Item H-8

Consider a resolution approving Amendment #1 to the Chapter 380 Economic Development Program Agreement, approved by the City Council by Resolution No. 4604 on December 6, 2022, with R&K Sales, Inc dba Penguin Patch, establishing new grant limits and deadline for substantial completion, and authorizing the City Manager to execute said amendment to said Agreement on behalf of the City.

2022 Approved Incentive

	Revenues Generated								Return on Investment		
Incentive Request	Ad Valorem Tax*	TIRZ #2	Business Personal Property Tax**	City Sales Tax	Building Permits & Impact Fees***	Gross Annual Benefit	Base Revenue	Incentive	Total Net Benefit	Cumulative	ROI
Construction Phase	$ 722.76	$ -	$ -	$ -	$ 91,311.13	$ 92,033.89	$ 722.76	$ 91,311.13	$ -	$ -	0%
Year 1	$ 11,357.76	$ 10,635.00	$ 459.31	$ -	$ -	$ 22,452.07	$ 740.83	$ -	$ 21,711.24	$ 21,711.24	24%
Year 2	$ 11,632.67	$ 10,909.91	$ 470.79	$ -	$ -	$ 23,013.37	$ 759.35	$ -	$ 22,254.02	$ 43,965.27	48%
Year 3	$ 11,914.45	$ 11,191.69	$ 482.56	$ -	$ -	$ 23,588.71	$ 778.34	$ -	$ 22,810.37	$ 66,775.64	73%
Year 4	$ 12,203.28	$ 11,480.52	$ 494.63	$ -	$ -	$ 24,178.43	$ 797.79	$ -	$ 23,380.63	$ 90,156.27	99%
Year 5	$ 12,499.33	$ 11,776.57	$ 506.99	$ -	$ -	$ 24,782.89	$ 817.74	$ -	$ 23,965.15	$ 114,121.42	125%
Year 6	$ 12,802.78	$ 12,080.01	$ 519.67	$ -	$ -	$ 25,402.46	$ 838.18	$ -	$ 24,564.28	$ 138,685.70	152%
Year 7	$ 13,113.81	$ 12,391.05	$ 532.66	$ -	$ -	$ 26,037.52	$ 859.14	$ -	$ 25,178.38	$ 163,864.09	179%
Year 8	$ 13,432.62	$ 12,709.86	$ 545.98	$ -	$ -	$ 26,688.46	$ 880.61	$ -	$ 25,807.84	$ 189,671.93	208%
Year 9	$ 13,759.40	$ 13,036.64	$ 559.63	$ -	$ -	$ 27,355.67	$ 902.63	$ -	$ 26,453.04	$ 216,124.97	237%
Year 10	$ 14,094.35	$ 13,371.59	$ 573.62	$ -	$ -	$ 28,039.56	$ 925.20	$ -	$ 27,114.37	$ 243,239.34	266%
Total	**$ 127,533.22**	**$ 119,582.84**	**$ 5,145.84**	**$ -**		**$ 343,573.04**	**$ 9,022.57**	**$ 91,311.13**	**$ 243,239.34**		

*based on projected property value of $6,000,000 with annual inflation of 2.5%

**based on business personal property value of $129,566 with annual inflation of 2.5%

***based on a 36,010 sf building with a construction value of $5,200,000 & the 2015 Impact Fee Schedule

Actual Fees

	Incentive	Actual
Building Permit Fee	$20,938.75	$29,333.75
Commercial Plan Review Fee*	$7,328.56	$10,266.81
Roadway Impact Fee	$57,921.65	$78,272.50
Water Impact Fee (Keller)	$2,643.57	$10,476.37
Sewer Impact Fee	$2,478.60	$9,822.60
Total	**$91,311.13**	**$138,172.03**

Square-foot difference: 36,010 sf increased to 49,739 sf
Meter size increased from 1” meter estimate to a 2” meter

*Less the 3rd-Party Review Fee

Proposed Incentive Amendment

	Revenues Generated								Return on Investment		
Incentive Request	Ad Valorem Tax*	TIRZ #2	Business Personal Property Tax**	City Sales Tax	Building Permits & Impact Fees***	Gross Annual Benefit	Base Revenue	Incentive	Total Net Benefit	Cumulative	ROI
Construction Phase	$ 597.74	$ -	$ -	$ -	$ 138,172.22	$ 138,769.96	$ 597.74	$ 138,172.22	$ -	$ -	0%
Year 1	$ 10,126.09	$ 9,528.35	$ 379.86	$ -	$ -	$ 20,034.30	$ 612.68	$ -	$ 19,421.62	$ 19,421.62	14%
Year 2	$ 10,371.77	$ 9,774.03	$ 389.36	$ -	$ -	$ 20,535.16	$ 628.00	$ -	$ 19,907.16	$ 39,328.78	28%
Year 3	$ 10,623.59	$ 10,025.85	$ 399.09	$ -	$ -	$ 21,048.54	$ 643.70	$ -	$ 20,404.84	$ 59,733.61	43%
Year 4	$ 10,881.71	$ 10,283.97	$ 409.07	$ -	$ -	$ 21,574.75	$ 659.79	$ -	$ 20,914.96	$ 80,648.57	58%
Year 5	$ 11,146.28	$ 10,548.54	$ 419.30	$ -	$ -	$ 22,114.12	$ 676.29	$ -	$ 21,437.83	$ 102,086.40	74%
Year 6	$ 11,417.47	$ 10,819.73	$ 429.78	$ -	$ -	$ 22,666.97	$ 693.20	$ -	$ 21,973.78	$ 124,060.18	90%
Year 7	$ 11,695.43	$ 11,097.69	$ 440.52	$ -	$ -	$ 23,233.65	$ 710.53	$ -	$ 22,523.12	$ 146,583.31	106%
Year 8	$ 11,980.35	$ 11,382.61	$ 451.54	$ -	$ -	$ 23,814.49	$ 728.29	$ -	$ 23,086.20	$ 169,669.51	123%
Year 9	$ 12,272.38	$ 11,674.64	$ 462.82	$ -	$ -	$ 24,409.85	$ 746.50	$ -	$ 23,663.36	$ 193,332.86	140%
Year 10	$ 12,571.72	$ 11,973.98	$ 474.40	$ -	$ -	$ 25,020.10	$ 765.16	$ -	$ 24,254.94	$ 217,587.80	157%
Total	**$ 113,684.55**	**$ 107,109.40**	**$ 4,255.73**	**$ -**		**$ 363,221.90**	**$ 7,461.88**	**$ 138,172.22**	**$ 217,587.80**		

*based on projected property value of $6,500,000 with annual inflation of 2.5%

**based on business personal property value of $129,566 with annual inflation of 2.5%

***based on a 49,739 sf building with a construction value of $7,500,000 & the 2015 Impact Fee Schedule

Questions?

Mary Culver

817-743-4009