



Hall County Regional Planning Commission

**Wednesday, August 1, 2012
Regular Meeting**

Item F2

Public Hearing - Site Specific Redevelopment Plan Area 9

Staff Contact: Chad Nabity

Agenda Item #5

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

July 20, 2012

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area #9 at 2300 Webb Road in Grand Island Nebraska. (C-26-2012GI)

PROPOSAL:

Gordman Grand Island LLC of Omaha, Nebraska is proposing to remodel and rehabilitate the Gordman's/Half Price Store at 2300 Webb Road. The developer is seeking Tax Increment Financing to offset the cost of remodeling and rehabilitation of the property. Improvements will be made to the existing building to reconfigure the space within the building to better facilitate tenant needs and maximize the space available for retail use.

OVERVIEW:

The purpose of the CRA and the designated blight and substandard areas is to provide incentives for development in underdeveloped areas of the community. This project will provide commercial development in a location that is intended for these uses. Development of this property should prevent further decay of this neighborhood. This area has already been declared blighted and substandard by the CRA, the Hall County Regional Planning Commission and the Grand Island City Council.

This project is **consistent** with the **existing zoning** and the **future land use plan** for the City of Grand Island. This is evidenced by the fact that the property is zoned B1 Light Business. The B1 zone permits commercial retail space as a permitted principle use.

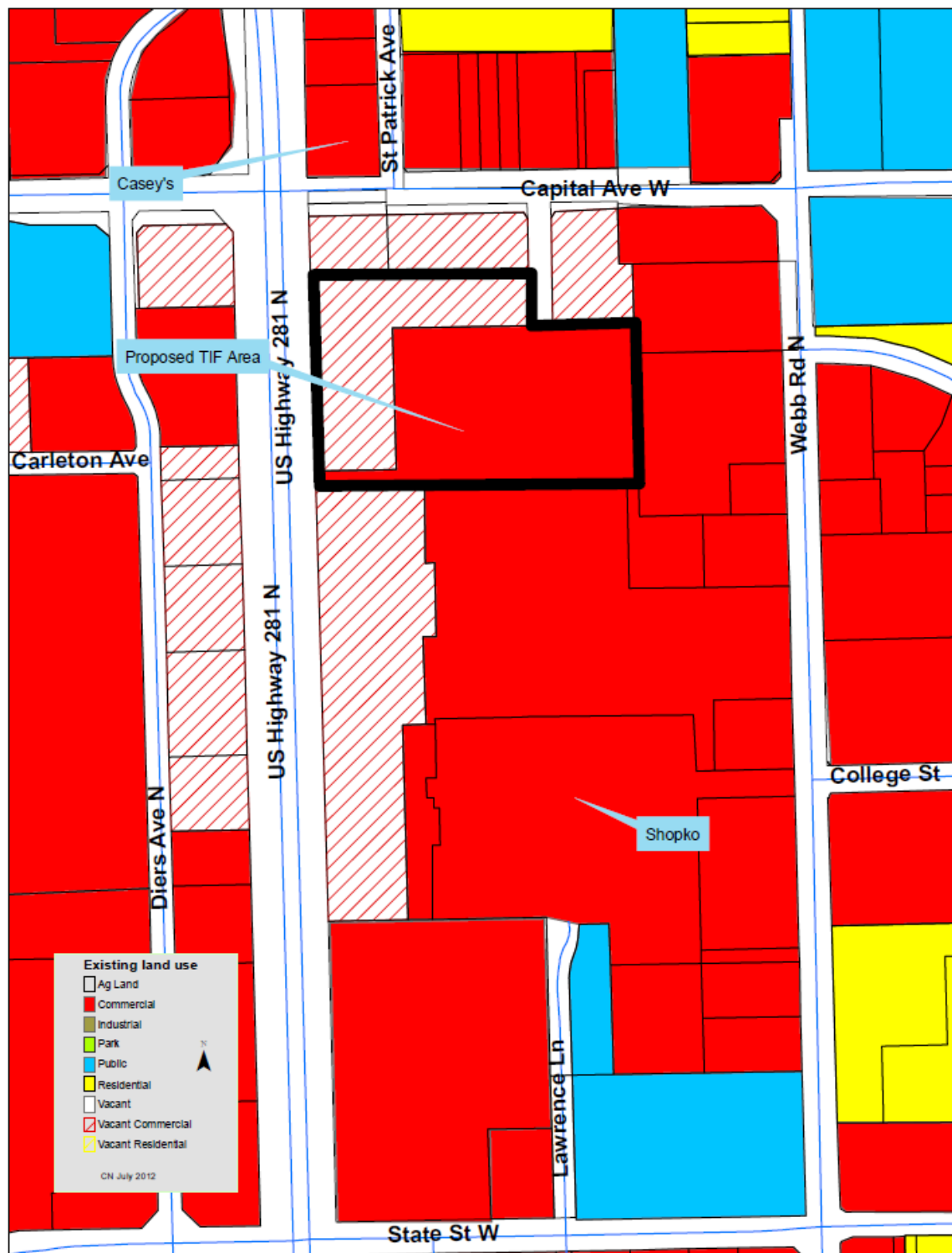
The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan calls for highway commercial at this location and the Zoning Map defines this area as commercial.

