

CCRFC BOARD MEETING

April 14, 2020



Approval of the March 10, 2020 Minutes

FINANCIAL UPDATE

As of February 29, 2020

FINANCIALS – CENTER CITY REVENUE FINANCE CORPORATION

- Funding of One Beale garage
- Interest income – budgeted conservatively
- Closing fees –18 S. Main, One Beale Hotel and 10 S. Main ownership transfer
- Professional fees related to transactions and pre-legal work on pipeline

FY21 BUDGET

July 2020 – June 2021

Center City Revenue Finance Corporation (CCRFC)

Budget Overview: FY2021 OVERVIEW

July 2020 - June 2021

| | FY21 | FY20 | Variance | % | |
|--|------------------|------------------|----------------|------------|---------------------------------|
| Income | | | | | |
| Interest Income | - | - | - | 0% | LGIP interest |
| Pilot Extensions | 6,000,000 | 5,300,000 | 700,000 | 12% | Interest plus PILOT lease pymts |
| Fees | 300,000 | 300,000 | - | 0% | |
| Total Admin & Interest Income | 6,300,000 | 5,600,000 | 700,000 | 11% | |
| Expenses | | | | | |
| Office Expense | | | | | |
| Miscellaneous | 2,000 | - | 2,000 | 0% | |
| Total Office Expense | 2,000 | - | 2,000 | 0% | |
| Professional Fees | | | | | |
| Legal | 250,000 | 150,000 | 100,000 | 40% | PILOT closings |
| Other Professional Fees | 3,000 | 3,000 | - | 0% | Trust fees |
| Total Professional Fees | 253,000 | 153,000 | 100,000 | 40% | |
| Transfers Out | | | | | |
| To CCDC | 100,000 | 100,000 | - | 0% | |
| To Parking Authority | 861,765 | 860,000 | 1,765 | 0% | debt service on 2004 PP bonds |
| Total Transfers Out | 961,765 | 960,000 | 1,765 | 0% | |
| Total Expenses | 1,216,765 | 1,113,000 | 103,765 | 9% | |
| Net Income | 5,083,235 | 4,487,000 | 596,235 | 12% | |

40 W. Huling

Request for 15-Year PILOT

**ONE
BEALE**

*OLD
Dominick*

**National
Civil Rights
Museum.**
AT THE LORRAINE MOTEL.

40 W. Huling

40 W. Huling

- 1.227-acre parcel
- Located on west side of Wagner, in block between Talbot & Huling Ave.
- 1-story vacant warehouse building (ca. 1905)
- Formally the Spaghetti Warehouse restaurant
- Existing building (20,415 sf) and surface parking lot with 84 spaces



