THE LAKE
DISTRICT

TAX INCREMENT FINANCING APPLICATION
LAKELAND INDUSTRIAL DEVELOPMENT CORPORATION
LAKELAND, TENNESSEE
OCTOBER 24, 2016

LAKE DISTRICT TAX INCREMENT FINANCE DISTRICT APPLICATION
TABLE OF CONTENTS

Transmittal Letter.....Tab 1

Lakeland IDC TIF Application.....Tab 2

Economic Impact Plan.....Tab 3

THE LAKE
DISTRICT

Oct. 5, 2016

Joseph Laster, Chairman.
Lakeland Development Corporation
10001 US Highway 70
Lakeland, TN 38002

Dear Mr. Laster,

I am please to submit the enclosed application package for the TIF for the Lake District development. Our hope is that The Lake District will become the new source of civic pride and financial backbone for the community for many years to come.

Yehuda Netanel, President,
Gilad Developent Inc.
Managing Member of
The Lake District LLC.

5959 Topanga Canyon Blvd • Suite 285 • Woodland Hills • CA 91367

TAX INCREMENT FINANCING APPLICATION

Please return the completed application and supporting documentation to:

The Industrial Development Board of the City of Lakeland, Tennessee
10001 Highway 70
Lakeland, Tennessee 38002

TIF Application Lead-In Statement and Justification

The Industrial Development Board of the City of Lakeland, Tennessee (the "**LDC**") views its core mission as the promotion of economic development and growth in Lakeland, Shelby County, Tennessee and in particular commercial projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in Shelby County, Tennessee. The TIF Program is designed for economic development projects that provide improvements to public infrastructure in under-utilized areas of Lakeland, Shelby County, Tennessee and in other properties designated by the Board of Commissioners of the City of Lakeland, Tennessee. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the LDC Tax Increment Financing Program Policies and Procedures, as currently in effect with the LDC.

Please address the following factors as they related to your Project:

Economic Development

Will the proposed Project involve significant capital investment and the generation of new jobs with wages in excess of the Shelby County, Tennessee annual average wage?

Yes _**XX**____ No_____ (If yes, please specify in detail, using additional sheets if necessary)

The Lake District is one of the largest single capital investments in Shelby County history amounting to approximately $375 million including all buildings types and infrastructure. The requested TIF funding is only about 11% of the total investment which is commensurate with typical TIF policies of other communities. There will be approximately 1,200 permanent employees in the total project within a range of employment levels from management, professionals, retail associates, and entry level positions of all sort. This is in addition to thousands of construction jobs in the full array of construction trades.

Blight Removal

Will the proposed Project remove blight?

Yes __**XX**___ No_____ (If yes, please specify in detail, using additional sheets if necessary)

The property will create the city center that Lakeland has long sought to promote. It is at the key gateway, Interstate 40 and Canada Road, which is currently being improved and the city is actually undertaking a small area plan to help direct growth and development around

the new interchange. The Lake District plan is widely supported among elected officials and citizen groups and is being incorporated into the small area plan for the gateway.

Pursuit of Community Plan or Policy

Will the proposed Project further the pursuit of an existing community plan or policy?

Yes **XX** No_____ (If yes, please specify in detail, using additional sheets if necessary)

The property will create the city center that Lakeland has long sought to promote. It is at the key gateway, Interstate 40 and Canada Road, which is currently being improved and the city is actually undertaking a small area plan to help direct growth and development around the new interchange. The Lake District plan is widely supported among elected officials and citizen groups and is being incorporated into the small area plan for the gateway.

Environmental Remediation

Will the proposed Project address environmental remediation?

Yes **XX** No_____ (If yes, please specify in detail, using additional sheets if necessary)

The primary area where environmental remediation is being addressed is the demolition of the former Lakeland Factory Outlet Mall. These structures will be demolished in accordance with all local, state and federal regulations for removal of any sensitive materials that may be within a portion of the structures.

Public Infrastructure Need

Will the proposed Project address current public infrastructure needs?