The Planning Commission is required to comment on these applications to confirm that expenditure of public funds through TIF is not supporting uses that would be inconsistent with the Comprehensive Plan.

RECOMMENDATION:

That the Regional Planning Commission recommend that City Council **approve** of the redevelopment plan amendment as submitted. A resolution is attached for your consideration.

_____ Chad Nabity AICP, Planning Director



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Gordman Grand Island, LLC

Address: 444 Regency Parkway Drive, Suite 202, Omaha, NE 68114

Telephone No.: (402) 391-4220

Fax No.: (402) 391-4229

Contact: Jerry Gordman

Brief Description of Applicant's Business: Ownership and rental of retail real estate properties located at 2300 North Webb Road in Grand Island, Nebraska.

Present Ownership Proposed Project Site: Gordman Grand Island, LLC

Proposed Project: Building square footage, size of property, description of buildings – materials, etc. Please attach site plan, if available.

The primary project site is a multi-tenant retail outlet approximately 84,398 square feet in size located at 2300 North Webb Road. Renovations will include building and facade renovations as well as a new roof using brick, wood, tile and stucco. Additional infrastructure improvements will consist of a new access road and parking facility, the resurfacing of existing parking areas as necessary, and the accompanying work on storm drainage etc. The project is geared towards reorientation of building access to the west side of the property (See site plan Exhibit A)

If Property is to be Subdivided, Show Division Planned: N/A

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ N/A
B. Building	\$ N/A

Construction Costs:

A. Renovation or Building Costs:	\$ 2,609,744
B. On-Site Improvements:	\$ 1,100,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 277,000
B. Financing Fees:	\$ 30,000
C. Legal/Developer/Audit Fees:	\$ 12,500
D. Contingency Reserves:	\$
E. Other (Please Specify) – Blight Study	\$ 6,000
CRA Fees	\$ 6,500
TOTAL	\$ 4,041,744

Total Estimated Market Value at Completion: \$ 5,449,670

Source of Financing:

A. Developer Equity:	\$
B. Commercial Bank Loan:	\$ 2,968,959
Tax Credits:	
1. N.I.F.A.	\$ _____
2. Historic Tax Credits	\$ _____
D. Industrial Revenue Bonds:	\$ _____
E. Tax Increment Assistance:	\$ 1,072,785
F. Other	\$ _____

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

Architect: Mark Sanford Group, LLC
1306 N 162nd Street
Omaha, NE 68118-2475
(402) 598-0442

Engineer: Olsson Associates
201 East 2nd Street
Grand Island, NE 68106
(308) 384-8750

General Contractor: TBD

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

\$71,519 (See Exhibit B for detailed calculation)

Project Construction Schedule:

Construction Start Date: Upon TIF application acceptance

Construction Completion Date: 180 days after acceptance

If Phased Project:

_____	Year	_____ % Complete
_____	Year	_____ % Complete
_____	Year	_____ % Complete

XII. Please Attach Construction Pro Forma (see Exhibit C)

XIII. Please Attach Annual Income & Expense Pro Forma (see Exhibit D)

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:

\$1,072,785 of tax increment financing (based on a 0% lending rate) is being requested to assist in the construction and renovation of retail space located at 2300 North Webb Road in Grand Island, Nebraska. The project includes the temporary relocation of current lessees to allow for the improvements (including facade remodeling and a new roof) and the reorientation of the existing tenant spaces to face west towards Highway 281 for increased visibility. Improvements to the project site will also include the extension of a "stub" access road off of Capital Avenue, the creation of a new parking facility, and the resurfacing of the existing parking area where warranted. The TIF funds will enable project completion resulting in vast improvements to the condition of the current location and making the space more economically viable for existing lessees and attractive to potential new retail tenants. The opportunity for the introduction of additional money and investment into the community will benefit the local economy and markets accordingly.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed Project:

