# South Central Waterfront Advisory Board
# September 18, 2017

Briefing & Discussion:

Financing Tool and Assumptions included in the SCW Plan

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multi-family component achieved lower RLV than similarly scaled office developments in this area, given the interplay between development costs and achievable rents.

  - L1. This site was modeled with 192 units and 240 total parking spaces (half of which were underground). The achievable rents for this building do not support the cost to build and operate a parking structure, especially with underground parking.

- **High parking ratios.** The high parking ratios are one of the key drivers of feasibility for the Baseline.
  - The Hyatt PUD office parcel (A6) had the highest residual land value of $201 because it was modeled to share existing parking at the Hyatt Hotel. Without having to provide the full amount of parking to support this new development, this site can achieve the highest residual land value. This parcel has 170 parking spaces for 380,000 square feet of development, or one space per 2,000 square feet.
  - As a comparison, a smaller 1.7-acre parcel, F12, assumes a 15 story office tower. Requiring this office development to park itself drives RLV down to $115 per square foot compared to the higher numbers that A6 achieves. B4, a three story office building with surface parking, has low development feasibility due to the presence of surface parking, which is a relatively inefficient use of land given the high land values in this area.
- Density
  - There is wide spread in RLV between some of the developments with the same mix of uses and with similar heights. This is due to the assumed Floor Area Ratios (FAR) on those parcels. Sites H16/17/20 and J24/27/30 have a similar mix of office and residential uses, but the J sites have an FAR of 3 compared to the H sites with an FAR of 1. All else equal, a site with higher density will have higher residual land value and the sites with lower density will have lower residual land values compared to similar development programs.

# 3 Test Scenario

The purpose of the Test Scenario is to show the scope and scale of development that could occur in the SCW if the City and private partners participated in a shared investment in the public realm of the South Central Waterfront and committed to an ambitious affordable housing target.

## 3.1 Assumptions

Developing the Test Scenario required assumptions for 1) entitlements most logical to assume for the area, 2) the sites most likely to redevelop, 3) use mix, and 4) development costs/revenues.



### Development Program

The Test Scenario assumes that the City would allow current property entitlements to change if local land owners were to partner in the creation of a robust public realm. This scenario assumes:

- **Increased heights:** A maximum height of 400 feet could be permitted on some sites. Many sites have buildings reaching 21-26 stories.
- **Increased FAR:** FAR reaches 8.5.
- **Existing South Shore Waterfront Overlay setbacks remain in place.** This district honors primary and secondary setback lines from the Town Lake Shoreline and improves water quality measures and stormwater infrastructure where East Bouldin Creek setbacks are encroached upon.
- **Some existing PUDs remain, while others allow additional development.**

### Sites

This scenario assumed that the same sites would develop as the baseline study sites, as well as additional sites that did not achieve the minimum required residual land values ($100). Additionally, some of the larger parcels were subdivided to allow for increased density that is not permitted under the current entitlements. Therefore the number of overall sites for development increased, as well as the density, total development square footage, and value of the land and structures.

### Use Mix

ECONorthwest worked with the City of Austin and McCann Adams to determine development programs on each of the study sites. The sites in the Test Scenario are a mix of office towers, mixed-use office buildings, and multi-family residential buildings with ground floor retail. See Attachment 4 for an overview of built form, including height, FAR, square foot by development type, and parking spaces. Exhibit 6 shows the Test Scenario development concept, including building height and site configuration.

Exhibit 6. Test Scenario Development Concept


Source: Asakura Robinson

### Development Costs/Revenues

ECONorthwest worked with local development professionals (including the ULI) to gather assumptions for all building types, as detailed in Attachment 3.

### Public Improvement District Assessment

Each of the parcels includes an assumed cost associated with a Public Improvement District (PID) that is assessed as a $10 per square foot of gross development. The PID fee is intended to cover a portion of public realm and affordable housing costs[2].

## 3.2 Findings

As described in the methodology section, ECONorthwest used a residual land value (RLV) analysis to determine development feasibility of the program shown in Exhibit 6. The land values were calculated as residual land values, which in some cases differ significantly from the range of market values suggested by various representatives in Austin's real estate field due to the specific development feasibility associated with the development program modeled on each site. Attachment 4 includes a table showing the findings by site.