Former use



View from Huling





View from Wagner



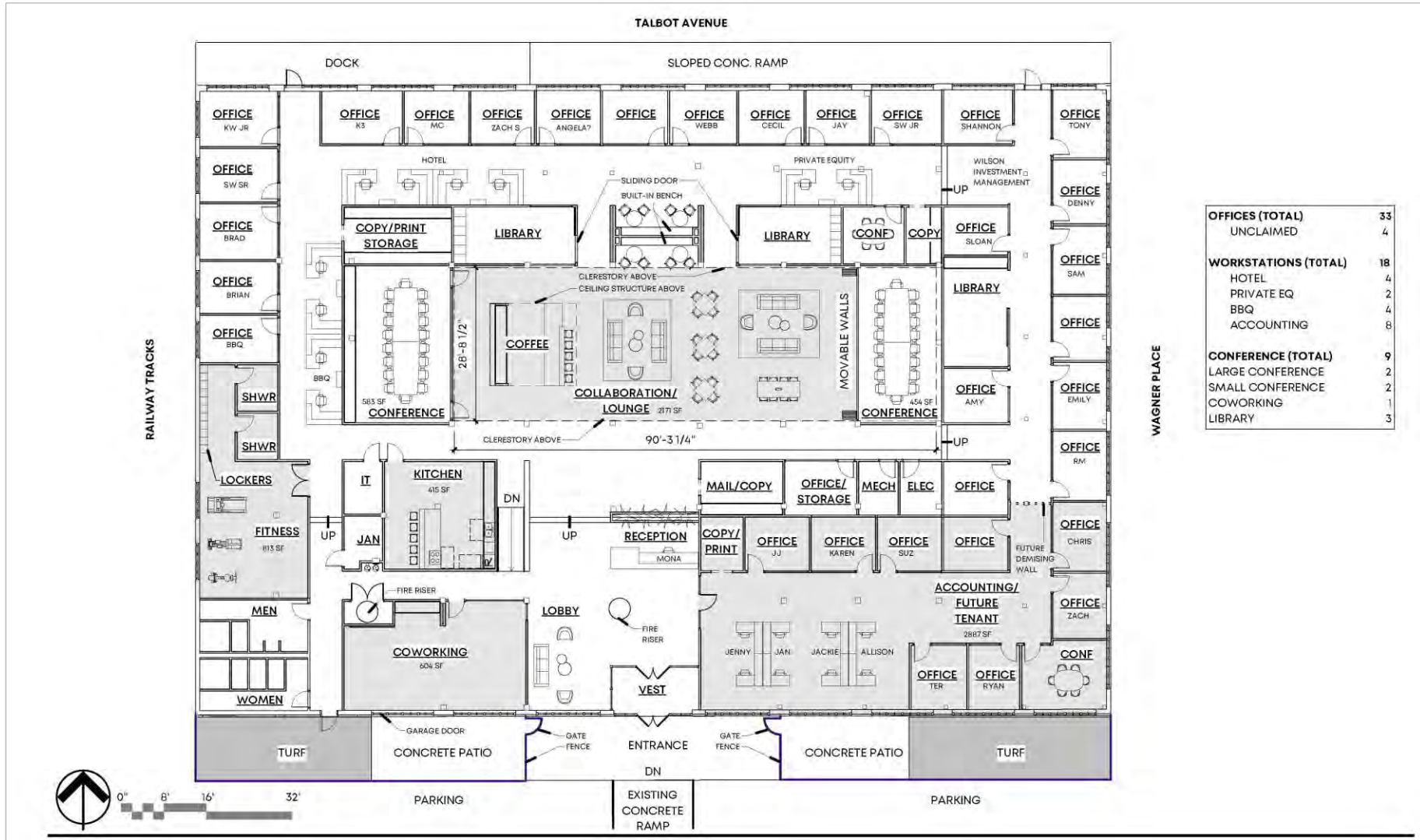
View from Talbot

Proposal

- \$6,798,360 development budget
- Full renovation for conversion to office use; Tenant will be Kemmons Wilson Companies (KWC)
- 600 sf startup incubator space and potential for 2,900 sf of coworking also planned
- Construction Start: Q2 2020
- Construction Complete: Q2 2021



Floor Plan



Request: 15-Year PILOT

| | |
|---------------------------------|-----------------|
| | |
| Office (15,000-50,000 sf) | 2 Years |
| Development Costs (\$5-10MM) | 2 Years |
| Within CBID | 3 Years |
| Historic Renovation | 4 Years |
| Public Art | 1 Year |
| Enhanced Architectural Lighting | 1 Year |
| LEED Certification | 4 Years |
| | |
| TOTAL | 17 YEARS |
| PILOT PROGRAM CAP | 15 YEARS |



Overall Budget (Sources)

| | Amount | % |
|----------------|--------------------|-------------|
| Debt | \$6,000,000 | 88% |
| Owner's Equity | \$798,360 | 12% |
| | | |
| Total | \$6,798,360 | 100% |

Overall Budget (Uses)

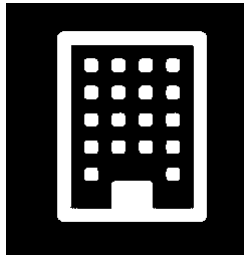
| | Amount | % |
|---------------------------|--------------------|-------------|
| Property Purchase | \$2,300,000 | 34% |
| Hard Construction Costs | \$4,099,000 | 60% |
| Soft Costs | \$225,000 | 3% |
| Estimated PILOT Fee | \$99,360 | 1.5% |
| Transaction/Closing Costs | \$75,000 | 1.5% |
| | | |
| Total | \$6,798,360 | 100% |

Overall Budget (Uses)

| | Amount | % |
|-------------------|--------------------|-------------|
| Property Purchase | \$2,300,000 | 34% |
| Hard | | |
| Soft | | |
| Estim | | |
| Trans | | |
| | | |
| Total | \$6,798,360 | 100% |