The proposed renovations will result in a complete upgrade of the building intended to modernize the existing retail space and make for more accessible and visible storefronts. During the construction phase, tenant space will be utilized to facilitate tenant transition needs, including special accommodations in the relocation of existing tenants and making the structure more viable to potential new occupants. Tax increment financing is an integral and essential component to project completion which is contingent upon receipt of the expected \$1,072,785 of tax increment assistance. Feasibility is dependent on TIF funds that will enable the creation of adequate economics in leasing the property at a competitive rate in the specified area.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

See Exhibit E

IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

See Exhibit F

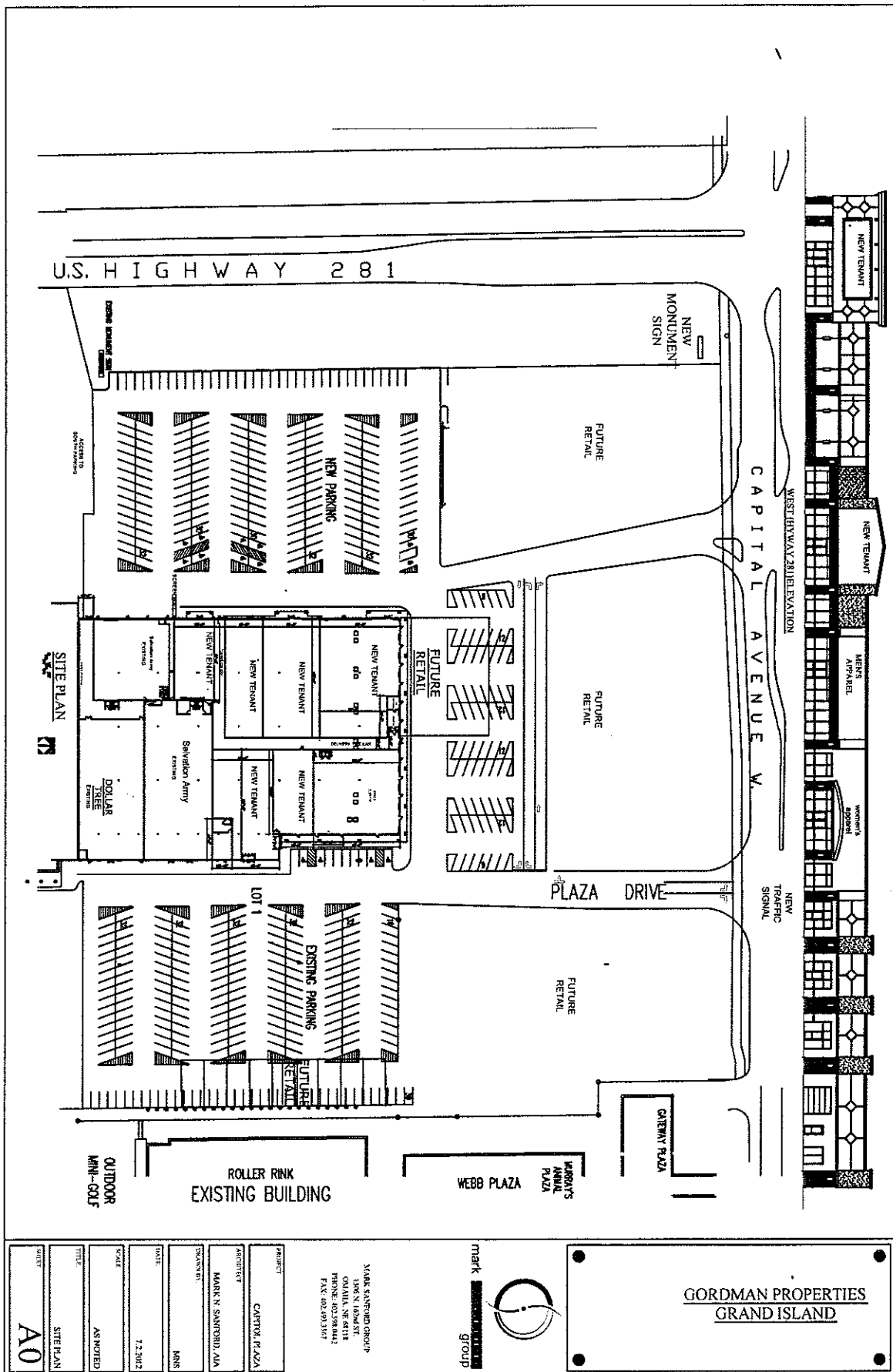
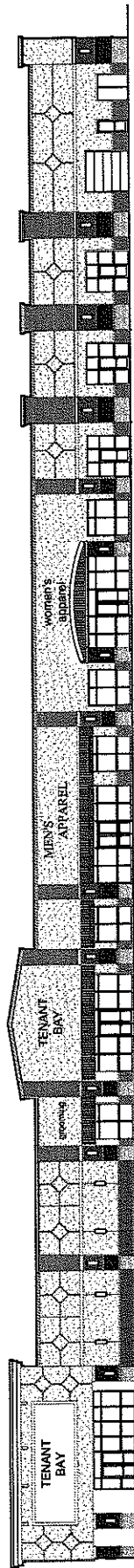