The key factors that are driving these outcomes are:

[2] For the purpose of the model, the PID was assumed as a $10 per parcel up front cost. It is likely that the PID would be assessed as a yearly fee at an amount less than $10, therefore the residual land value estimates are conservative. The PID would need to generate enough annual income to support the bonding capacity to finance the improvement costs early on in the phasing of the development program.



- **Achievable rents.** The current market could support new development of higher density office and residential product types.
  - **Office:** C2, a 22 story office tower, has a RLV of $90 PSF, which is below the target for the area. This is due to the lower density, amount of underground parking programmed on the site, and high site specific infrastrucuture costs.
  - **Hotel:** On S2, we modeled a full-service, 24-story hotel and found that it would likely perform well in this area, given the high Average Daily Rates in Central Austin. Our analysis found a residual land value of $400 per square foot for a high rise hotel[3].
  - **Residential:**
    - **Waterfront rents:** As an alternate scenario, we modeled higher rents at $3.25 per square foot on waterfront residential towers (S3, S4, S5), an increase of $0.15 per square foot over the average modeled through the district. This higher rent is an ambitious target that would require a commensurate investment in building and district amenities.
    - Site L1 was modeled with similar parameters as the baseline scenario. The extremely low residual land value ($3 per SF) is due to the small building footprint and low density of this project.
- **High Parking Ratios/Underground Parking**
  - The Test Scenario assumed lower parking ratios than the Baseline Scenario.
  - While underground parking is preferable from an urban design standpoint, it is very expensive. To help make projects pencil, we opted to model podium parking in some cases.
  - Shared parking arrangements that could capitalize on varied usage by different development types would likely provide increased flexibility for developers.
- **Affordable Housing using a hypothetical Public Improvement District Assessment estimate**
  - We used a target of $125 per square foot as a residual land value to determine the subsidy needed to meet a district target affordable housing set aside. The per unit subsidy varied greatly by construction type:
    - For H16/17/18, the analysis assumed that two buildings would be built on site, one of which would a wood-frame project that would include units affordable to households at 80% of Area Median Income (AMI ), unless LIHTC's are involved. The per unit subsidy required for 86 affordable units in that project would be $50,000.

[3] The hotel RLV was not calculated using a return on cost feasibility metric similar to the other parcels due to limited data availability. Using market data and industry standard land to value ratio's, the parcel can support the indicated RLV and achieve the minimum desired financial return

- For high rise developments on C1 and C3, the analysis found a need for a subsidy of $280,000 and $300,000 respectively per unit affordable to households at 80% of AMI. The cost of construction for high rise buildings is much greater than for stick built lower rise products. Therefore, the subsidy required to achieve the targeted RLV is more than 5 times greater per unit for high rise construction.
- For F12, we found a need for a $27,000 per unit subsidy if the One Texas Center site redeveloped as an entirely affordable project at an 80% of Area Median Income (AMI) target, assuming $0 cost (RLV) is associated with the parcel. If the site were able to obtain Low Income Housing Tax Credits, the depth of affordability could go to 60% of AMI.

## 4 Scenario Comparison

Exhibit 7 shows the differences in the mix of land uses between existing conditions, the Baseline, and the Test Scenario. Both the Baseline and the Test Scenario add market rate housing units, office square footage, retail square footage, and parking spaces, with the Test Scenario adding almost double of each.

Exhibit 7. Scenario Summary – All Development

| Component | Unit of Measurement | Existing Total | Stable Sites + Baseline Total | Stable Sites + Feasible Baseline Total | Stable Sites + Test Scenario Total |
|---|---|---|---|---|---|
| Housing | units | 1,297 | 2,168 | 1,956 | 4,162 |
| *Market Rate* | *units* | 1,297 | 2,168 | 1,956 | 3,635 |
| *Affordable* | *units* | - | - | - | 527 |
| Office | SF | 1,225,332 | 2,252,274 | 1,874,631 | 3,405,306 |
| Retail | SF | 128,181 | 258,145 | 240,973 | 403,209 |
| Hotel | rooms | 839 | 839 | 839 | 1,264 |
| **Total Development** | **SF** | **3,216,972** | **5,138,133** | **4,539,063** | **8,535,869** |
| Parking Spaces | spaces | 7,465 | 10,399 | 8,853 | 14,520 |
| Parks | acres | 4.3 | 4.3 | 4.3 | 20 |

Note: Baseline assumes all parcels are developed regardless of financial feasibility. Stable sites have existing develop that would not redevelop in either scenario.

