

Sewer Capacity Management Incentive Application



**ECONOMIC DEVELOPMENT
GROWTH ENGINE**
FOR MEMPHIS & SHELBY COUNTY

100 Peabody Place, Suite 1100
Memphis, TN 38103
(901) 341-2100

**APPLICATION FOR SEWER CAPACITY MANAGEMENT INCENTIVE
ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF
CITY OF MEMPHIS AND SHELBY COUNTY, TENNESSEE**

APPLICANT BACKGROUND

Company Name Arlington Memphis, LLC
Company Contact David G. Ellis
Mailing Address 2 North 20th St. Ste 700
City Birmingham State AL Zip 35203
Telephone 205-397-6884 Fax _____
Federal Employer Identification Number ██████████

Applicant's Legal Structure Limited Liability Company

If any outside consultants will be representing the applicant (accounting firm, law firm or site consultant) in applying for this PILOT, please provide the following

Company Name _____
Contact Name _____
Mailing Address _____
City _____ State _____ Zip _____
Telephone _____ Fax _____

List additional members of the project team with contact information:

Describe applicant's development experience:

Arlington Properties will be the project developer. We are a 50-year old firm that specializes in multi-family development, construction, and management. In our history, we have developed approximately 30,000 units.

Since 2010 we have developed over 6,500 units with a total capitalization of approximately \$900 million. We currently manage 12,500 units in 9 states.

PROPOSED PROJECT

Project Name Velo at Shelby Farms

Project Address 7620 Raleigh Lagrange Road, Memphis, TN 38018

Tax Parcel Numbers: 09102900015

City of Memphis: Yes No

Does the applicant control the site? Yes No

If YES, is control through ownership or option agreement? Ownership Option

Name of property owner(s) at time of application, if different from Applicant:

Describe the development project:

We are proposing a 267-unit Class A multi-family community with amenities including pool, fitness center, spin room, coffee cafe with work stations, game room, business center, outdoor grilling stations, pavillion with TVs, dog park, stainless appliances, walk-in closets, granite counters, etc. We plan buildings that will take advantage of beautiful views of Shelby Farms Park. We are also doing \$400,000 of improvements to Raleigh Lagrange Road.

Size of site: 23 acres

Total square footage of building: 14 bldgs w/ total AC space of 274,000 sf

Square footage of residential use: 274,000

Square footage of commercial use: 0

Number of residential units total: 267

Unit mix by bedroom: 113 1BRs, 124 2BRs, 30 3BRs

Describe the project timeline including but not limited to closing of financing, expenditure of funds, commencement of construction, construction completion and occupancy.

Our goal is to close the construction loan in late 2019/early 2020 if we are successful with the Pilot. We would begin construction at that time. Construction will take approximately 18 months and lease up would take approximately 13 months.

CAPITAL INVESTMENT

| Category | Amount |
|------------------------------------|---------------------|
| Purchase price of land | \$1,150,000 |
| Purchase price of building | |
| New Construction/Site Improvements | \$31,000,000 |
| Renovation of existing structure | |
| Soft costs | \$5,500,000 |
| Total Development Cost | \$37,650,000 |

REQUIRED ATTACHMENTS

- Written recommendation from City of Memphis Department of Public Works (DPW). This should include the following items to be provided by the applicant:
 - o Construction timeline and project phases including but not limited to number of square feet of commercial space and/or number of residential units.
 - o Estimated total sewerage in gallons per day, by phase.
 - o Estimated, unrestricted, peak discharge in gallons per minute, by phase.
 - o Specifications for the offline sewer storage and pumping system, description of the alternate design being proposed to limit discharge flow rate, including the size of the proposed tank and pumps.
 - o Costs to acquire and install the offline system.
 - o Plan to meet 50% participation by city certified MWBEs.
 - o Certification of system maintenance plan including monthly submittal of Operations & Maintenance records and pump run-time logs to the City of Memphis.
 - o Applicant must submit annually a system maintenance activity report to remain active in the program. Annual certification and reporting fees for program participation will be \$1,000.00.¹

- State of Tennessee Brownfield Agreement, if a Brownfield site.