Exhibit A



WEST (HYWAY 281) ELEVATION

GORDMAN PROPERTIES
CAPITOL PLAZA
GRAND ISLAND



mark **SANFORD** group

MARK SANFORD GROUP
1306 N. 162nd ST.
OMAHA, NE 68118
PHONE: 402.598.0442

Exhibit A

**Gordman Grand Island, LLC
Tax Increment Financing Request
Estimated Real Estate Taxes on Project Site Upon Completion of Project**

Existing Assessed Value and Real Estate Tax on Project Site

<u>Parcel Number</u>	<u>Assessed Value (2011)</u>			<u>Taxes</u>
	<u>Improvements</u>	<u>Land</u>	<u>Total</u>	
400149826	1,300,904	765,045	2,065,949	45,290.60
400389444	-	121,356	121,356	2,660.54
	1,300,904	886,401	2,187,305	47,951.14

Estimated Real Estate Taxes on Project Site Upon Completion of Project

2011 taxes assessed on site prior to project commencement	47,951
Divided by base assessed value	<u>2,187,305</u>
Estimated tax rate	2.192241%
Base assessed value	2,187,305
Projected increase in taxable value	<u>3,262,365</u>
Proposed assessed value	<u>5,449,670</u>
Estimated annual real estate tax after project completion	119,470
Less existing annual real estate tax	<u>(47,951)</u>
Estimated increase in annual real estate tax	71,519

Exhibit B

Mark Sanford Group
 Construction costs projections
 6.19.12

CAPITAL PLAZA GRAND ISLAND Main Bldg

<u>MAIN BLDG REMODEL</u>	SF	COST/SF	TOTAL
TENANT #1	1,000	45	45,000
TENANT #2	3,851	30	115,530
TENANT #3	5,539	30	166,170
TENANT #4	10,335	45	465,075
TENANT #5	7,644	46	351,624
TENANT #6	5,262	30	157,860
TENANT #7	4,202	30	126,060
TENANT #8	3,059	15	45,885
TENANT #9	5,987	30	179,610
DELIVERY/FIRE CORRIDOR	3,902	15	58,530
	50,781		
SITE IMPROVEMENTS	LUMP SUM		1,100,000
STORM DRAINAGE, WATER, ETC.			
New Roof			108,000
Façade Remodel			
WEST	8,808	50	440,400
NORTH	6,000	25	150,000
EAST	8,000	25	200,000
	22,808		
TOTAL	73,589		3,709,744
SOFT COSTS:			
Architectural			147,000
Civil, Structural, Mechanical, Electrical			130,000
			277,000
PROJECT TOTAL			3,986,744

Exhibit C

Exhibit D
Annual Income & Expense Pro Forma

GORDMAN GRAND ISLAND, LLC
STATEMENTS OF FORECASTED RECEIPTS AND DISBURSEMENTS – CASH BASIS
Years Ending December 31, 2013 and 2014

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INTRODUCTION

The forecast in this illustration presents the entity's, Gordman Grand Island, LLC, forecasted receipts and disbursements on the cash basis for the twelve months ending December 31, 2013 and December 31, 2014.



ACCOUNTANTS' REPORT

Gordman Grand Island, LLC
Omaha, NE

We have compiled the accompanying statements of forecasted receipts and disbursements – cash basis of Gordman Grand Island, LLC (see Introduction), for the years ending December 31, 2013 and 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The accompanying forecasted information was prepared for use in a tax increment financing request to the Community Redevelopment Authority.

A compilation is limited to presenting forecasted information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecasted information and, accordingly, do not express an opinion or any other form of assurance on the accompanying statement or assumptions. Furthermore, there will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This accompanying forecast and this report are intended solely for the information and use of Gordman Grand Island LLC, the Community Redevelopment Authority, the Grand Island City Council, and certain individuals and organizations involved in the tax increment financing application process and are not intended to be and should not be used by anyone other than these specified parties.

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Suite B

Grand Island, NE

68803

P.O. Box 520

Grand Island, NE

68802-0520

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info@ss-cpas.com

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www.ss-cpas.com

Schroeder & Schreiner, P.C.