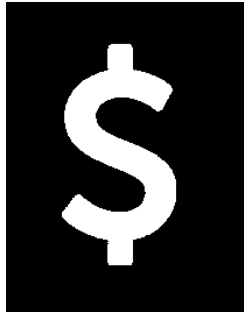
25% MWBE Target
= \$1,081,000

Estimated Payments



\$57,356

CURRENT PROPERTY TAXES



\$75,177

ESTIMATED ANNUAL PAYMENT
DURING 15-YEAR PILOT TERM



\$267,312

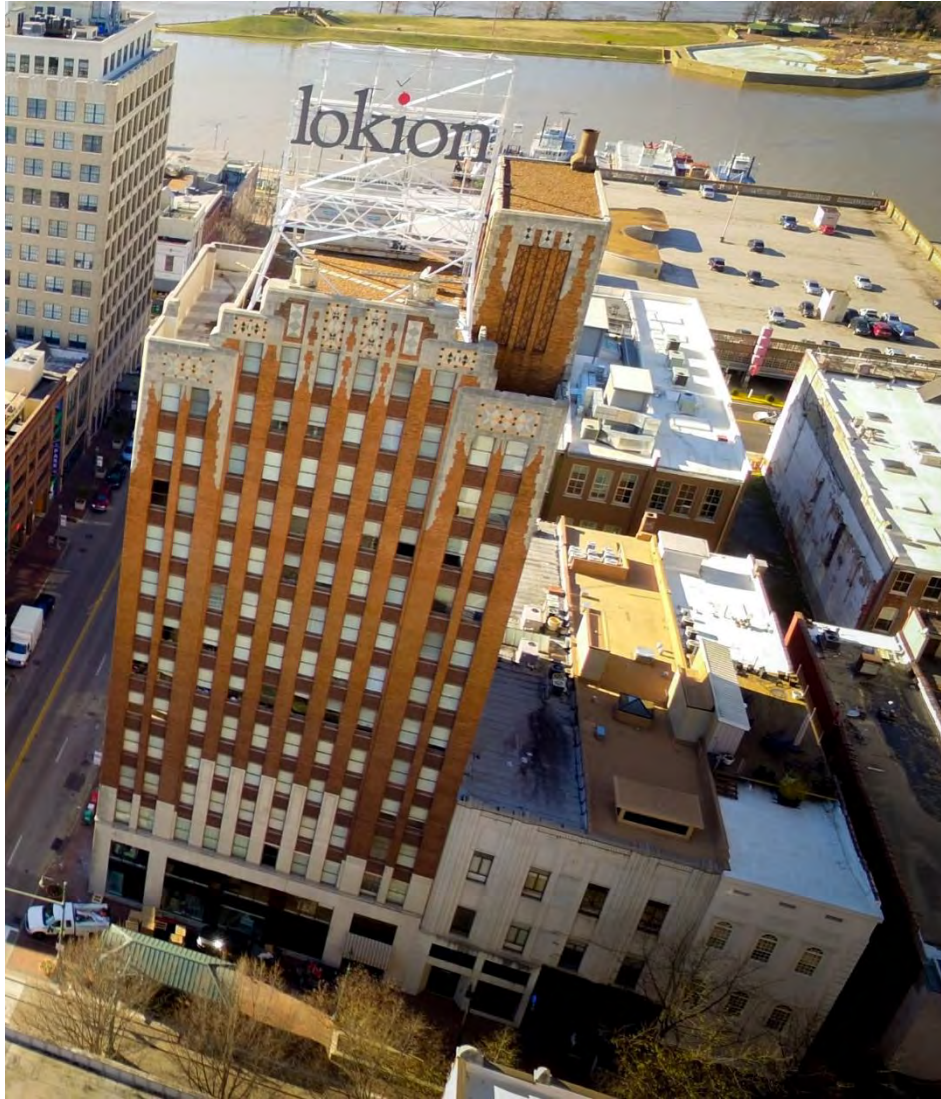
ESTIMATED CUMULATIVE INCREASE
DURING 15-YEAR TERM



Recommendation

15-Year PILOT

- Full renovation of vacant historic building in the South Bluffs Warehouse National Register Historic District
- Increasing Downtown's office population adds vibrancy to the district and directly supports new and existing retail and restaurant options
- Project will help attract a successful corporate office tenant to Downtown Memphis (Kemmons Wilson Companies)



PRESIDENT'S REPORT

NEXT CCRFC BOARD MEETING

May 12, 2020