

CITY OF TOPEKA
APPLICATION FOR COMMUNITY IMPROVEMENT DISTRICT

Complete all information and if necessary, please attach additional sheets to fully answer each question and include attachments described in Appendix 1

1. Applicant Information

- a. Company Name: EIG Wanamaker, LLC Phone: (260) 426-4704
Address: 127 W. Berry Street, Suite 300, Fort Wayne, IN 46802
Contact Person (if an entity): Bob Sutton, Chief Investment Officer
Email: bsutton@eigfw.com Fax: (260) 424-3615
- b. Applicant's Legal
Counsel Name: John Petersen; Bob Johnson Phone: (913) 234-7405;
(816) 360-4359
Address: 6201 College Blvd, Suite 500, Overland Park, KS 66211
Email: jpetersen@polsinelli.com; rjohnson@polsinelli.com Fax: (913) 451-6205
- c. Applicant's Engineer: Michael K Hampton, AIA Phone: (785) 273-7540
Address: 2231 SW Wanamaker Road, Suite 303, Topeka, KS 66614-4275
Email: mkh@sdgarch.com Fax: _____

2. Applicant's Business Information

- a. Corporation Partnership Sole Proprietorship Other
- b. State of incorporation/organization and year: Indiana - 2014
- c. If the Applicant is a corporation, list the officers, directors and stockholders holding more than 5% of the corporation's stock. (State the name, address, telephone and relationship to Applicant. If a company is not yet formed, include as much data as possible concerning potential officers, directors and stockholders): N/A

d. If the Applicant is a general partnership, list the general partners; and if a limited partnership, list the general partners and limited partners; with more than 5% of the partnership.

(State the name, address, telephone and relationship to Applicant. If a partnership is not yet formed, include as much data as possible concerning potential partners): N/A

e. Has the Applicant, or any partner, officer, member or director of the Applicant; or any entity in which any partner, officer, member or director of the Applicant is or was a partner, officer, member or director, ever been charged with and/or convicted of a criminal offense (other than traffic violations) or charged by any regulatory agency with violations of financial or professional regulations?

Yes No

If yes, state the name of the business or individual, the caption of the proceeding, court and year in which it was filed, and its disposition and/or status: _____

f. Within the last ten (10) years, has the Applicant or any partner, officer, member or director of the Applicant; or any entity in which any partner, officer or director of the Applicant is or was a partner, officer, member or director, been a debtor in bankruptcy?

Yes No

If yes, state the name of the business or individual, the caption of the proceeding, the court and year in which it was filed, and its disposition and/or status:

g. Has the Applicant, or any officer, member, director, or partner of the Applicant; or any entity in which any partner, officer or director of the Applicant is or was a partner, officer, member or director, ever defaulted on any bond or mortgage commitment?

Yes No

If yes, state the name of business or individual, year and any relevant circumstances:

3. General CID Project Information

a. Description of the underlying CID Project for which financing is requested:

See attached

b. General Location of CID Project: SE corner of SW 17th Street and SW

Wanamaker Road

c. Total sq. feet in proposed District, excluding right of way and other common area:

1,183,379

d. Legal description of the proposed District: See attachment

e. Number of Tracts, Parcels or Lots in proposed District: 2

f. Does Applicant own all the Property in the District? Yes No

If not, provide the name, address and phone number of the Owner(s) in the District and evidence of their willingness to participate in the Petition. Or if Applicant intends to own 100% of the property, provide evidence of site control (i.e. deed, option to purchase or purchase contract).

g. Are all areas within the proposed District platted? Yes No

If yes, provide the County parcel ID numbers: See attachment

If no, identify the number without County parcel ID numbers and the status of any pending plats: _____

h. Will the proposed District have 100% participation? Yes No

i. If the project has current tenants or leases, please provide the contact information (business name; contact person; address, and phone number) for each:

See attachment

(Notification of owners, tenants and lessees of any request for a CID sales tax is required prior to the public hearing)

4. Financing

a. Description of CID Project and costs to be financed and estimated cost for each component:

<u>See attached budget</u>	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Estimated Cost of CID Improvements	\$ _____

b. Estimated cost of total project in which CID is proposed: \$ 31,400,000

c. Proposed methods of financing. If more than one, please indicate:

(i) Special Assessments: Yes No

(ii) Paid in full or part by sales tax or only by assessments? _____

(iii) Assessment and Amount:

Front Footage _____ Estimated Cost per F.F. \$ _____

Square Footage _____ Estimated Cost per S.F. \$ _____

(vi) Note: there cannot be any assessment against the City at large.

d CID Sales Tax: Yes No

- (i) Amount of increment (increments of .10 or .25, not to exceed 2%): 1.0%
- (ii) Note: Dept of Revenue shall keep 2% of amount collected up to \$60,000/year for administration.

5. Financing/Bonds:

a. Do you request the City issue special obligation bonds?

Yes No

If yes, what is the requested term of the bonds? (maximum is 22 years): _____

b. Do you plan to use pay-as-you-go (maximum is 22 years for sales tax)?

Yes No

c. Estimated dates to commence and complete construction: Construction

anticipated to begin Q2-Q3 2019 and be completed Q1-Q3 2020

d. Will there be a phasing plan? If so, describe the phasing plan including the proposed improvements, their estimated cost, and date construction of each will be commenced and complete: It is anticipated that once the Project is commenced,

construction will proceed continuously until completion.

6. Additional Information:

Any additional information you believe is relevant or helpful to the consideration of this application: The Project will reposition an aging shopping center to be competitive in

an increasingly challenging retail environment by utilizing the most effective and efficient

incentive tool for the rejuvenation of outmoded retail property. The Project will fill a

vacant Kmart space with multiple new tenants.

Please check the box if the petition includes the following requirements:

- | | |
|---|-------------------------------------|
| 1. General description of the proposed project | <input checked="" type="checkbox"/> |
| 2. Estimated cost of the project | <input checked="" type="checkbox"/> |
| 3. Proposed method of financing the project | <input checked="" type="checkbox"/> |
| 4. Proposed amount and method of assessment | <input checked="" type="checkbox"/> |
| 5. Map of the proposed district; and | <input checked="" type="checkbox"/> |
| 6. Legal description of the boundaries of the proposed district | <input checked="" type="checkbox"/> |

APPENDIX I to CID APPLICATION

Documentation of the following will be helpful to the Review Committee:

- Evidence of site control.
 - Applicant owns all property in proposed District.
- Current financial statements of the applicant and owner and/or operating entity if different from the Applicant (2 years); P&L (2 years); and Balance Sheet (2 years)
 - Can be provided confidentially upon request.
- Market studies which identify target markets, analysis of competition, demographics, market rents and sales prices, letters of intent/interest from prospective tenants.
 - Applicant can provide letters of intent for prospective tenants confidentially upon request.
- Financial analysis (projected revenue is sufficient to pay costs)
 - See attached.
- Approved site plans or plan submissions for the Project Plan area.
- Renderings of the project, if available.
- Any other data or information the Applicant deems pertinent to the City's consideration of the application.

Attachment to CID Application
EIG Wanamaker, LLC

3(a). This Project consists of the acquisition, renovation, and rehabilitation of the shopping center located at 17th Street and Wanamaker Road. It is anticipated that this rejuvenation of the center will enable it to retain current tenants and attract future high quality tenants for the vacant spaces. In particular, the Project will reposition the existing vacant K-Mart space with several new tenants. This Project will ultimately produce more sales tax revenue for the City, as well as likely increase the property value and produce more property tax for all taxing jurisdictions.

3(d). TRACT I:
Lot 1, Block A, TOPEKA CROSSING SUBDIVISION NO. 2 in the City of Topeka, Shawnee County, Kansas.

TRACT II:
Lot 2, Block A, TOPEKA CROSSING SUBDIVISION NO. 2 in the City of Topeka, Shawnee County, Kansas.

