

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

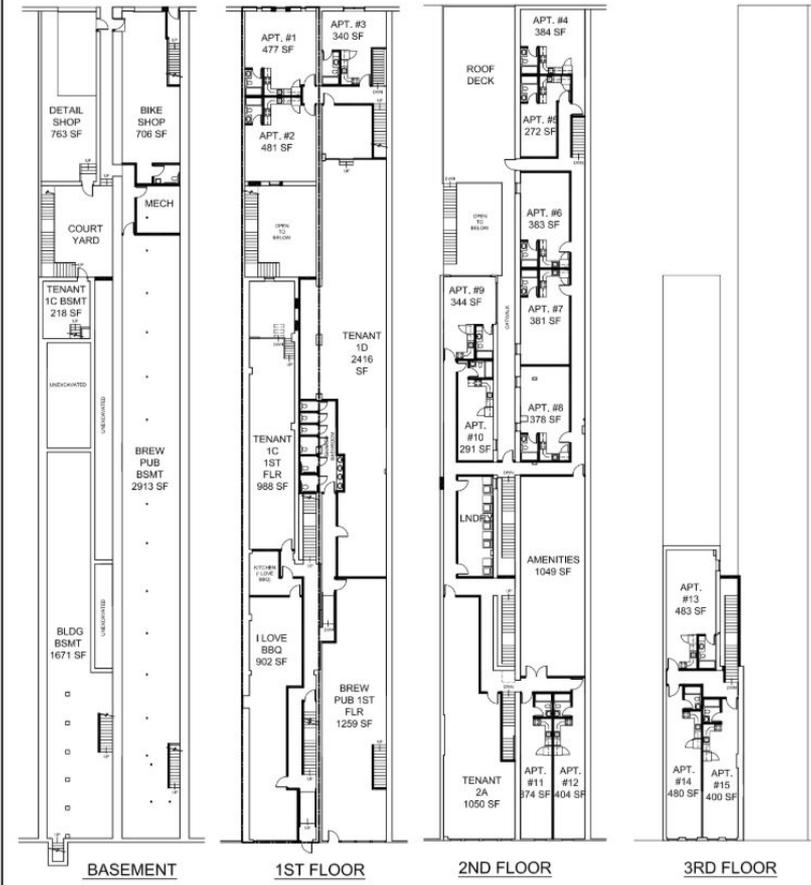
- The eSpot being in Norristown as opposed to a surrounding suburb gives Norristown a leg up on the growing eSports industry
- With a liquor license, it will provide another option within walking distance for citizens and workers to grab a drink and a bite. The more options the better!
- A community 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
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- 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, therefor easing the burden of opening a new business in an unsure economy
 - Spans a limited period of time (10 year maximum)
- The Esport 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 (= $34,590 * 0.1 (90\%) = 3,459 + 5,373 = 8,832$)
- 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

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- 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

