

To: Thomas Weisner, Mayor, City of Aurora  
 From: David Hulseberg, President/CEO, Invest Aurora  
 Date: 7/5/2016  
 Re: Save-A-Lot TIF Funding

**Overview**

On February 11, 2014, the City of Aurora passed Resolution Number R14-015. This Resolution authorized the execution of a Development Agreement with 210 N Lake Street, LLC for the redevelopment of the property located at 212 N Lake Street and 221 Spruce Street. The redeveloped parcel would become a Save-A-Lot Foods, and receive funding as outlined below:

Breakdown of Developer's Funding Sources	Cost (BUDGETED)	% of Total Project
Developer Funding	\$1,269,677	48.41%
Mortgage	\$753,150	28.72%
TIF #5 Funds	\$600,000	22.88%
<b>Total</b>	<b>\$2,622,827</b>	

The City of Aurora agreed to the allocation of \$600,000 from TIF District #5 for the project. This amount is equivalent to 22.88% of total budgeted project costs.

**Issues**

As with many redevelopment projects, the actual costs are higher than budgeted. Actual cost breakdown is as follows:

Breakdown of Developer's Funding Sources	Cost (ACTUAL)	% of Total Project
Developer Funding	\$1,384,315	50.57%
Mortgage	\$753,150	27.51%
TIF #5 Funds	\$600,000	21.92%
<b>Total</b>	<b>\$2,737,465</b>	

With the additional cost, the contribution from TIF District #5 falls to 21.92% of project costs. Were the City of Aurora to maintain the original budgeted percentage contribution to the redevelopment project, TIF contribution would amount to \$626,224.68.

Due to project overages, the developer was not able to complete renovation on the supermarket's floors. The projected cost of completing this work is \$46,000. Including these figures in cost projection are outlined as follows:

Breakdown of Developer's Funding Sources	Cost (+\$46,000 FOR FLOORS)	% of Total Project
Developer Funding	\$1,430,315	51.39%
Mortgage	\$753,150	27.06%
TIF #5 Funds	\$600,000	21.56%
<b>Total</b>	<b>\$2,783,465</b>	



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With these additional costs factored in, the contribution from TIF District #5 falls even lower, to 21.56% of project costs. Were the City of Aurora to maintain the original budgeted percentage contribution to the redevelopment project, TIF contribution would amount to \$636,747.68.

**Recommendation** Invest Aurora recommends the authorization of additional funding from TIF District #5 in the amount of \$36,747.68 to assist in the completion of flooring renovations at Save-A-Lot Foods. This additional funding ensures consistency in the percentage contribution from the City of Aurora via TIF.

**Appendices**                    A. City of Aurora Resolution No. R14-015