Grand Island, NE
July 10, 2012

Where Your Success Counts!

Gordman Grand Island, LLC

STATEMENTS OF FORECASTED RECEIPTS AND DISBURSEMENTS - CASH BASIS

Years Ending December 31, 2013 and 2014

	Case 1		Case 2	
	With Tax Increment Financing		Without Tax Increment Financing	
	2013	2014	2013	2014
Cash Receipts:				
Rental income	\$ 824,084	\$ 837,827	\$ 824,084	\$ 837,827
Tax Increment Financing (TIF) revenue	71,519	71,519	-	-
	<u>895,603</u>	<u>909,346</u>	<u>824,084</u>	<u>837,827</u>
Cash Disbursements:				
Interest expense - TIF debt	(34,564)	(32,901)	-	-
Interest expense - other debt	(152,989)	(136,134)	(187,552)	(167,885)
Common area maintenance (CAM)	(115,156)	(119,127)	(115,156)	(119,127)
Management fees	(21,066)	(21,109)	(21,066)	(21,109)
Real estate tax increment not included in CAM	(71,519)	(71,519)	(71,519)	(71,519)
Utilities not included in CAM	(5,000)	(5,000)	(5,000)	(5,000)
Repairs & maintenance not included in CAM	(5,000)	(5,000)	(5,000)	(5,000)
Professional fees	(2,500)	(2,500)	(2,500)	(2,500)
Principal debt service - TIF	(36,955)	(38,618)	-	-
Principal debt service - other	(385,101)	(339,747)	(447,606)	(405,065)
Member distributions for estimated Federal Income tax	(133,629)	(147,992)	(105,307)	(120,126)
Member distributions for estimated State Income tax	(23,081)	(25,562)	(18,189)	(20,749)
	<u>(986,560)</u>	<u>(945,209)</u>	<u>(978,895)</u>	<u>(938,080)</u>
Net cash receipts (disbursements)	\$ (90,957)	\$ (35,863)	\$ (154,811)	\$ (100,253)

See the summary of significant forecast assumptions and accounting policies and the accountants' report.

Schroeder Schreiner, P.C.

GORDMAN GRAND ISLAND, LLC

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES

Years Ending December 31, 2013 and 2014

NOTE A – NATURE AND LIMITATION OF FORECASTS

The accompanying forecast presents, to the best of Gordman Grand Island, LLC's, (Gordman's) knowledge and belief, their cash receipts and disbursements for the years ending December 31, 2013 and 2014. The forecast reflects their judgment as of July 10, 2012, the date of this forecast, of the expected conditions and their expected course of action. Actual results are likely to differ from the forecasted results because events and circumstances frequently do not occur as expected. Those differences may be material. The assumptions disclosed herein are those that management believes are significant to the forecasts. The forecasted information was prepared for use in a tax increment financing request to the Community Redevelopment Authority.

NOTE B – BASIS OF ACCOUNTING

The presentations of cash receipts and disbursements for the forecast period and the years ended December 31, 2013 and 2014 portray results using the cash basis of accounting. The results of this basis differ from those using generally accepted accounting principles primarily because the cash basis does not recognize assets other than cash and the debt principal outstanding under the tax increment financing or construction or building loan(s).

NOTE C – CASH RECEIPTS

Gordman Grand Island, LLC is a lessor of retail outlet space. Rental revenue has been determined based on the historical experience of the company in leasing space to tenants in the existing location as well as prevailing rent per square foot for similar real estate in the same locale. The forecast assumes full occupancy of the available space.

The forecast includes two cases dependent on whether or not the tax increment financing (TIF) request is approved. In the event of approval, Gordman will receive additional TIF revenue from the County based on the anticipated increase in the assessed value generated by the proposed project and the additional real estate tax that increase will generate.

NOTE D – CASH DISBURSEMENTS

Interest expense and principal debt service are based on the assumption that the entire renovation project will be financed through new debt intended to cover the anticipated construction costs.

TIF debt is based on an initial principal balance that can be serviced with the anticipated incremental real estate tax generated by the project. The loan is expected to have a 15-year term with scheduled annual payments and an interest rate of 4.5 percent.

The remaining construction, not funded through tax increment financing, will be satisfied with additional bank debt. These loans are expected to have a 10-year term with an interest rate of 4.5 percent. In addition to the new debt, Gordman has an existing note with a principal balance of \$294,628 at December 31, 2011 with a final payment due June 1, 2014. The note has a 4.5 percent annual interest rate with scheduled monthly payments of \$10,364.

