Longmont, CO 80501

SOUTH ELEVATION
LDDA-2



tres birds
12.12.2023

THE GRANARY
210 Emery Street, Longmont, CO 80501

WEST ELEVATION
LDDA-3



tres birds 12.12.2023	THE GRANARY 210 Emery Street, Longmont, CO 80501	NORTH ELEVATION LDDA-4
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tres birds 12.12.2023	THE GRANARY 210 Emery Street, Longmont, CO 80501	EAST ELEVATION LDDA-5
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EXHIBIT B- Existing Photos

Exterior- From 2nd Avenue



East Façade



West Façade



Ground Level Interior-



Level 2 Interior-



Level 3 Interior-



EXHIBIT C- List of Detailed Costs and GC/Sub Estimates

***** To Be finalizing In January 2024*****

Total Cost Estimate for eligible costs is \$1.9MM to \$2.2MM

Tax Increment Financing (TIF) Incentive Program			Dec-23
Project: The Granary Commercial			
Address: 320 2nd Ave. Longmont, CO			
Applicant Name: 320 Granary, LLC			
TIF Program Costs			
Item description	1st bid *	2nd bid	Name of vendor you are using
EXISTING FAÇADE CLEANING, PATCHING AND POINTING			
TRASH ENCLOSURE			
EXTERIOR DOORS AND WINDOWS			
EXTERIOR DOORS			
EXTERIOR WINDOWS			
DEMO FOR EXTERIOR OPENINGS			
STEEL LINTELS			
EXTERIOR PAINTING			
OUTDOOR SEATING AREA			
EXTERIOR LIGHTING			
SAFETY EXTERIOR LIGHTING			
MANAGEMENT OF FAÇADE CONSTRUCTION			
EQUIPMENT FOR FAÇADE CONSTRUCTION			
EXTERIOR METAL WORK (STAIRS)			
RAILINGS (FOR PATIOS)			
"PARKS OR PLAZAS" (WEST FOOD HALL PLAZA)			
Total Eligible Costs	\$ -	\$ -	
<i>* 1st bids should be the vendor you PLAN TO USE</i>			
Façade Grant costs (if applicable)			
Item description	1st bid *	2nd bid	Name of vendor you are using
FIRE SUPPRESSION AND ALARM			
GREASE INTERCEPTOR			
KITCHEN HOODS			
ELECTRICAL (FOOD HALL ONLY)			
WATER (FOOD HALL ONLY)			
Total Eligible Costs	\$ -	\$ -	
<i>* 1st bids should be the vendor you PLAN TO USE</i>			
Total TIF Costs	\$ -		
Total Façade Grant Costs	\$ -		
Project Total	\$ -		

EXHIBIT D- County Assessor Worksheet

Account #	R0616116	Net Rentable Area	28,064
Address	320 2nd Avenue	Land Size	25,400
Zoning	Mixed-Use Longmont		

Income Approach			
Interest Appraised		LEASE STRUCTURE	
Fee Simple		NNN	
Total NRA			28,064
NRA - 1st floor Restaurant			9,356
NRA - 2nd Floor Office			9,354
NRA - 3rd Floor Office			9,354
Rental Rate - Restaurant			\$50.00
Rental Rate - Office			\$22.00
Rental Rate - Office			\$23.00
PGI			\$888,730
Vacancy - 5%	5.0%		\$44,436.50
EGI			\$844,294
Less Expenses - NNN	8%		\$67,543.48
NOI			\$776,750
Cap Rates	Value Per SqFt		
6.00%	\$461.30		\$12,945,834
6.50%	\$425.81		\$11,950,000
7.00%	\$395.40		\$11,096,429

ESTIMATE ONLY		
	Tax Year	Mill Levy (as decimal)
	2023	0.103957
Actual Value	Assessed Value	Taxes
\$12,945,834	\$3,754,292	\$390,284.91
\$11,950,000	\$3,465,500	\$360,262.99
\$11,096,429	\$3,217,964	\$334,529.92

EXHIBIT E- Evidence of Good Standing

[Logout public](#) |
 [Assessor](#) |
 [E-Mapping](#) |
 [Deed Search](#) |
 [Boulder County](#)

Tax Account

Summary

Account Id R0616116
Parcel Number 131503450002
Owners 320 GRANARY OWNER LLC
Address 1437 7TH ST STE 200
 SANTA MONICA, CA 90401
Situs Address 0 2ND AVE LONGMONT 80501
Legal LOT 2 210 EMERY REPLAT MINOR

Inquiry

As Of
Payment Type First
 Second
Total Due \$0.00

Value

Area Id	Actual	Assessed	Mill Levy
001018 - 001018			103.9570000
3115 - manufacturing land - 3115	156,400	45,356	
3215 - manufacturing/processing improvements - 3215	238,600	69,194	
Total Value	395,000	114,550	
Taxes			\$11,908.28



*The amounts of taxes due on this page are based on last year's property value assessments.
 For current year values visit the [Boulder County Assessor's site](#).*

PAYMENT DUE DATES:

First Half Payment - February 28
 Second Half Payment - June 15
 Full Payment - May 1

Mailing address: PO Box 471, Boulder, CO 80306