- Demonstration of compliance with and payment of all municipal, county and state taxes for all properties owned by the applicant in Shelby County.

This Application is made in order to induce EDGE to grant financial incentives to Applicant. Applicant represents and warrants that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to EDGE in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the Sewer Capacity Management Incentive Program Policies and Procedures. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by EDGE in connection with this Application, whether or not the financial incentives are granted or the Project is consummated.

DAVID G. ELLIS

Applicant Name (printed)
David G. Ellis

Applicant Signature

Date
10/7/19

Date

¹ *The Applicant will be subject to penalties for any unpermitted sanitary sewer discharges or excess discharges that contribute to a sanitary sewer overflow (SSO). Penalties will be based on Consent Decree penalties and cost of cleanup. Repeat offenses will be charged a multiplier of 2 to 5 based on the number of prior violations as well as the severity of the SSO. Excessive numbers of violations will be subject to permit of PILOT revocation or additional legal enforcement.*

Addendum to Pilot Application

- The tank would be installed during site work when the sewer is installed. This is likely to occur within the first 6 months of construction.
- The project has one phase.
- The estimated total sewerage in gallons per day is 22,000.
- The estimated, unrestricted peak discharge is 61 gallons per minute.
- The specifications of the tank have been reviewed and approved by Memphis City Engineering. We can provide another copy if necessary. There are two tanks and each are 20,000 gallons. There are two 7.5HP submersible chopper pumps.
- The total costs to design, acquire and install the system is \$451,000. The costs of the tanks and installation (\$400,000) is shown on the next page. In addition, we will incur the following additional costs:
 - Tank/Pump Design Costs - \$16,000
 - Electrical - \$10,000 00
 - Landscaping/Buffering of tank and pumps - \$12,000
 - Excess Piping - \$8,000
 - Survey/Stakeout - \$3,000
 - Excess Closing Costs/Interest - \$2,000
- Regarding MWBE program, we plan to use a city certified contractor but have not yet chosen the specific contractor.

B & C CONSTRUCTION CO., INC.
MAILING ADDRESS - P.O. BOX 488, ELLENDALE, TN. 38029
OFFICE ADDRESS - 6745 WHITTEN PLACE, MEMPHIS, TN. 38133
PHONE (901)-386-7040 FAX (901)-386-7063

COST ESTIMATE

9/19/19

TAPESTRY AT SHELBY FARMS
DEVELOPER: ARLINGTON PROPERTIES
ENGINEER: THE REAVES FIRM, INC

| DESCRIPTION | QUANTITY | UNIT PRICE | AMOUNT |
|--|----------|-------------------------------|------------|
| SEWER STORAGE TANKS & PUMPS | | | |
| STORAGE TANKS / PUMPS | 1 EA. | 288,500.00 | 288,500.00 |
| CONCRETE ANCHORS | 1 EA. | 10,000.00 | 10,000.00 |
| ANCHOR STRAPS | 1 EA. | 20,000.00 | 20,000.00 |
| BEDDING | 1 EA. | 10,000.00 | 10,000.00 |
| BACKFILL | 1 EA. | 21,500.00 | 21,500.00 |
| LABOR | 1 EA. | 50,000.00 | 50,000.00 |
| | | SUB-TOTAL | 400,000.00 |
| | | TOTAL | 400,000.00 |
| | | IF BOND IS REQUIRED ADD 2.5 % | _____ |
| | | GRAND TOTAL | _____ |

NOTES:

- 1.) BID DOES NOT INCLUDE ELECTRICAL CONNECTION OR BACKUP GENERATOR.
- 2.) BID DOES NOT INCLUDE ENGINEERING, STAKING OR TESTING.
- 3.) BID DOES NOT INCLUDE REMOVAL OF CONTAMINATED SOILS.
- 4.) BID DOES NOT INCLUDE MLG&W FEES, SERVICES OR METERS.
- 5.) BID IS BASED ON INCOMPLETE AND UNSIGNED PLANS.
- 6.) ALL EASEMENTS PROVIDED BY OTHERS.

THANK YOU

BILL KOENEMAN
BK/dd

This bid is based on unit prices.
The final amounts to be determined upon completion of job.