Yes **XX** No_____

If yes:

> Are the proposed public infrastructure improvements identified in the current Capital Improvements Plan for the City of Lakeland, Tennessee or Shelby County, Tennessee?
>
> Yes _____ No **XX** (If yes, please specify in detail, using additional sheets if necessary)
>
> **The proposed infrastructure includes improvements external to the site such as Canada Road and Monroe Road as well as internal to the site for roads, utilities, public plazas, parking structures, drainage, and sites for a city hall and performing arts center.**

Are the proposed public infrastructure improvements identified in any plans for the City of Lakeland, Tennessee or Shelby County, Tennessee?

Yes **XX** No_____ (If yes, please specify in detail, using additional sheets if necessary)

The major road and transportation plans include the improvements to Canada Road and Monroe Road.

If the proposed public infrastructure improvements are not in the current Capital Improvements Plan for the City of Lakeland, Tennessee or Shelby County, Tennessee or any other existing plan for the City of Lakeland, Tennessee or Shelby County, Tennessee, please describe in detail the public's need for the public infrastructure and the basis for the priority or urgency for the public infrastructure, as requested by the Application.

The public infrastructure are associated within a development that is essential to creating the identity of Lakeland, Tennessee with a blending of uses into a destination that is distinctive and unique in Shelby County. It will dramatically increase the tax base for Lakeland and Shelby County, create 1,200 new jobs, and contribute to retaining households and population within Shelby County.

____ **Other** (please specify)

_____

_____

_____

_____

I. Applicant Information

1. Name of Applicant: **Lake District LLC**

2. Business Name and Address: **5959 Topanga Canyon Blvd., Suite 285, Woodland Hills, Ca 91367**

   State of Organization: **Delaware**

3. Contact Person: **Yehuda Netanel**

   Phone Number: **818-346-7700**

   Fax Number: **818-346-7400**

   E-Mail Address: **yehuda@gilad-inc.com**

4. Website: **thelakedistrict.us**

5. Type of Business Entity: ☐ Sole Proprietorship ☐ Limited Partnership

☐ For-Profit Corporation ☐ General Partnership

☒ Limited Liability Company ☐ Nonprofit Corporation

6. Provide the street addresses of the project site:

3536 Canada Road; 3570 Canada Road; 0 Canada Road; 0 Lake Forest Road.

7. Provide a legal description of the project site and a description of the leased premises, if applicable. **(See Parcels Listed in Question 14)**

8. Currently, does the Applicant own or lease the property? (Check one) **(See Question 10)**

☒ Own ☐ Lease ☐ Neither

9. At project completion, who will occupy (operate business on) the site? **Broad range of hotels, retailers, restauranteurs, office tenants, child learning center, assisted living operator.**

10. Evidence of Site Control:

A. If the Applicant owns the property within the Planned Area, attach a copy of the Applicant's deed.

Ownership is currently held by Lakeland Station LLC and is being transferred to Lake District LLC both of which are under the control of Gilad Development Inc.

Mortgage Holder(s): **TREMONT Realty Capital; Deed is currently held by mortgage holder.**

B. If the Applicant has a contract or option to purchase the property within the Planned Area, attach a copy of the agreement or option contract. Also indicate:

The original 32+ acres that contained the former mall site is currently owned and there is an option to acquire the additional 130 acres owned by Belz Enterprises.