Exhibit 8 shows net new developed space for the Baseline and Test Scenario. New parking in the Baseline Scenario and the Test Scenario is all structured whereas existing condition is overwhelmingly surface level parking. Key differentiators in the use mix of Test Scenario include the addition of 527 affordable units (a 20% share of new units)[4], a 425-room hotel, and 20 acres of parks and open space.

[4] Test Scenario is illustrative and projects 3,080 new housing units. If the goal is that 20% be affordable that number would be 527. It's very probable that actual housing build out will be more or less than this scenario and that while the 20% affordable target will remain, the actual number of units will be different.



Exhibit 8. Net New Development

| | Unit of Measurement | Baseline Total Net New Development | Feasible Baseline Total Net New Development | Test Scenario Net New Development |
|---|---|---|---|---|
| **Housing** | units | **1,086** | **659** | **3,080** |
| *Market Rate* | *units* | 1,086 | 659 | 2,553 |
| *Affordable* | *units* | 0 | | 527 |
| Office | SF | 1.7 M | 922K | 2.9 M |
| Retail | SF | 160K | 141K | 345K |
| Hotel | rooms | 0 | 0 | 425 |
| **Total Square Feet of New Buildings** | **SF** | **2.8 M** | **1.6 M** | **6.2 M** |
| Parking Spaces | spaces | 5,376 | 2,851 | 9,711 |
| New Parks | acres | 0 | 0 | 20 acres |

Note: Assumes all parcels are developed regardless of financial feasibility

### Building Program Build-Out Density and Uses

The Baseline and Test Scenario have key differences in height, FAR, and site coverage. Exhibit 9 shows the general differences between each scenario compared with existing conditions.

Exhibit 9. Development Assumptions Detail

| | Existing | Baseline and Feasible Baseline | Test Scenario |
|---|---|---|---|
| **Height Ranges** | 60-200 feet allowed. | 1-15 stories. Generally, 3-9 stories. (The Hyatt parcel is 13 stories and F12 is 15 stories. The Statesman is 1-6 stories. | 5-26 stories. Generally, between 7 and 21 stories. |
| **Max Height** | 200 feet (Hyatt site) | 200 feet (Hyatt site) | 400 feet |
| **Range of Floor Area Ratios** | 0.0-0.92 | 0.4-3.0 | 1.3-8.5 |

## 4.1 Financial Performance

Exhibit 10 shows development costs and financial results for the Feasible Baseline and two alternatives for Test Scenario: Test Scenario A and Test Scenario B. The key difference between Test Scenario A and B is that B assumes an increased market rent of $3.25 PSF for sub-parcels S3, S4, and S5 (versus $3.10 PSF in Test Scenario B). Building costs in the Test Scenarios are almost three times the amount in the Baseline and the block layout associated with that vertical development would also require a large outlay for site infrastructure and district public realm improvements. The total value (land and buildings) in the Test Scenarios are more than double the amount in the Baseline.

Exhibit 10. Financial Performance (New Development)

| | Feasible Baseline* | Test Scenario | |
|---|---|---|---|
| | | Test Scenario A | Test Scenario B |
| **Development Cost** | | | |
| Building Cost | $458 M | $2,050 M | $2,053 M |
| Parcel Infrastructure Cost | N/A | $28 M | $28 M |
| Hypothetical District Infrastructure PID Assessment | N/A | $63 M | $63 M |
| **Financial Results** | | | |
| Building Value | $670 M | $2,588 M | $2,593 M |
| Total Land Value | $83 M | $234 M | $245 M |
| **Total Value (Land + Building)** | $754 M | **$2,822 M** | **$2,838 M** |

