



Hall County Regional Planning Commission

**Wednesday, October 3, 2012
Regular Meeting**

Item F1

Redevelopment Plan Amendment for 1135 S Locust, Area 2

Staff Contact: Chad Nabity

Agenda Item #6

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

September 25, 2012

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area #2 north of Fonner Park Road on South Locust Street in Grand Island Nebraska to support this development. (C-01-2013GI)

PROPOSAL:

Auto One is proposing to redevelop the property immediately north of the Central Nebraska Health Department. They are proposing to renovate the commercial building on Locust Street and build a tri-plex on Pine Street side. The developer is seeking Tax Increment Financing to offset the cost of renovation of the existing building, utility service extensions, necessary surveying and engineering and site preparation. The structure on this property is currently vacant.

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 this area within the City of Grand Island. This is evidenced by the fact that the property is zoned B2 General Commercial on the Locust frontage and R3-Medium Density Residential on the Pine Street frontage. The proposed development is within the allowed parameters for the existing zoning districts.

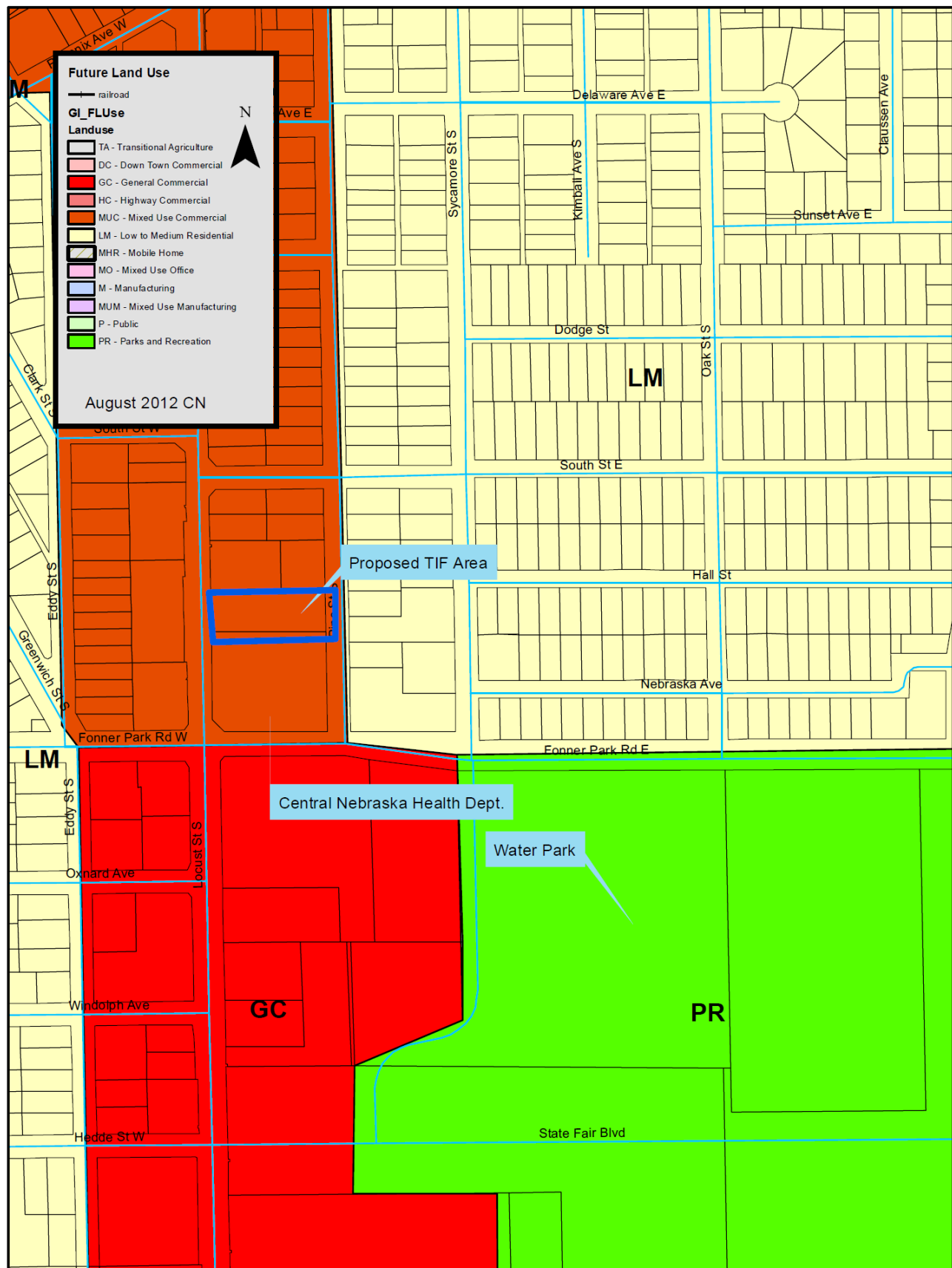
The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan calls for mixed use commercial along this location.

