



Fifth Street Lofts TIF Request

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October 1, 2019



Project Overview

- Co-Developers (Rebound Enterprises & Stencil Group)
 - Rebound Enterprises
 - Based in Northfield, significant investment in local economy
 - Stencil Group
 - Based in Sioux Falls, SD
 - Several urban residential projects in Rochester and Twin Cities
 - Urban Housing Project Opportunity
 - Identified the demand for market rate housing in Northfield
 - Approached City regarding infill lots available in or near the downtown district
 - Acquiring property at Washington Street and Fifth Street
 - Request for Tax Increment Financing
 - Required by primary financier for “Community Investment” (i.e. TIF)
 - Site Improvements
 - Cash shortfall in Net Operating Income (NOI)
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Site Location



PROJECT AREA:

ID #: 22.06.2.25.081

LOI with Premier Bank
(Vacant lot on SW corner of 5th &
Washington)

ID #: 22.06.2.25.082


LOI with Premier Bank
(Current bank building and parking lot)

ID #: 22.06.2.26.097

Owned by Northfield EDA
(510 Washington Street)

*Property ownership between Lot 5 Crossings
project and Fifth Street Lofts does overlap.
However, projects do have different partnership
entities involved with project development.

Type of Housing

- Market Rate Urban Housing
 - 79 apartment units to be constructed
 - 33 Studio; 38 1-Bedroom; 8 2-bedroom units
 - Enclosed parking for tenants on first floor
 - Additional active space on first floor balcony and sky deck
 - Buildings constructed for optimal energy efficiency
 - Conducting energy audit with Xcel Energy
 - Reducing environmental impacts
 - High efficiency HVAC Systems
 - Energy efficient appliances
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City Strategic Planning Goals

- Housing Needs & Downtown Revitalization
 - Current rental vacancy rate in Northfield <1%
 - Vacancy rates of 5% indicate healthy rental market
 - Low vacancy rates can inflate rental prices due to high demand
 - City Strategic Plan increase square footage in downtown
 - 79 housing units in the downtown will achieve goals
 - Increasing density without adding public infrastructure costs
 - Land Use efficiency
 - Increased economic activity in downtown spurs revitalization and reinvestment
 - EDA supports TIF



Project Renderings



NORTH
FACADE



SOUTH
FACADE



Project Renderings

APARTMENT SIGNAGE
APARTMENT ENTRANCE
METAL DECK



METAL PANEL
ALUMINUM/GLASS BALCONY
BRICK MASONRY

Roof
144' - 4 7/8"

4TH FLOOR
133' - 3 3/4"

3RD FLOOR
122' - 7 7/8"

2ND FLOOR
112' - 0"

1ST FLOOR
100' - 0"

LOWER FLOOR
89' - 6"

**NORTH
ELEVATION**

**EAST
ELEVATION**



METAL PANEL
BRICK MASONRY

Roof
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4TH FLOOR
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ENTRY CANOPY

PUBLIC PARKING

LOFT PARKING

6TH STREET LOFTS

Tax Increment Financing

- Project need for assistance
 - For project to occur in Northfield, lot consolidation is needed and relocation of Premier Bank to Crossings
 - Significant costs related to demolition, site preparation and foundation
 - Project could occur elsewhere (Developer has worked in other communities)
 - \$13.66 million project
 - Tax Increment Financing
 - Redevelopment TIF District (25-year duration)
 - Current request set up for a “Pay-as-you-go;” no up-front financing requested, assistance with cash flow over the duration of the TIF
 - Project assistance with site improvements and annual cash shortfall
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Schedule of Events

- Developer presented to Council on July 23
 - Staff and Ehlers Review
 - Recommended approval of the Subsidy (TIF)
 - EDA Board met August 22
 - Approved Resolution recommending Council approval of Subsidy (Redevelopment TIF District)
 - Approved contribution of EDA owned land and a \$250,000 loan contingent upon TIF approval
 - City Council to hold Public Hearing on October 1
 - Public Hearing for TIF Plan
 - City Council Meeting on October 1
 - Approve the TIF District
 - Approve the TIF Agreement
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