TRACT III:
Lot 3, Block A, TOPEKA CROSSING SUBDIVISION NO. 2 in the City of Topeka, Shawnee County, Kansas, with the following exceptions:

EXCEPT Commencing at the Southwest corner of said Lot 3; thence on a bearing of North 01 degree 59 minutes 10 seconds West, along the West line of said Lot 3, a distance of 40.00 feet to the POINT OF BEGINNING; thence continuing on a bearing of North 01 degree 59 minutes 10 seconds West, along the West line of said Lot 3, a distance of 234.45 feet; thence on a bearing of North 88 degrees 00 minutes 50 seconds East, a distance of 199.21 feet; thence on a bearing of South 72 degrees 07 minutes 16 seconds East, a distance of 89.19 feet; thence on a bearing of South 45 degrees 16 minutes 47 seconds West, a distance of 52.75 feet; thence on a bearing of South 01 degree 59 minutes 10 seconds East, a distance of 168.35 feet; thence on a bearing of South 88 degrees 00 minutes 50 seconds West, a distance of 244.35 feet to the point of beginning,

AND ALSO EXCEPT Commencing at the Southwest corner of said Lot 3; thence on a bearing of North 01 degree 59 minutes 10 seconds West, along the West line of said Lot 3, a distance of 340.45 feet; thence on a bearing of North 88 degrees 00 minutes 50 seconds East, a distance of 20.82 feet to the POINT OF BEGINNING; thence on a bearing of North 01 degree 59 minutes 10 seconds West, a distance of 192.31 feet; thence on a bearing of North 88 degrees 00 minutes 50 seconds East, a distance of 260.00 feet to the point of beginning.

TRACT IV:
Lot 1, Block A, TOPEKA CROSSING SUBDIVISION in the City of Topeka, Shawnee County, Kansas.

TRACT V: The East 8.59 feet of the North 211.66 feet of Lot 2 and the South 26 feet of said Lot 2 and the North 26 feet of Lot 3, Block A, TOPEKA CROSSING SUBDIVISION in the City of Topeka, Shawnee County, Kansas.

TRACT VI:

Non-Exclusive Easements for the passage (including ingress/egress to public streets) and parking of vehicles and for the passage and accommodation of pedestrians over and across the Common Area (as defined in said instrument), including the parking, driveways, roadways and sidewalk areas as created in the Declaration of Covenants, Conditions, Restrictions and Reciprocal Easements recorded December 3, 1992, in Book 2767, Page 792, subject, however, to the terms and provisions thereof.

3(g). 1420403007001100
1420403007001010

3(i). Pizza Hut; 720 W. 20th Street, Pittsburg, KS 66762
AutoZone; P.O. Box 2198, Memphis, TN 38101
Slumberland, Inc.; 3060 Centerville Road, Little Canada, MN 55117
Hobby Lobby; 7707 SW 44th Street, Oklahoma City, OK 73179
Bed Bath & Beyond; 650 Liberty Avenue, Union, NJ

4(a). See attached budget.

17TH AND WANAMAKER CID ASSUMPTIONS AND SUMMARY

SALES

	<u>TOTAL SALES</u>
Retail A	4,500,000
Retail B	5,000,000
Retail C	5,000,000
Retail D	3,000,000
Retail E	1,800,000
Hobby Lobby	6,000,000
Bed Bath & Beyond	6,000,000
Restaurant A	2,500,000
Pizza Hut	700,000
AutoZone	2,000,000
Restaurant B	4,000,000
Slumberland	1,600,000

Project Sales	\$42,100,000
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Estimated Annual Growth:	1.00%
CID Sales Tax:	1.00%

CID REVENUE PROJECTIONS

	<u>17TH AND WANAMAKER</u>
<u>Total CID Sales Tax Revenues over 22 years</u>	\$10,302,538
<u>NPV (5%)</u>	\$6,046,550

17TH AND WANAMAKER CID PROJECTIONS

SALES ASSUMPTIONS - 17TH AND WANAMAKER	
TOTAL SALES (Inline)	\$ 42,100,000
Annual Growth	1.0%