## Attachment 3: Development Assumptions

### Residential

| | Residential – rental, 60' (stick over podium) (Low) | Residential – rental 7+ story (Mid-rise and High-rise) | Residential – condo |
|---|---|---|---|
| **Operating Revenues and Expenses** | | | |
| Rent/Sales Price Per NSF | $2.50 | $2.85 (mid)<br>$3.10 (high) | $550 (avg. for downtown)-<br>$700 highest end projects<br>(Source: Terry Mitchell) Terry Mitchell's workforce project, NE side of downtown: $475/SF |
| Parking Revenue Per Space | $750 (surface)<br>$1,500 (podium)<br>$1,500 (underground)<br>$1,500 (wrap) | $750 (surface)<br>$1,500 (podium)<br>$1,500 (underground)<br>$1,500 (wrap) | $750 (surface)<br>$1,500 (podium)<br>$1,500 (underground)<br>$1,500 (wrap) |
| Operating Cost Per SF | $5 | $5 (mid) - $6 (high) | $0 |
| OpEx Per NSF | 36% | 36% (mid) - 40% (high) | 31% |
| Inflation Factor | 3% | 3% | 3% |
| **Development Cost** | Assume wood frame | Assume steel and concrete | Assume steel and concrete |
| Average height/floor | 10.5' | 10.5' | 11' |
| Square feet per Unit | 850 (low) | 850 (mid and high) | 1,250 |
| Unit Mix | Studio: 40%<br>1-bed: 30%<br>2-bed: 30% | Studio: 40%<br>1-bed: 30%<br>2-bed: 30% | |
| Gross to Net SF Ratio | 75% | 80% (mid) / 85% (high) | 85% |
| Hard Cost Per GSF (w/o parking) | $120 | $190 (mid) /<br>$220 (high) | $225 |
| Soft Costs as a percent of total costs | 20% | 20% (mid)<br>17% (high) | 25% |
| Parking Requirements | 1 parking space for the first bedroom and 0.5 space for each additional bedroom. 1 parking space for an efficiency dwelling unit (Source: Austin zoning code 25-2-1556)<br><br>Several rental projects that decouple parking and charge $175-$200 extra per space per month. | | 1 parking space for the first bedroom ad 0.5 space for each additional bedroom. 1 parking space for an efficiency dwelling unit (Source: Austin zoning code 25-2-1556) |
| Parking Cost Per Space | $5,000 (surface)<br>$25,000 (podium)<br>$40,000 (underground)<br>$15,000 (wrap) | $5,000 (surface)<br>$25,000 (podium)<br>$40,000 (underground)<br>$15,000 (wrap) | $5,000 (surface)<br>$25,000 (podium)<br>$40,000 (underground)<br>$15,000 (wrap) |
| Retail Construction Costs Per Square Foot | $130 | $130 | $130 |
| Retail TI Allowance | $40 | $40 | $40 |
| Contingency Costs (% of Total) | 5% | 5% | 5% |
| Developer Fees (% of Total) | 5% | 5% | 5% |
| **Market Assumptions** | | | |
| Vacancy | Total building: 4% | Total building: 4% | N/A |
| Cap rates | 5.5% | 5.5% | N/A |
| Percent of Condo Units Sold at Closing | N/A | N/A | 85%, 100% sold after 6 months |



