

To: Honorable Mayor and City Council

From: Chuck Winkleblack, manager, Dayton Ave Development

Date: April 17, 2024

RE: Dayton Ave Development TIF reimbursement

Mayor and city council,

We have completed the development work for the Dayton Ave Development project and now are working through the process of finalizing the numbers with city staff. We turned in copies of all our paid bills. Justin Moore and Kelly Diekman evaluated our paid bills. We believe that the staff is supportive of modifying our agreement.

The current agreement capped the reimbursement to \$2,968,264. Our project was delayed by almost a year because of issues with the Corp of engineers and state historical preservation office regarding the pioneer cemetery that existed on site. Given the rate of inflation in the past few years it was impossible for us to know what our costs were going to be more than a year later when we were able to complete the work. Our request is to modify the existing agreement as follows:

Public improvement costs related to the development agreement. There were cost overruns related to the exhibit in the development agreement of \$151,687.05.

Development costs for infrastructure that were not on the original exhibit in the amount of \$66,867.95. These were items that came up as part of the construction process that were not originally contemplated as part of the original plans and specs.

New cost items being claimed for the development that were not part of the agreement. \$87,383.58. These items are related to the pioneer cemetery, relocating a buried phone wire that no one knew was there until we hit it during construction. Dealing with the Isacc Walton League and the storm water issues that they threatened to sue us over if we didn't alter our plans. We agreed to fix the prices for the lots, so we are not able to recoup those additional costs by increasing prices. We are asking the council to add these to the agreement so that we can recover those costs through the TIF rebate.

The last item we have is regarding the storm sewer along the West property line to work with the Isacc Walton League. There is some additional piping that needs to be installed so that some of the water can be released to the Isacc Walton League as they requested. That cost will be shared between lots 2 & 3 in the 2<sup>nd</sup> addition. I would like to be able to add the cost of that additional piping to the cost of lot 2. It is approximately \$22,000. It would not impact the amount of TIF rebate to us, rather it would allow us to recover the additional cost of the improvement that we had to pay as part of the storm water management system.

The subdivision is off to a great start! The roads were completed last summer, 2 buildings were started right away. This spring we are well underway with our spec building and there are another two buildings that are starting in the next 60 days and a third that is planning on starting late summer or early fall. By the end of the fall there will be buildings on 7 of the 11 lots that were developed, if not more.

Respectfully submitted,