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. The proposed use for residential units at this location appears to be supported by the 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

- I. Business Name: Auto One Inc.
- Address: 1112 S. Locust, Grand Island NE 68801
- Telephone No.: 308.380.6876 Fax No.: 308.675.1478
- Contact: Gary Jacobsen

II. Brief Description of Applicant's Business:

Auto One Inc. sales, finances and services used automobiles. Auto One has locations in Grand Island, Kearney and North Platte. Auto One is one of the largest independent dealers of used cars in the state of Nebraska. Auto One employs over 20 people.

III. Present Ownership Proposed Project Site: 1135 S locust, Grand Island

The blighted property was purchased by Auto One Inc on June 18, 2012

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

The 30,160 sq ft property has a 3,000 sq ft metal building wich is in substandard condition. Auto One purchased the blighted property which is located across the street from our retail and service location in Grand Island. We beleive it is in Auto One's and the City of Grand Island's best interest for us to develop the distressed property to help stabilize the blighted area. Auto One plans to completely remodel the metal building. Including a new facade, store front and landscaping. We also plan to remodel the interior including electric, Plumbing and HVAC.

The property will also be subdivided and multi-family housing will be added on Pine street.

V. If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

| | |
|-------------|------------------|
| A. Land | \$ <u>70,273</u> |
| B. Building | \$ <u>19,727</u> |

Construction Costs:

| | |
|----------------------------------|-------------------|
| A. Renovation or Building Costs: | \$ <u>541,981</u> |
| B. On-Site Improvements: | \$ <u>20,000</u> |

Soft Costs:

| | |
|--------------------------------------|---------------------|
| A. Architectural & Engineering Fees: | \$ <u>800.00</u> |
| B. Financing Fees: | \$ <u>200.00</u> |
| C. Legal/Developer/Audit Fees: | \$ <u>1500.00</u> |
| D. Contingency Reserves: | \$ <u>10,000.00</u> |
| E. Other (Please Specify) | \$ <u>0.00</u> |

TOTAL \$ 664,481.00

VII. Total Estimated Market Value at Completion: \$ 575,747.00

VIII. Source of Financing:

| | |
|------------------------------|----------------------|
| A. Developer Equity: | \$ <u>90,000.00</u> |
| B. Commercial Bank Loan: | \$ <u>574,481.00</u> |
| C. Tax Credits: | |
| 1. N.I.F.A. | \$ <u>0.00</u> |
| 2. Historic Tax Credits | \$ <u>0.00</u> |
| D. Industrial Revenue Bonds: | \$ <u>0.00</u> |
| E. Tax Increment Assistance: | \$ <u>159,738.00</u> |

F. Other

\$ 0.00

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

Terry Aldrich - Steel Crafters 1515 W. North Front, Grand Island NE 68801
308.389.3033 fax 308.385.4762

Gary Jacobsen - Auto One 1112 S Locust, Grand Island NE 68801
308.380.6876 fax 308.675.1478

X. Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

Estimated Assessors value \$575,747.00 x .0219234 = \$12,622.33

XI. Project Construction Schedule:

A. Construction Start Date: 10/01/12

B. Construction Completion Date: 04/01/13

C. If Phased Project:

_____ Year _____ % Complete

_____ Year _____ % Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Auto One is requesting \$159,738 in Tax Increment Financing over 15 years
to help offset development costs.

II. Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed

~~Auto One does not believe that the project would be fiscally feasible without Tax Increment Financing.~~

The estimated value of the property and estimated cash flow will not support the total amount of capital invested.

III. 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:

In the last five years Auto One has had commercial developments in Kearney, North Platte and Grand Island.
This is the first time Auto One has requested Tax Increment Financing for any project.
The most recent project was the Auto One Service Center on South Locust. The Service Center was built by Steel Crafters 308.389.3033 fax 308.385.4762

The service center also added five jobs to the community of Grand Island.