Common area maintenance (CAM) costs are expected to be \$1.45 per square foot for the fiscal year ending December 31, 2013 and \$1.50 per square foot for the fiscal year ending December 31, 2014. These anticipated costs are based on the Gordman's experience in renting these and other retail properties.

See accountants' report
Schroeder & Schreiner, P.C.

GORDMAN GRAND ISLAND, LLC

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS AND ACCOUNTING POLICIES, Continued

Years Ending December 31, 2013 and 2014

NOTE D – CASH DISBURSEMENTS, continued

Management fees are based on 3 percent (3%) of the anticipated base rental revenue, which amount excludes expected tenant reimbursements (additional rental revenue) for CAM and the management fees themselves.

Forecasted real estate tax is expected to equal the current tax (for the 2011 year) plus additional tax generated by applying the current levy rate to the anticipated increase in assessed value to be generated by the renovation project. Current real estate tax on the existing "as is" structure is reflected in the common area maintenance disbursements line item of the forecast.

Forecasted member distributions to cover estimated individual income tax are based on anticipated taxable pass-through income and the highest marginal Federal and State income tax rates of 39.6% and 6.84% respectively, expected to be in effect during the forecast period.

See accountants' report
Schroeder & Schreiner, P.C.

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**Gordman Grand Island, LLC
Tax Increment Financing Request
Municipal and Corporate References**

<u>Name of Reference</u>	<u>Contact Person</u>	<u>Telephone Number</u>	<u>Fax Number</u>
Security National Bank	CL Landen	(402) 221-0111	(402) 397-0591
First National Bank	Rob Giorvick	(402) 602-5210	

Exhibit E

**Site Specific Redevelopment Plan
Grand Island CRA Area #9
July 2012**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #9 with in the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #9.

**Executive Summary:
Project Description**

THE RENOVATION OF 89,438 SQUARE FEET OF RETAIL SPACE AT THE FORMER GORDMANS STORE ON THE CORNER OF U.S. HIGHWAY 281 AND CAPITAL AVENUE AT 2300 N WEBB RD AND 2408 PLAZA DRIVE LOCATED ON LOTS 1 AND 2 OF GRAND ISLAND PLAZA SECOND SUBDIVISION AND THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR THE RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovate the existing tenant spaces and update and improve the façade of the building on the north, east and west sides of the building as well as improving access to the property from Capital Avenue, renovating the existing parking and adding more parking. This project would not be possible in an affordable manner without the use of TIF.

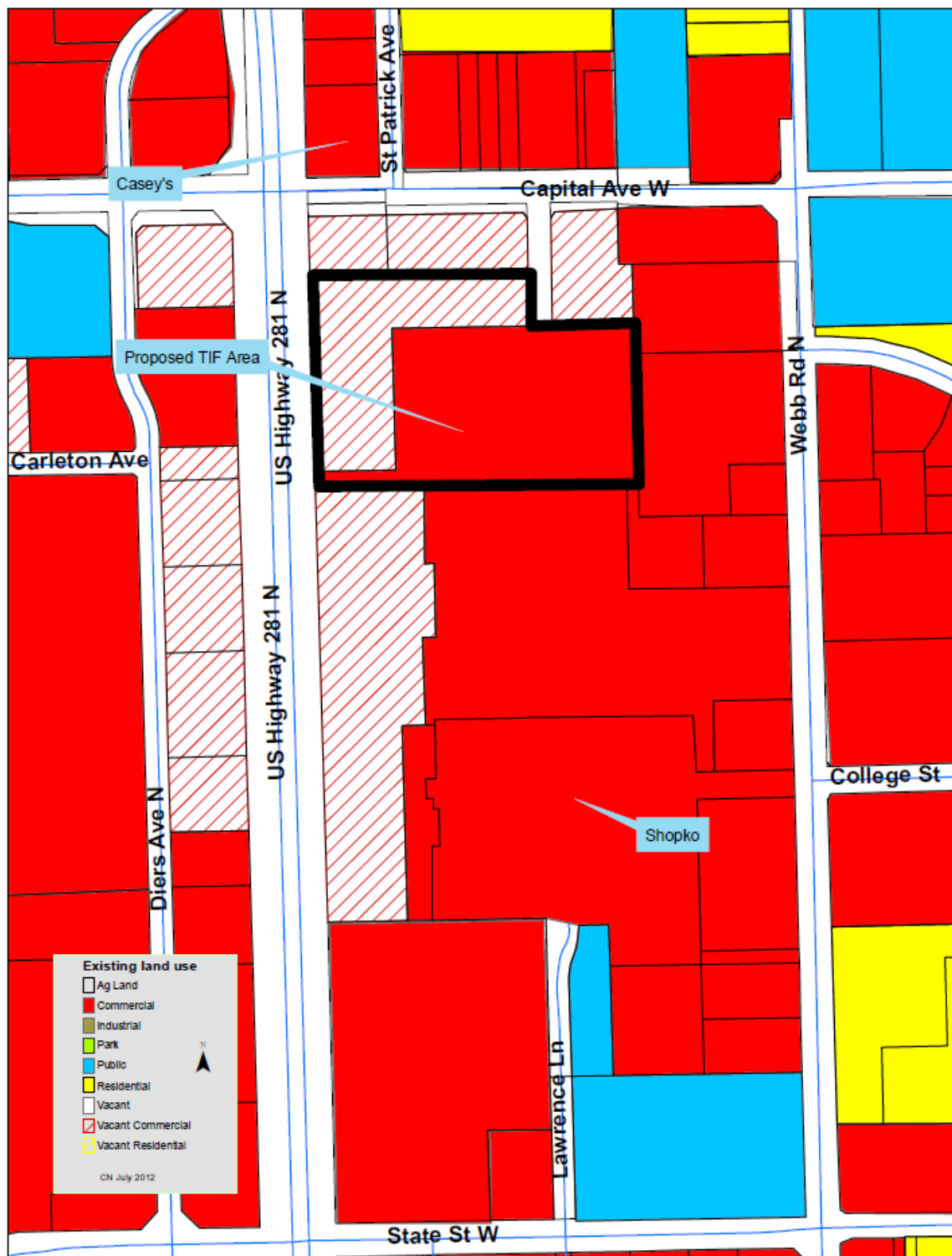
The site is owned by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2013 towards the allowable costs and associated financing for the remodeling and site work.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

