Baer Building on Main Street

118-120 E Main St
Norristown, PA
Who is Mill City Properties?

- Office at 368 E Moore St
- Norristown roots for 20+ years
- Portfolio of over 40 units
- Sarah Truelove - Owner, Manager
- Mike Fink - Owner, Founder
  - Served on board for Montgomery County Industrial Development Authority and PAL
  - Basketball coach at Norristown High for 13 years
  - Founding partner of successful businesses such as ProMed Capital and Covered Bridge Capital
  - Initial developer in Ambler, PA
Mission for Building

- Our goal, with the assistance of LERTA, is to provide Norristown with high end food and entertainment, brought to you by people with a true connection to Norristown
- Affordable market rate Studio Apartments for single professionals or couples with no kids (“single income no kids” (SINK), “dual income no kids” (DINK))
- Continue to enhance Norristown’s marquee Main Street as a tourist / business destination, anchored by a state of the art gaming facility as well as locally run businesses
Our Strategy

- The eSpot being in Norristown as opposed to a surrounding suburb gives Norristown a leg up on the growing eSports industry
- With a liquor license, it will provide another option within walking distance for citizens and workers to grab a drink and a bite. The more options the better!
- A community atmosphere that caters to a myriad of interests and provides a safe environment for entertainment
New Baer Building Revamped

- The eSpot
- Brew Pub / Sports Bar
- Willis Brothers BBQ
- Bike Shop / Car Detail
- 15 Residential Units
- Rooftop Bar
- Yoga Studio
The eSpot

- Venue for eSports gaming
- Community driven
- Provides youth with another path to success in emerging eSports industry
  - Integrate programs to incentivize school success
- Safe place to be with hours of available entertainment
- Norristown will be the first suburban Philadelphia city with an eSports focused venue, which will cause people to come from surrounding neighborhoods
- Host of live streams, tournaments, coding courses
Why eSports?

- eSports industry worth $950 million in 2020 with Newzoo expecting annual 14% growth - expects it to cross $3 billion in 2022
  - Beginning wave of an industry here to stay

- Simon Property Group invested $5 million in eSports company
  - Will build eSports venues in malls they own, starting in NYC and LA
  - KOP Mall won’t be far behind - by that time, eSpot will be live

- Provides Norristown youth with new career opportunities and a place for daily activity year round
COVID Measures

- Plexiglass between each gaming station
- Full cleanse of equipment after each use
- Option to bring your own controller / keyboard
- Online presence
  - Virtual events
Sold out Arthur Ashe Stadium for a Fortnite tournament

European LCS

Tap eSports Center in Philadelphia
The eSpot’s Impact in Norristown

- First Philadelphia-area suburb to have eSports, gaming focused venue with top-notch equipment.
- Provide youth with additional career opportunities in an untapped industry
  - COVID-19 pending, will be a place for kids to come from all over, making Norristown the eSports suburban Philadelphian hub
  - After school access, programming classes, a Norristown eSports team
- Online presence will be free marketing for Norristown
  - Attract sponsors
- Tournaments will attract people from all over, both in person and digitally
Job Creations In Norristown

- 4 $15/hour employees at eSpot
- Local cleaning company
- Local maintenance
- Norristown eSports team for local players provides earning capabilities
- Jobs at the Brew Pub (bartenders, manager, door)
Justice Center Redevelopment

- With the revitalization of downtown Norristown district justice center, Mill City Properties will be providing luxury living accommodations within walking distance, along with an upscale lunch/dinner spot
- Serves as an added appeal for young professionals
How LERTA at 118-120 E Main St. affects eSpot

- By obtaining LERTA, Mill City Properties is able to invest that $ back into the eSpot, thus putting that $ right back into Norristown
- Avoids having to find additional investor
- Allows the eSpot to move forward on construction and officially make 118-120 Main Street home
- Reduces financial burden in the early formative years of the business
- Allows Mill City to give tenant friendly rent deals to allow new, local businesses to thrive first year
Brew Pub / eSports Bar