### Commercial

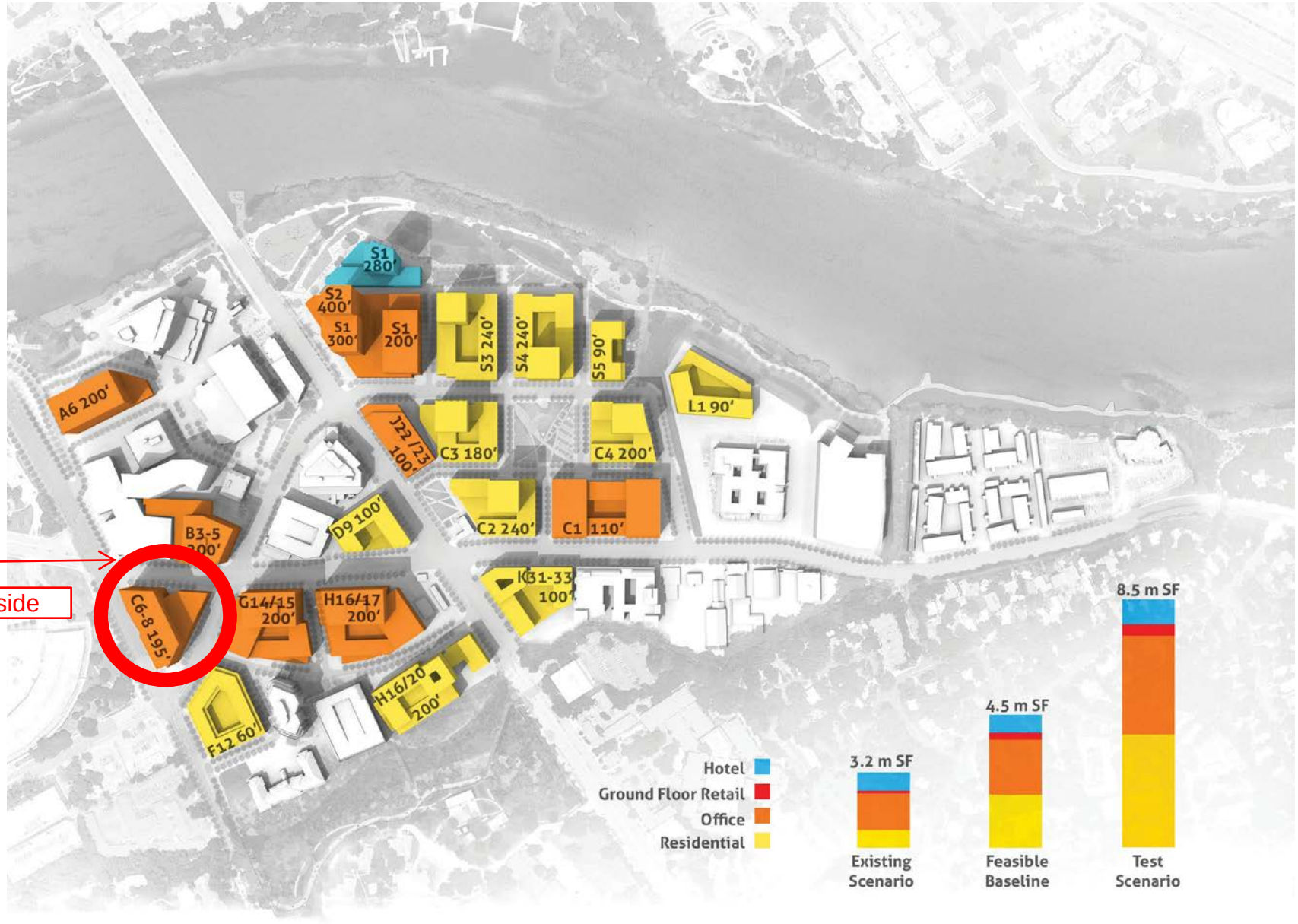
| | 60' Office (Low) | 185' Office (Mid and High) | Retail (Ground Floor) |
|---|---|---|---|
| **Operating Revenues and Expenses** | | | |
| Rent Per NSF NNN, annual | $29 | $32 (mid)<br>$35 (high) | $35 |
| OpEx Per NSF | $12 | $15 (mid)<br>$17 (high) | $35 |
| Leasing Commission | Leasing commission is Austin is capped at 6% gross: 4% for tenant rep and 2% for landlord. | | |
| Real Growth Rate | 3.0% | 3.0% | 3.0% |
| Parking Revenue Per Space | Same as res | Same as res | Same as res |
| **Development Cost** | | | |
| Average Height Per Floor | 12.5' | 12.5' | 18' |
| Hard Cost Per GSF | $125 | $140 (mid) - $160 (high) | $130 |
| Soft Cost Per GSF as % of Hard Costs | 20% | 20% | 20% |
| Parking Cost Per Space | Same as res | Same as res | Same as res |
| Landscaping Cost | $0 | $0 | $0 |
| Contingency Costs (% of Total) | 5% | 5% | 5% |
| Developer Fees (% of Total) | 5% | 5% | 5% |
| Tenant Improvement Allowance | $50 | $50 | $40 |
| Retail Construction Costs PSF | $130 | $130 | $130 |
| **Market Assumptions** | | | |
| Vacancy | Total building: 8% | Total building: 8% | Total building: 5% |
| Cap Rate | 6.5% | 6.5% | 9% |

### Other Assumptions

Exhibit 17. Debt Service Assumptions

| | |
|---|---|
| Interest Rate | 6% |
| Loan to Value Ratio | 0.7 |
| Loan Amortization (Years) | 30 |
| Inflation Rate | 3% |