C. If the Applicant currently leases or will lease the property within the Planned Area, attach a copy of the lease or lease option contract. Also indicate:

Legal name of Owner as noted on the deed(s): _____

Name of person who signed lease for Tenant(lessee): _____

Landlord/Owner's name, address and phone no.: _____

_____

II. Project Description

11. Indicate the total amount of TIF assistance requested (in current dollars), to be paid from TIF Revenues: **$39,000,000 including potential items listed below but only for eligible activities in accordance with applicable laws.**

Public Infrastructure: Eligible Activities

Use		Estimated Cost
Site Grading & Drainage	$	2,000,000
Demolition and Clearance	$	1,300,000
Canada Road and Monroe Rd	$	1,000,000
Public Streets	$	7,400,000
Utilities	$	3,900,000
Streetscape and Lighting	$	2,200,000
Parking Structures	$	5,900,000
Lake Improvements	$	1,300,000
Performing Arts Center	$	5,000,000
Public Plaza Improvements	$	2,000,000
Sites for public activities	$	1,500,000
Financing	$	1,500,000
Contingency	$	4,000,000
Total	**$**	**39,000,000**

12. Number of years TIF assistance is requested: **20 years total and will be instituted within twelve months of approval by City of Lakeland and Shelby County.**

(existing policy is that TIF transaction will have a maximum term of 20 years).

13. Has any other government assistance (funds, tax incentives, or other economic benefits) been provided to the Applicant or the property? (Check one): ☐ Yes ☒ No

If yes, describe the type, source, and amount of assistance provided:

_____

_____

_____

14. Provide a list of all properties comprising the plan area by Parcel Identification Number (as provided by the Shelby County Assessor of Property), along with the most recent tax bill for each parcel.

TIF District Parcels & Property Taxes Generated

Address	Parcels	Appraised	Lakeland	Shelby County	Total
3536 Canada Road	0159 00138	$ 1,850,000	$ 10,360	$ 32,338	$ 42,698
3570 Canada Road	0159 00443	$ 1,047,300	$ 5,865	$ 18,307	$ 24,172
0 Canada Road	0159 00471	$ 5,000	$ 28	$ 87	$ 115
0 Canada Road	0159 00472	$ 5,000	$ 28	$ 87	$ 115
0 Lake Forest	0159 00139	$ 434,300	$ 2,432	$ 7,592	$ 10,024
0 Lake Forest	0159 00444	$ 448,000	$ 2,509	$ 7,831	$ 10,340
0 Lake Forest	0159 00445	$ 750,000	$ 4,200	$ 13,110	$ 17,310
Total			$ 25,422	$ 79,352	$ 104,774

15. Project Narrative: Write a brief description of the project. Be as specific as possible about timing, scope of work, type of construction and financing. Attach additional sheets if necessary. Provide interior and exterior photographs.

See attached narrative at the end of this document.

16. Land Area of Project Area (in square feet or acres): **Approximately 162 acres**

Zoning Classification of Project Area (by parcel): **Currently in approved planned development district (Site Plan Attached)**

17. Use of Funds (Entire Project):

Lake District Cost Outlines		
Land	$	15,000,000
Site and Public Improvements	$	36,000,000
Building Costs	$	260,000,000
Soft Costs	$	29,000,000
Total Projected Costs	**$**	**340,000,000**
Owner's Equity	$	50,000,000
Construction Financing	$	240,000,000
Tax Increment	$	39,000,000
Self Financing	$	11,000,000
Total	**$**	**340,000,000**

18. When will construction start (Month/Year)? **Following completion and approval of all engineering plans, infrastructure construction will begin on approximately April 1, 2017.**

19. When will construction be completed (Month/Year)?

    All infrastructure will be substantially complete by Decembers 31, 2018. Construction of buildings should begin by approximately mid-year 2018 and be substantially complete by end of year 2022, depending upon market conditions. Single family development will be phased so as not to saturate the market and adversely affect property values.

20. Please list what public improvement(s) are eligible for tax increment financing and estimated cost:

    (See table under Question 11)

21. Development Team

    Please list the business name, contact person, address, work and fax phone numbers, and email address for the following members of the Development Team:

    Contractor: **Currently interviewing two local contractors, both of whom have extensive experience in the Memphis/Shelby County market. Final selection will be within 45 days.**

    Architect/Engineers: **Looney Kiss and Ricks Architects and A2H Engineers**

    Accountant: _____

    _____

    Project Manager: _____

    _____

    Construction Manager: _____

    _____

    Development Consultant: **Pinnacle Planning Advisors (Dexter Muller)**

III. Supplemental Information

Note to Applicant – All Exhibits from the checklist must be complete before the LDC will submit your request for tax increment financing for initial consideration.

