

Legislation Details (With Text)

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Title:	Conceptual Economic Development Incentive Request - Chapel Ridge Shopping Center Community Improvement District, Cadence Commercial Real Estate, applicant		
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Attachments:	1. Pre-Application Work Sheet, 2. CID Project Modeling, 3. Conceptual Presentation Slides, 4. ED Incentive Policy flow chart.pdf		

Date	Ver.	Action By	Action	Result
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Conceptual Economic Development Incentive Request - Chapel Ridge Shopping Center Community Improvement District, Cadence Commercial Real Estate, applicant

Issue/Request:

Conceptual presentation on a request to form a CID on portions of Chapel Ridge Shopping Center which is anchored by the Price Chopper grocery store at the southwest quadrant of the Woods Chapel and I-470 interchange, for the purpose of funding rehabilitation and site improvements to the grocery store and adjacent commercial development. The applicant is Cadence Commercial Real Estate ("Applicant").

Key Issues:

- Formation of a CID to fund a program of rehabilitation work to portions of the shopping center, including the Price Chopper grocery store.
- A blight declaration is necessary within the proposed CID area in order to use the CID revenues to fund the rehabilitation and repair work.

Proposed City Council Motion:

No Council motion is requested at this Conceptual Presentation. The applicant is seeking general feedback in accordance with the City Council's Economic Development Incentive Policy (last amended January 2020).

Background:

The Chapel Ridge Shopping Center is the project site generally located at 801 and 905 NE Woods Chapel Road. The primary anchor is a Price Chopper grocery store, and other commercial businesses on the main parcel include restaurants, a barber shop, a jeweler and a UPS Store. Enterprises Lakewood, LLC, which is an affiliate of Applicant, owns the majority of the property within the proposed CID area. Limpus Enterprises, LLC, owns the northwestern most parcel in the proposed CID area (tenants include jewelry store, pet supply store and spa), and Applicant is planning to purchase that parcel as part of this project.

The total acreage of the proposed CID area is 10.36 acres, and the scope of the development within the CID area is 97,286 square feet. The proposed boundaries of the CID have an irregular shape, to match the shape of the parcels owned (or to be owned) by the Applicant through a subsidiary entity.

The Applicant is proposing a package of work to the shopping center which totals about \$21,226,000. The Applicant is proposing that about \$3,945,000 of these costs would be reimbursable through the CID, which would result in a 19% incentive request. The CID reimbursable costs are proposed to be in these categories:

- Grocery Expansion
- Building Re-façade
- Sidewalk and Curb Replacement
- Sealcoat and Restripe Parking Lot
- New tenant signage
- Landscaping
- LED site lighting

The Applicant's revenue projections show that the CID would provide for reimbursement of all of the reimbursable project costs after 14 years, assuming a steady sales growth rate which starts at about \$36 million in total taxable sales in 2021, and an interest rate of 5% on the certified but outstanding reimbursable costs.

Impact/Analysis:

The property would need to be declared blighted under the CID Act in order to provide the CID with the legal authority to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure.

The CID would impose a 1% sales tax within the CID boundaries only. This would present no fiscal impact to the City's budget, and the Applicant is not requesting the appropriation of any City funds as part of this request.

Timeline:

Developer is proposing to begin the project in 2021 and all businesses would stay open during the renovation work.

Other Information/Unique Characteristics:

Unlike the Cedar Creek CID which was pursued by the same company, the Applicant here is proposing that the Price Chopper store would fund the grocery store rehabilitation work and would be within the boundaries of the CID where the 1% sales tax is collected.

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