This property is located at the northwest corner of U.S. Highway 281 and State Street in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lots 1 and 2 of Grand Island Plaza Second Subdivision in the City of Grand Island, Hall County, Nebraska.



Grand Island Existing Land Use July 2012

The tax increment will be captured for the tax years the payments for which become delinquent in years 2014 through 2028 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of the vacant commercial space into smaller tenant spaces.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2013.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on April 24, 2012. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate an existing conforming use on this property.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

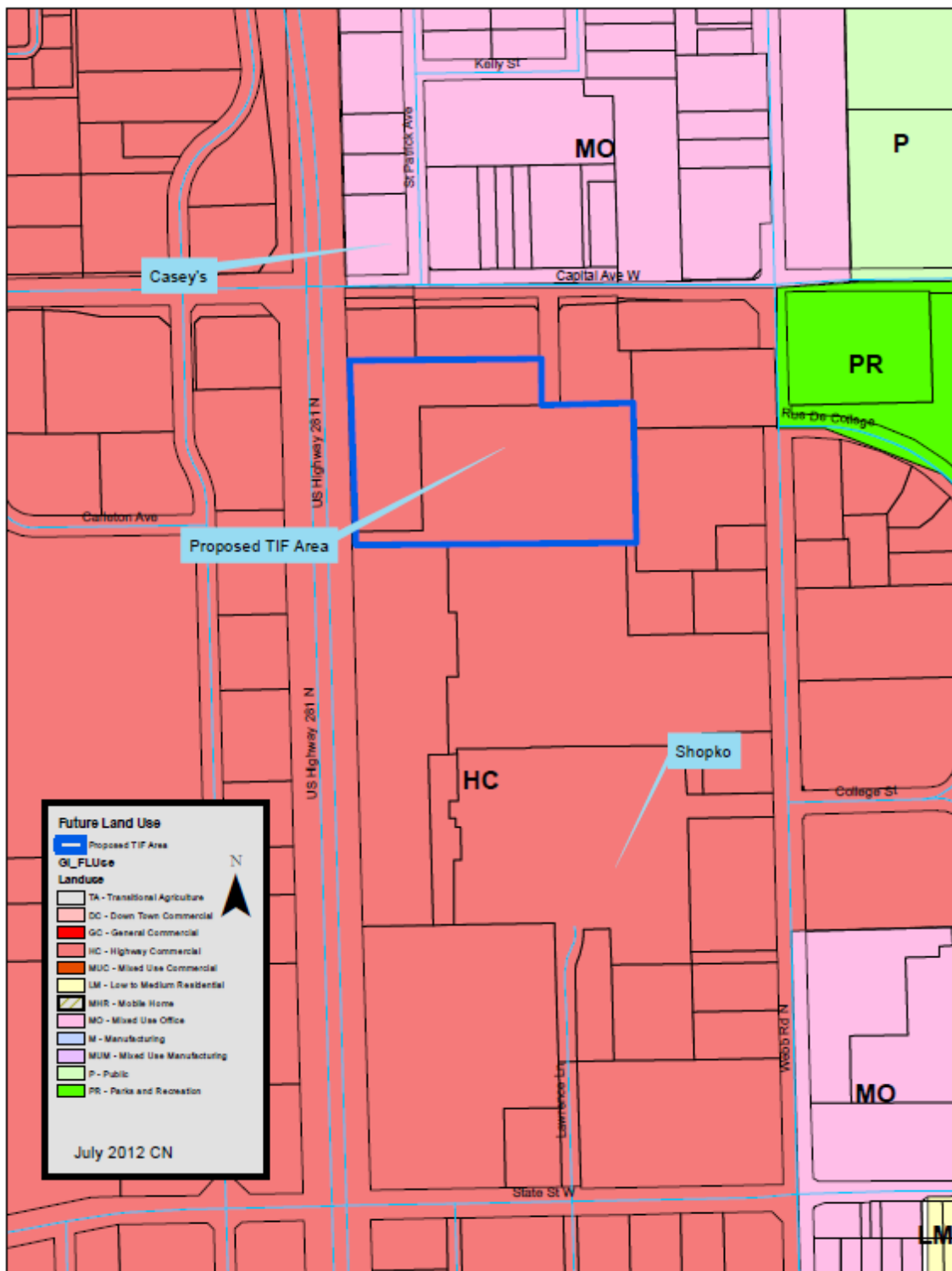
The Generalized Redevelopment Plan for Area #9 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority or the developer.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for highway commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B1 Light Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. The proposed use for commercial retail space is permitted in the B1 zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing rehabilitate the existing structure a conforming structure and use in the B1 zoning district. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.