22. Submit the following as Exhibits to the Application that will include the information set forth in the following checklist:

Exhibit A – Tax Increment Application Affidavit

Exhibit B – History of the Development Entity

Exhibit C – Site Plan and Rendering (identify public improvements eligible for TIF)

Exhibit D – List and Breakdown of Sources and Uses of Funds to undertake project

Checklist

Exhibit A – Tax Increment Application Affidavit *(submitted for preliminary qualification)*:

Applicant will pay the LDC TIF Application Fee of **$5,000.00**

Applicant will list and specify all Eligible TIF Costs in detail **(See Question 11)**

Applicant will acknowledge the maximum tax incentive available for the Project **($39,000,000)**

Applicant and/or the lead financing entity will sign an affidavit that the project would not be financially feasible, if it were not for the Tax Increment Financing.

Exhibit B – Declaration of Development Team and Disclosure of Principals and Entity, including:

History of the Development Entity

Resumes of all principals and key individuals

Organizational structure of the development entity

Exhibit C – Description and Narrative of the Development Project, including:

Copies of Project Contracts and/or Memoranda of Understanding

Detailed Performance/Construction Schedule

Site Plan and Rendering w/qualifying public improvements identified

Copies of Deeds, Leases, and Option Contracts

Photographs of Property

Tax Bills

Survey

Maps of the Plan Area and the Project Area

Exhibit D – Project Funding and Financial Information, including:

List and breakdown of Sources and Uses of Funds to undertake Project

Detailed projections of TIF Revenues by parcel for the term of the requested TIF and narrative describing the basis and assumptions for the projections

Pro-forma financial statement for five (5) years (if multiple entities are involved, the pro forma statements should be prepared on an entity basis and on a consolidated basis)

Current financial statements (2 yrs.); P & L (2 yrs.); and Balance Sheet (2 yrs.) (if newly formed, a copy of a balance sheet as of the most recent month-end)

Current banking relationships

Evidence of bonding capacity or letter of credit

IV. Signature

I, the undersigned, affirm that the project descriptions, numerical and financial estimates, and all other information I have provided in this Application are true and complete to the best of my knowledge. I have read and understood the requirements described in this Application, including the Tax Incentive Financing Program of the LDC. Furthermore, I certify that I am authorized to initiate the TIF Application process on behalf of the Applicant and the Project described.

The undersigned, furthermore, agrees to provide such additional information and documentation, from time to time, as the LDC may consider necessary or convenient to determine the advisability of providing tax increment financing to the Applicant.

The undersigned agrees to pay or reimburse the LDC for all costs, fees and expenses, including attorneys' fees, incurred by the LDC in considering, evaluating, and enforcing the provisions of the Application and the Policies and Procedures of the Tax Increment Financing Program. In certain instances the LDC may require that principals of the Applicant guarantee the payment of the above costs and supply the LDC with financial statements of such principals.

Signed: Melissa Netal Date: 10-12-16, 20___

Title: Managing Member

Legal Disclaimer

COMPLETION OF THIS APPLICATION DOES NOT ENTITLE THE APPLICANT TO FINANCIAL ASSISTANCE. ANY SUCH ASSISTANCE MUST BE APPROVED BY THE LDC, THE BOARD OF COMMISSIONERS OF THE CITY OF LAKELAND, TENNESSEE OR ANY OTHER APPLICABLE GOVERNMENTAL AUTHORITY.

AFFIDAVIT TO
TIF APPLICATION

I, Yehuda Netanel, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am a corporate officer, managing member, general partner or sole proprietor of THE LAKE DISTRICT LLC ("Applicant"), a company duly organized in the State of DELAWARE as a LLC (Corporation/LLC/Sole Proprietorship/General Partnership/Limited Partnership). Applicant submits this Application requesting tax increment financing for the project located at LAKELAND, TN ("Site"). The Applicant represents that this Application and all information furnished in support of the Application for the purpose of obtaining financial assistance under The Industrial Development Board of the City of Lakeland, Tennessee Tax Increment Financing Program ("TIF Program") are true and complete to the best of Applicant's knowledge and belief.

