

Proposed Tax Increment
Financing District
Gallery at Market East

April 16, 2015



Transaction Summary

- Gallery has been owned by PRA and has suffered from a significant lack of investment over time.
- \$325 million comprehensive redevelopment of the Gallery from 8th Street through 11th Street, including \$234.5 million investment by PREIT/Macerich
- PREIT/Macerich guarantees completion of the project and releases City and PRA from past and future financial obligations.
- Economic Impact and Opportunity:
 - Increased occupancy and sales
 - 2,000 construction jobs and more than 1,000 new permanent jobs
 - Goals for local hiring and participation by minority and female owned firms during construction
 - Summer employment program for city youth
 - Leasing and mentorship program targeted to city-based small, minority and women owned businesses

Proposed TIF District

- Today the Gallery generates \$1.6 million annually in School District tax revenue from real estate, U&O and liquor by the drink taxes.
- Without a comprehensive redevelopment project that increases occupancy and sales, those revenues will remain flat or decline over time.
- The proposed TIF District would:
 - Last for 20 years, from 2016-2035.
 - Continue to pay the School District's existing **\$1.6 million** in base taxes
 - Generate **\$94 million** in additional tax revenues for the School District from U&O and liquor by the drink taxes over the 20 years.
 - Generate **\$126 million** in total tax revenue to the District over 20 years.
 - Result in School District taxes of \$11.4 million annually in 2036
 - Invest \$19.6 million (NPV) of incremental District real estate taxes above the current base for a total of \$45 million in payments over 20 years.

School District Benefit