This property, owned by the developer is maintained as retail center. The proposed use of this property would continue as a retail commercial space. No individuals or families will be relocated as a result of this project.[§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer has owned the property for since 19??. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing structure and parking improvements are estimated at \$4,041,744 including all fees. The direct cost to renovate the building is estimated at \$2,609,744. Fees and reimbursement

to the City and the CRA of \$6,500, the cost of the original blight study and generalized redevelopment plan of \$6,000 are included as a TIF eligible expense.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$1,072,785 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2014 through December 31, 2027.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic on at the intersection of State Street and U.S. Highway 281. Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between September 2012 and April of 2013. Excess valuation should be available for this project for 15 years beginning with the 2013 tax year.

9. Justification of Project

The U.S. Highway 281 Corridor is a major entrance for the City of Grand Island from the north and from I-80. The majority of the new commercial development in Grand Island in the past 10 years has occurred along this stretch of highway. The Grand Island Mall area was one of the first pieces in this corridor to develop. The pattern that has been most successful with buildings facing onto U.S. 281 was not as obvious a pattern for success as it is today. The opportunity to partner with owners of key building along this corridor as they redevelop and reinvest in their properties is important to making those favorable first impressions. This property in particular at the corner of the largest intersection in the City has a unique opportunity to set the tone for a visitor's entire experience in Grand Island.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$2,187,305. The proposed renovation of this facility will result in an estimated additional \$3,262,365 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

The proposed facility will provide jobs for persons employed by the contractors that will be involved with the project. It could result in a new local and/or national retailers

locating in Grand Island. The new retail facilities will employ managerial and sales staff at these locations.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This may create additional demand for retail service employees in the Grand Island area and could impact other retailers.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This will improve the northern entrance into the City of Grand Island. The updates and upgrades a portion of one of the oldest commercial areas along U.S. Highway 281. Since these are proposed for retail commercial use this may give the City a greater opportunity to capture more sales tax dollars.

Time Frame for Development

Development of this project is anticipated to be completed during between September 2012 and April of 2013. The base tax year should be calculated on the value of the property as of January 1, 2012. The tax increment on excess valuation should be available for this project for 15 years beginning in 2014. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$1,072,785 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the cost of renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$4,000,000 on TIF eligible activities over \$2,600,000 of which are directly related to remodeling and rehabilitating the existing building.

See Attached Building Plans

Resolution Number 2012 - 08

HALL COUNTY REGIONAL PLANNING COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC
REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA;
AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the “**Authority**”), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the “**Commission**”) a copy of which is attached hereto as Exhibit “A” for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: _____ 2012.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary

EXHIBIT A

FORM OF REDEVELOPMENT PLAN