2. Applicant hereby acknowledges and declares that it will comply with the following submittal requirements for tax increment financing assistance from The Industrial Development Board of the City of Lakeland, Tennessee (the "LDC"):

(i) Applicant will list and specify all costs of qualified improvements to Public Infrastructure for tax increment financing;

(ii) Applicant will acknowledge the maximum tax increment reimbursement available for the Project;

(iii) Applicant will pay a tax increment financing application fee of $5,000.00 to the LDC at the time of application;

(iv) Applicant will be required to pay the LDC an administration fee equal to _____[1], which will be deducted annually out of the TIF Revenues.

3. Applicant acknowledges and declares that no other reasonable means of financing the public improvements proposed to be financed with tax increment financing are available, because of one or more of the following reason(s) as checked by Applicant:

X (i) The Project, including the public improvements, if financed by Applicant through cash on hand or through debt financing from a private lender, would not result in a reasonable rate of return to the Applicant; or

X (ii) Applicant would not undertake the full set of improvements contemplated in the Application through resources reasonably available to the Applicant.

---

[1] To Be Determined

4. Applicant hereby agrees that Applicant shall at all times indemnify and hold harmless the LDC, its employees, officers, directors, counsel, and consultants against all losses, costs, damages, expenses (including attorney fees), and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the acceptance, consideration, approval, or disapproval of this Application for tax increment financing assistance.

DATED this 12 day of OCTOBER, 2016

Yehuda Netanel
Signature

managing member.
Title

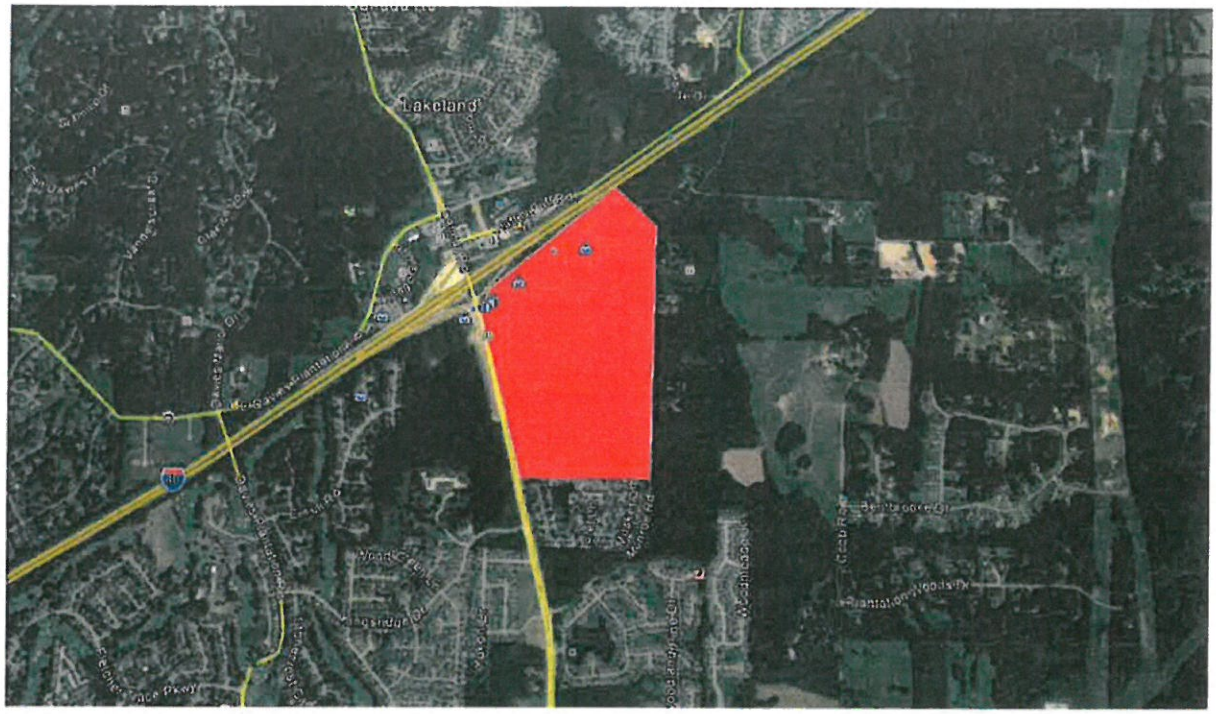
Signed and sworn to before me this 12 day of October, 2016