CID REVENUE AT 1% RATE	
Year	INLINE
1	\$ 421,000
2	\$ 425,210
3	\$ 429,462
4	\$ 433,757
5	\$ 438,094
6	\$ 442,475
7	\$ 446,900
8	\$ 451,369
9	\$ 455,883
10	\$ 460,441
11	\$ 465,046
12	\$ 469,696
13	\$ 474,393
14	\$ 479,137
15	\$ 483,929
16	\$ 488,768
17	\$ 493,656
18	\$ 498,592
19	\$ 503,578
20	\$ 508,614
21	\$ 513,700
22	\$ 518,837

	TOTAL	\$ 10,302,538
NPV	5.00%	\$ 6,046,550

64463487.1

64463562.3

CID Development Budget				
Category	Total	Private	CID	
LAND				
Acquisition Costs	\$ 18,802,287	\$ 18,802,287	\$ -	
SUBTOTAL ACQUISITION COSTS	\$ 18,802,287	\$ 18,802,287	\$ -	
HARD COSTS				
Building & Site Improvements				
Demolition/Asbestos & Concrete Testing	\$ 207,291	\$ -	\$ 207,291	
Shoring/Earthwork	\$ 118,142	\$ -	\$ 118,142	
Concrete Footings & Slabs	\$ 220,094	\$ -	\$ 220,094	
Building Facades & Improvements	\$ 2,277,664	\$ -	\$ 2,277,664	
Building & Site Safety (e.g., Fire Protection)	\$ 113,470	\$ 13,470	\$ 100,000	
Utilities	\$ 14,000	\$ -	\$ 14,000	
M/E/P	\$ 1,020,007	\$ 1,020,007		
Landscaping	\$ 22,430	\$ -	\$ 22,430	
Signage	\$ 198,000	\$ -	\$ 198,000	
General Requirements & Staffing	\$ 496,504	\$ 246,504	\$ 250,000	
Construction Mgmt Fee	\$ 366,674	\$ 366,674	\$ -	
BUILDING CONSTRUCTION	\$ 5,054,276	\$ 1,646,655	\$ 3,407,621	
Tenant Improvements				
Landlord Work for Tenant Spaces	\$ 2,206,900	\$ -	\$ 2,206,900	
Tenant Improvement Allowances	\$ 2,151,630	\$ 2,151,630	\$ -	
TENANT IMPROVEMENTS	\$ 4,358,530	\$ 2,151,630	\$ 2,206,900	
PARKING LOT AND RELATED UTILITIES	\$ 243,266	\$ -	\$ 243,266	
HARD COST CONTINGENCY	\$ 349,213	\$ 349,213	\$ -	
HARD COSTS	\$ 10,005,285	\$ 4,147,498	\$ 5,857,787	
SOFT COSTS				
ARCHITECTURAL EXPENSES				
	\$ 250,000	\$ 61,237	\$ 188,763	
FINANCING FEES/COSTS				
	\$ 150,000	\$ 150,000	\$ -	
OTHER				
Leasing Commissions	\$ 900,000	\$ 900,000	\$ -	
Legal	\$ 400,000	\$ 400,000	\$ -	
Permits/Fees/Taxes/Insurance	\$ 482,291	\$ 482,291	\$ -	
CID Application and Administrative Fees	\$ 310,576	\$ 310,576	\$ -	
OTHER	\$ 2,092,867	\$ 2,092,867	\$ -	
SOFT COST CONTINGENCY	\$ 124,643	\$ 124,643	\$ -	
SUBTOTAL SOFT COSTS	\$ 2,617,510	\$ 2,428,747	\$ 188,763	
TOTAL DEVELOPMENT INVESTMENT	\$ 31,425,082	\$ 25,378,532	\$ 6,046,550	
PERCENTAGE TO TOTAL COST	100%	81%	19%	

Note: All certified eligible costs will be subject to 5% interest as additional reimbursement.

CID Proceeds NPV @ 5% =

\$ 6,046,550

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58992754.1

64463562.3