# Excerpt from SCW Appendices – page 48




Appendix

# Attachment 4: Test Scenario Results

425 W. Riverside

| Parcel<br>Use | A6<br>Office | B3, B4, B5<br>Office | C6,C7,C8<br>Office/MF | D9<br>MF | F12<br>MF/Office | G14,G15<br>Office | H16, H17, H20<br>Office/MF | S1 Sub-Parcel:<br>Office | S2 Sub-Parcel:<br>Hotel | S3 Sub-Parcel:<br>MF |
|---|---|---|---|---|---|---|---|---|---|---|
| Acres | 3.71 | 1.71 | 1.50 | 0.92 | 1.24 | 1.56 | 6.09 | 2.30 | 0.73 | 1.49 |
| PUD? | Y | | | Y | | | Y | | Y | |
| **Entitlement Assumptions** | | | | | | | | | | |
| FAR | 2.4 | 3.5 | 4.7 | 3.7 | 3.2 | 5.3 | 3.0 | 8.5 | 8.4 | 7.0 |
| Height (Stories) | 13 | 13 | 14 | 9 | 5 to 6 | 15 | 15 to 18 | 17 to 26 | 24 | 7 to 21 |
| **Use Mix** | | | | | | | | | | |
| Office SF | 360,000 | 250,000 | 270,525 | 0 | 10,000 | 347,600 | 371,000 | 812,900 | 0 | 0 |
| Hotel SF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 254,500 | 0 |
| Retail SF | 20,000 | 10,000 | 21,045 | 9,000 | 7,000 | 10,000 | 32,000 | 38,000 | 12,000 | 25,000 |
| Residential SF | 0 | 0 | 13,800 | 152,000 | 155,975 | 0 | 387,000 | 0 | 0 | 430,750 |
| **Total SF** | **380,000** | **260,000** | **305,370** | **161,000** | **172,975** | **357,600** | **790,000** | **850,900** | **266,500** | **455,750** |
| ***Residential Units*** | | | | | | | | | | |
| *Market Residential Units* | 0 | 0 | 9 | 152 | 0 | 0 | 344 | 0 | 0 | 430 |
| *Affordable Residential Units* | 0 | 0 | 0 | 52 | 150 | 0 | 86 | 0 | 0 | 0 |
| **Total Units** | 0 | 0 | 9 | 204 | 150 | 0 | 430 | 0 | 0 | 430 |
| Affordable Housing Subsidy | $ - | $ - | $ - | $ 5,460,000 | $ 4,050,000 | $ - | $ 4,300,000 | $ - | $ - | $ - |
| Per Unit Subsidy | $ - | $ - | $ - | $ 105,000 | $ 27,000 | $ - | $ 50,000 | $ - | $ - | $ - |
| **Parking** | | | | | | | | | | |
| Surface | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Structure | 170 | 520 | 772 | 222 | 128 | 476 | 824 | 919 | 340 | 287 |
| Underground | 0 | 0 | 96 | 0 | 0 | 238 | 412 | 459 | 170 | 143 |
| **Total Spaces** | **170** | **520** | **868** | **222** | **128** | **714** | **1,236** | **1,378** | **510** | **430** |
| **Development Cost** | | | | | | | | | | |
| Building Cost | $109 M | $86 M | $109 M | $55 M | $31 M | $123 M | $258 M | $281 M | $108 M | $143 M |
| Parcel Infastructure Cost | $0.0 M | $0.0 M | $0.0 M | $0.0 M | $2.6 M | $1.3 M | $4.8 M | $1.7 M | $0.5 M | $3.3 M |
| DistrictMaster Planning Fee | $3.8 M | $2.6 M | $3.1 M | $1.6 M | $1.7 M | $3.6 M | $7.9 M | $8.5 M | $2.7 M | $4.6 M |
| **Financial Results** | | | | | | | | | | |
| Return on Cost | 8.1% | 8.1% | 8.2% | 7.0% | 7.0% | 8.1% | 7.6% | 8.1% | #N/A | 7.0% |
| Building Value | $141 M | $109 M | $137 M | $71 M | $39 M | $155 M | $327 M | $354 M | $145 M | $177 M |
| Total Land Value | $32 M | $16 M | $12 M | $5 M | $0 M | $18 M | $33 M | $50 M | $13 M | $8 M |
| Total Value (Land + Building) | $173 M | $125 M | $148 M | $76 M | $39 M | $173 M | $361 M | $404 M | $158 M | $185 M |
| **Residual Land Value / SF** | **$200** | **$220** | **$180** | **$125** | **$0** | **$260** | **$125** | **$500** | **$400** | **$125** |