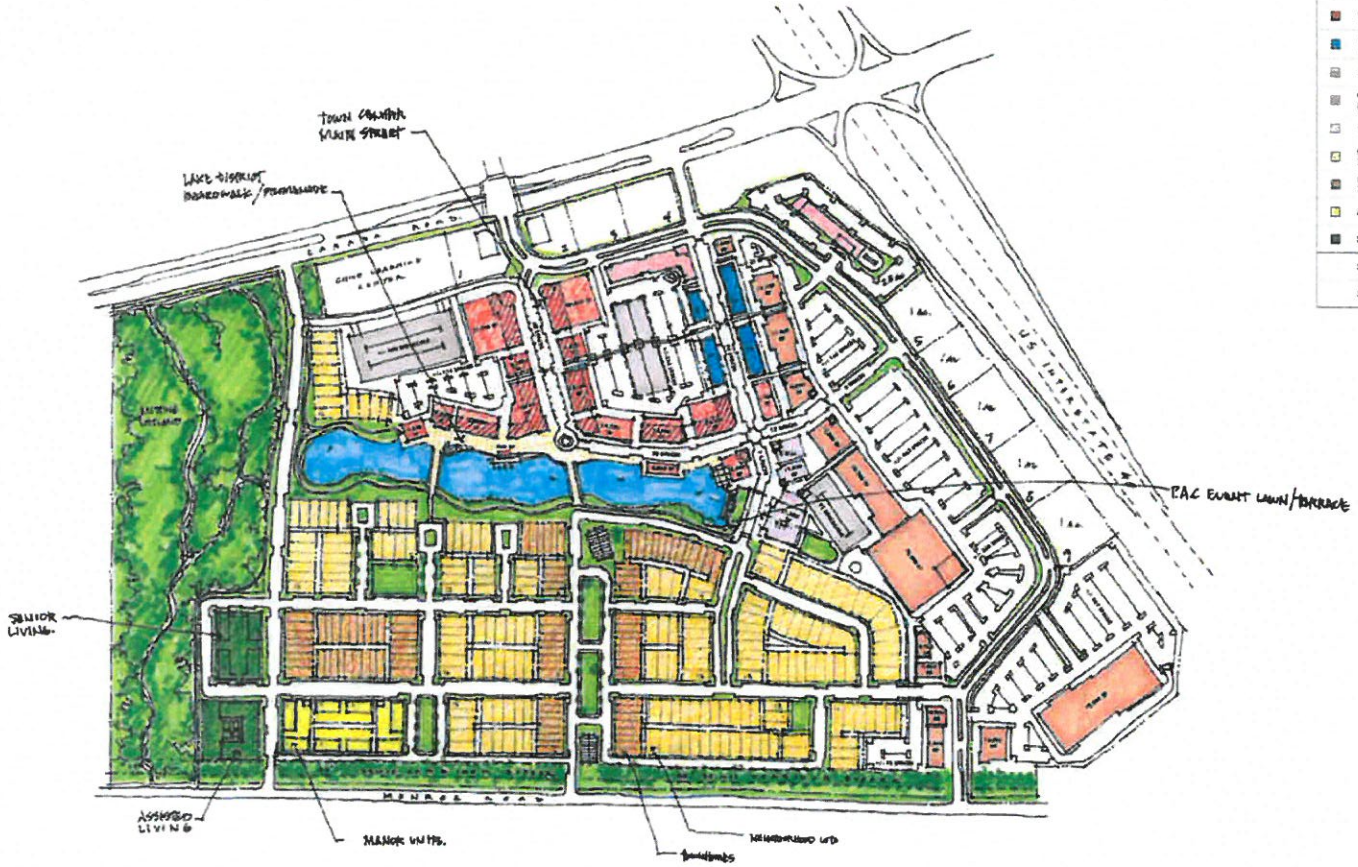
Davina Rojo
Notary Public

DAVINA ROJO
Commission # 2145225
Notary Public - California
Los Angeles County
My Comm. Expires Mar 5, 2020

My commission Expires: 3/5/2020

Subject Property: Located at the southeast quadrant of I-40 and Canada Road (Containing Approximately 162 acres)





LEGEND & DATA

	RETAIL Power Center	+/-270,600 SF
	RETAIL Restaurants / Shops at Town Center	+/-203,600 SF
	MULTI-FAMILY OVER TOWN CENTER 2 Levels - 50 Units/Level	100 UNITS
	OFFICE 2 Floors - 35K/FLR	70,000 SF
	HOTEL	(1) 250 KEYS (1) 150 KEYS
	CIVIC Performing Arts Center /City Hall	+/-36,500 SF
	PARKING GARAGE	
	RESIDENTIAL 35' Wide Lots - Single Family Detached	186 LOTS
	RESIDENTIAL 25' Wide Attached Townhomes	96 HOMES
	MANOR HOMES	48 UNITS
	SENIOR & ASSISTED LIVING SITE	
	STREET PARKING AT TOWN CENTER	119
	SURFACE PARKING SPACES	+/-1,821

LRK
Looney Ricks Kiss

CONCEPT MASTER PLAN

THE LAKE DISTRICT

Lakeland, Tennessee

September 26, 2016

GILAD
DEVELOPMENT, INC.

The Lake District
Lakeland, TN
Project Narrative

The project consists of approximately 162 acres at the southeast quadrant of Interstate 40 and Canada Road in Lakeland, Tennessee. The subject property was formerly the Lakeland Factory Outlet Mall and additional property to the south that was a planned mixed use development.