- Integrated with eSpot - “eSports Bar”
- Artisan food and drink options
- Watch both local sports and video games on big screen TVs
- Lunch / after work / dinner
- With Five saints across the street, it gives Norristown a “downtown” area with multiple options to visit for food/drink and socialization
Willis Brothers BBQ

- Locally owned business; Norristown roots with their first stable location
- Top notch BBQ for take out and small dine in section
- Integrated with eSpot via ordering window
Bike Shop / Car Detail

- Lafayette Street entrance
- Right along bike path from Valley Forge to Philadelphia
- Locally owned
Rooftop Bar

- Access from Main Street and Lafayette Street
- Flexibility with multiple bars - easily able to host events
- Take a break from biking and have a drink!
- Fills in gap in Schuylkill River trail, (no where to stop off the trail in norristown currently)
Residential Units

- 15 studio sized residential units, targeted for Single Income No Kids (SINK)
- Close proximity to courthouse and municipality office
- Access to all amenities located at venue
- Slick, modern build similar to other units developed by Mill City
- All units equipped with “smart” technology
- Access to a tenant exclusive “amenity” Area
Why Mill City wants to do this in Norristown

- Involvement with Norristown for 20+ years
- Long invested in community
- The benefits of Norristown having the first eSports venue will put the city on the map and provide the city a draw to outsiders who would otherwise not visit
- Provide township with a marquee place of entertainment
- Increases value of surrounding properties in Norristown
- Replicate the work by Mike Fink previously done in Ambler, PA
- Mill City believe with the turnpike ramp and lafayette street revitalization, the time for Norristown has finally come
Requests of Municipality Council

- Adopt LERTA
  - A tax abatement option that encourages our redevelopment endeavours
  - Exempts our *improvements* to this deteriorated commercial building, and the business inside the property from tax increases, therefore easing the burden of opening a new business in an unsure economy
  - Spans a limited period of time (10 year maximum)

-The Espot in its first few years will need to know that the tax burden will not increase dramatically
Municipality Tax on LERTA
Based on $1,000,000 improvement cost

- **Y1 @ 100% = $5,373** (current tax)
- **Y2 @ 90% = $8,832**
- **Y3 @ 80% = $12,291**
- **Y4 @ 70% = $15,750**
- **Y5 @ 60% = $19,209**
- **Y6 @ 50% = $22,668**
- **Y7 @ 40% = $26,127**
- **Y8 @ 30% = $29,586**
- **Y9 @ 20% = $33,045**
- **Y10 @ 10% = $36,504**

LERTA tax revenue for 10 years = $209,385
No development tax revenue = $53,730
Current School Tax - 5762.99 + 5186.69 = 10,949.68

- Y1 @ 100% = $10,949.68
- Y2 @ 90% = $14,408.68
- Y3 @ 80% = $17,867.68
- Y4 @ 70% = $21,326.68
- Y5 @ 60% = $24,785.68
- Y6 @ 50% = $28,244.68
- Y7 @ 40% = $31,703.68
- Y8 @ 30% = $35,162.68
- Y9 @ 20% = $38,621.68
- Y10 @ 10% = $42,080.68

LERTA tax revenue for 10 years = $265,151.80  No development tax revenue = $109,496.80
LERTA tax revenue with vs. without development

- LERTA tax revenue = $209,385  No development tax revenue = $53,730
- LERTA tax revenue = $265,151.80  No development tax revenue = $109,496.80

Total 10 year LERTA tax revenue = $474,536.80

Total 10 year tax revenue with no development = $163,226.80
Closing

- Receiving LERTA allows Mill City Properties to further invest and develop 118-120 E Main St.
- Mill City is looking to acquire multiple locations on the main street area
- We would like to receive support from Norristown in our endeavours to revitalize the downtown area
THANK YOU!