

# ADAPTIVE RE-USE OF THE IOWA JUVENILE HOME

February 28, 2018



***GOAL: convert a vacant surplus state facility into a community asset through a public-private partnership.***

*Presenter: John Lloyd, Mayor of Toledo*

## 1. Existing Toledo Site

- Site includes nearly 30 Acres, approximately 20 acres remain undeveloped
- Large administration building, 7 cottages, shop building, and 3 smaller structures
- Buildings in fair to good condition
- Facility closed in 2014
- Estimate of \$4+ million to demolish existing structures
- State expenditures since closure of facility total nearly \$1+ million, with annual costs of \$200,000 in facility maintenance
- Largest area employer, Iowa Premium Beef, estimates:
  - Creation of 850+ new jobs
  - Need for 500+ local housing units

*Presenter: Jim Hobart, Hobart Historic Restoration*

## 2. Re-development Proposal

### 3. Adaptively reuse existing buildings as newly created two-phased senior living community

- Plan follows recommendations from Iowa Economic Development Authority study
- Recruit and retain a new medical/physical therapy clinic on-site
- Convert existing shop building into private repair facility
- Convert undeveloped land into single family and multi-family units as both owner-occupied and rental units

## 4. Economic & Revitalization Impact

- Phase 1: \$31.5+ million construction/rehabilitation cost on existing buildings (senior living community)
  - 55+ senior housing units
  - 70-100 new permanent jobs
  - \$2.5+ million annual wages
  - Target schedule includes completing senior housing units within 24 months of state funding contract
- Phase 2: \$20+ million construction of new housing units on vacant land
  - 400 construction jobs
  - 57 single family units
  - 28 multi-family structures
  - Housing for 300+ residents
- \$18+ million in new taxable base valuation for the City of Toledo area



#### 5. Private Developer

- Hobart Historic Restoration, 450 1<sup>st</sup> Street SW, SUITE 102, Cedar Rapids, IA 52404
- <http://www.hobarthistoricrestoration.com/>
- Recent re-development experience:
  - Brazelton Lofts, Mount Pleasant, 19 units, value of \$6.3 million
  - The Chelsea, Cedar Rapids, 18 units, value of \$5 million
  - The Metropolitan, Cedar Rapids, 35 units, value of \$14 million
  - Mott Lofts, Cedar Rapids, 16 units, value of \$5 million
  - Portfolio includes:
    - 24,000 square feet of commercial space
    - Nearly 90 multi-family housing units
    - \$30+ million of investment

### **STEP 1 – PROJECT STATE LEGISLATIVE COMMITMENTS**

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1. Provide \$2 million 0% forgivable loan, *for each phase*, to developer. These funds are in addition to any existing and future local, state, federal incentive programs (i.e. Historic Tax Credits, etc.)
2. Transfer the property title to the Region 6 Housing Trust fund, an IRS recognized non-profit. The mission of the group is to expand the supply of affordable quality housing across Hardin, Marshall, Poweshiek, and Tama Counties.

\*\* The Region 6 Housing Trust Fund and/or any other local groups, including the City of Toledo, is not willing to accept title to the property until solid development agreements are in place where the property at one real estate closing event can be transferred from the state to the housing trust fund and then to the developer.

### **STEP 2A – CITY OF TOLEDO COMMITMENTS**

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1. Rezone the property for proposed uses
2. Develop urban renewal and/or urban revitalization districts for project
3. Execute a development agreement with Region 6 Housing Trust Fund & Hobart Historic Restoration (and/or affiliate)
4. Provide resolution in support of developer's application for any/all incentives

### **STEP 2B – HOBART HISTORIC RESTORATION COMMITMENTS**

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1. Secure project financing with financial institution, with owner equity of
  - a. \$2.5 million permanent end multi-family housing loan
  - b. \$250,000 cash
2. Execute a development agreement with Region 6 Housing Trust Fund and the City of Toledo
3. Secure grants and loans through existing local/state/federal incentives
4. Oversee and manage all design, construction and sales

### **STEP 2C – REGION 6 HOUSING TRUST FUND COMMITMENTS**

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1. Execute a development agreement with Region 6 Housing Trust Fund and the City of Toledo
2. Facilitate property transfer to developer





# HOBART

HISTORIC RESTORATION