The proposal is to create an "Urban Village" with a variety of uses that are all integrated into a walkable community with big box retail, two hotels, main street retail and boutique shopping, restaurants, child learning center, offices, single family residential, performing arts center, a site for city hall, an inside storage facility and assisted living. Additionally to complement the uses and enable a walkable community without extensive areas of surface parking, two parking structures are provided.

The Lake District is an urban neighborhood development surrounding 3 lakes, parks, and trails. Eight interdependent elements connect creating a vibrant multi-faceted street life.

The Eight Elements include human- scaled urban designed big box and main street retail, food and entertainment space, hotels, office space, child learning, and a mix of residential and assisted living in close proximity and accessible to public and civic space. The current quantities of each of the uses is specified below:

Eight Elements:

1. Retail:

Big Box	270,600 sf
Main Street	203,600 sf

2. Hotel 1:	110 Keys
Hotel 2:	150 Keys

3. Office:	70,000 sf (2 floors 35,000 sf each)
4. Child Learning:	2.4 acre pad
5. Residential:	422 Units Total
For Sale:	186 detached Town Homes 96 attached Town Homes 40 Manor Homes
For Lease:	100 2nd floor Apartments above Main Street Retail
6. Assisted Living:	100 beds
7. Outparcels:	8 pad's for Quick Service Restaurants, Fast Casual Restaurants, and service retail
8. Storage:	Climate controlled storage-pad

Civic space includes a 36,500 sf Performing Arts Center and Civic building.

In essence this development will define Lakeland and provide the city center that has long been lacking to create the city as a destination for activity in a regional context.