$3.1 M. District Master Planning Fee
(aka: PID Assessment)

## 4.2 Fiscal Impacts

For fiscal impacts, ECONorthwest compared existing conditions, the Test Scenario, and the Feasible Baseline (which assumes that only study sites with a RLV of $100 per foot or more would redevelop). As of 2015, the SCW generated approximately $2.6 million annually in tax revenue to the City of Austin and $12.9 million total to all taxing districts (Exhibit 11).

In the Feasible Baseline, if just sites that had residual land values over $100 per square foot redeveloped, total tax revenues would be $26.2 million for all taxing jurisdictions, an increase of $13.2 million. In Test Scenario, total tax revenues would be nearly three times the amount in the baseline at close to $75 million.

Exhibit 11. Property Tax Revenues – Existing, Baseline, and Test Scenario
(Assuming Full Buildout, 2015 Dollars)

| | Existing | Feasible Baseline* | Test Scenario |
|---|---|---|---|
| COA Tax | $2.6 M | $5.2 M | $14.7 M |
| Total Tax | $12.9 M | $26.3 M | $74.7 M |

Note: *Sites with residual land value of $100+ PSF (A6, C6/7/8, G14/15, J24/27/30, F12) have different tax revenues in the Feasible baseline. Other study sites that do not pencil use existing values.



## Attachment 1: Overview of Existing Entitlements

This section provides a reference for existing entitlements in the area as of 2015. This information was confirmed by the City of Austin prior to the creation of the Baseline.

### Base Zoning

Parcels in the study area have the following base zoning classifications.

- CS-1: Commercial-Liquor Sales: Commercial Services District (CS), liquor sales permitted (1)
- CS-1-V-NP: Commercial Services District (CS), liquor sales permitted (1), vertical mixed use permitted (V), and located within an approved Neighborhood Plan (NP)
- LI: Limited Industrial Services: No residential uses permitted
- PUD: Planned Unit Development

The CS and LI zones do not currently permit residential uses, including condos and apartments (only residential uses allowed are two types of bed and breakfast)

### Other Entitlements

There are additional entitlements that apply to most parcels in the area. They are:

#### Streetscape Design

Study sites fronting Congress Avenue, Riverside Drive, and South 1st street are subject to Subchapter E streetscape design standards: 7′ sidewalk, 8′ planting/street furniture zone.

#### Waterfront Overlay District[5]

Several parcels in the SCW are in Austin's South Shore Central Subdistrict.

- Primary setback lines:
  - 150′ landward from the Town Lake Shoreline
  - 80′ from East Bouldin Creek centerline
  - 35′ north of the northern public right-of-way boundary of Riverside Drive
- Secondary setback lines:
  - 50′ landward from the primary setback line parallel to the Town Lake Shoreline
  - 130′ from the primary setback line parallel to the East Bouldin Creek centerline
- Maximum Height
  - For structures located between the primary and secondary setback lines, the lower of 35 feet or the maximum height allowed in the base zoning district;

[5] Waterfront Overlay District Language

Graphic of Exhibit 11 from Appendices – page 43

# TIF considerations

- In 2013, the property @ 214 Barton Springs Road (before the Catherine was built)
  - Valued @ approx. $3.1 M
- In 2017, the Catherine + land is:
  - Valued @ approx. $124 M
- Cautionary tale: Value capture lost forever in terms of providing TIF funding for the SCW Plan (affordable housing; infrastructure)

- Today, the “Schulz” properties are
  - Valued @ approx. $3.3 M
  - Provides approx. $32,500/annually to CoA taxes
- The Test Scenario for this location (similar to Stream proposal)
  - Valued @ approx. $148 M
  - Estimated CoA tax for this value: approx. $750K/annually
- Above assumptions provide tax increment of approx. $717K
  - If 50% of the increment ($350K) were used to bond, could provide $2.1 M bond for the SCW Plan (affordable housing; infrastructure)