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

Post Office Box 1968
Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: ceabity@grand-island.com

HALL COUNTY ASSESSOR'S OFFICE

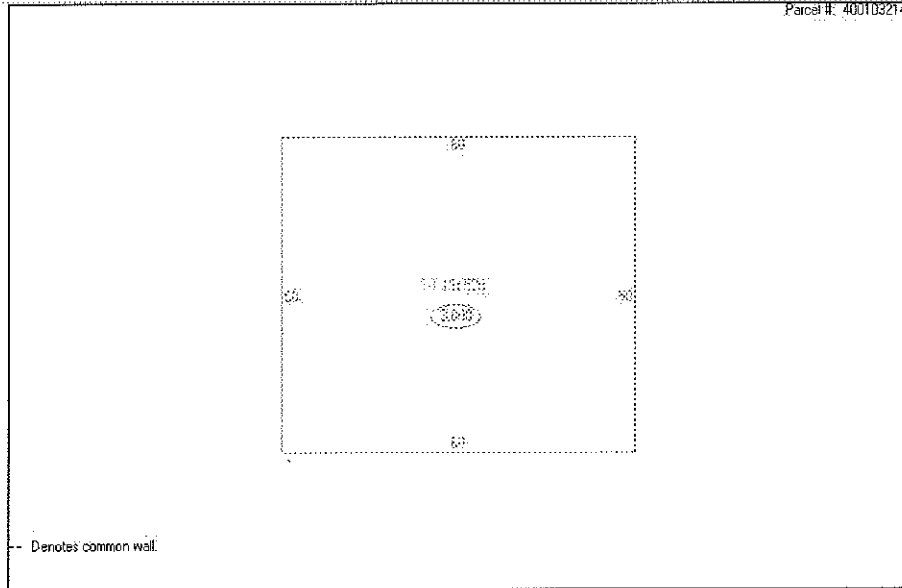


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:14:04P

| Parcel Information | | | Ownership Information | | |
|--------------------|--------------------------|-------------|-----------------------|-------------------------|--------|
| Parcel Number | 400103214 | | Current Owner | AUTO ONE INC | |
| Map Number | 3315-00-0-11740-000-0001 | | | | |
| Situs | 1135 S LOCUST | | Address | 1112 S LOCUST ST | |
| Legal | DOWD SUB LT 1 | | City St. Zip | GRAND ISLAND, NE 68801- | |
| | | | Cadastral # | 0002-0033-0052 | |
| Property Data | | | | | |
| Neighborhood | 315 | Topography | | Number of Units | 30160 |
| Lot Width | 104 | Street | | Unit Value | 2.33 |
| Lot Depth | 290 | Utilities | | Adjustment | |
| Units Buildable | 30160 | Amenities 1 | | Lot Value | 70,273 |
| Value Method | SE | Amenities 2 | | | |



| Building Data | | | | | | | | | | | | | | | | |
|---|------|------|-----------------------|----------|------|-------|-------|----------------------------|-------|-------|-------|--------------|--------|-------|-------|--------|
| Bldg. | Sec. | Code | Description | Year | Cls. | Qual. | Cond. | Area | Perm. | Stor. | Hght. | Sec. RCN | Phys. | Func. | RCNLD | |
| 1 | 1 | 406 | WAREHOUSE, STORAGE | 1987 | S | | 200 | 20 | 3,000 | 220 | 1 | 12 | 93,240 | 43% | 66% | 18,070 |
| 1 | 1 | 528 | SERVICE REPAIR-GARAGE | 1987 | S | | 200 | 20 | | 220 | 1 | 12 | | 69% | 57% | |
| Cost Approach From Marshall & Swift | | | | | | | | Potential Gross Income | | | | | | | | |
| Total Building Area | | | | 3,000 | | | | Contract | | | | Market | | | | |
| Total Building RCN | | | | 93,240 | | | | Vacancy & Collection Loss | | | | 10.00% 2,400 | | | | |
| Total Refinements | | | | | | | | Effective Income | | | | 21,600 | | | | |
| Total Replacement Cost New | | | | 93,240 | | | | Total Expenses | | | | 20.00% 4,320 | | | | |
| Total Phys. & Func. Depreciation | | | | (75,170) | | | | Net Operating Income | | | | 17,280 | | | | |
| RCN Less Phys. & Func. | | | | 18,070 | | | | Capitalization Rate | | | | 12.00% | | | | |
| Economic Depreciation | | | | -10% | | | | Income Approach | | | | 144,000 | | | | |
| Accrued Economic depreciation | | | | 1,807 | | | | Final Value Reconciliation | | | | 90,150 | | | | |
| Total RCN Less Depreciation | | | | 19,877 | | | | | | | | | | | | |
| Additional Lump Sums | | | | | | | | | | | | | | | | |
| Land Value | | | | 70,273 | | | | | | | | | | | | |
| Total Cost Value | | | | 90,150 | | | | | | | | | | | | |
| Value Per Res Unit | | | | | | | | | | | | | | | | |
| Value Per Sq. Ft. | | | | 30.05 | | | | | | | | | | | | |
| 2012 Value | | | | | | | | | | | | | | | | |
| *DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein. | | | | | | | | | | | | | | | | |

2012 Value

HALL COUNTY ASSESSOR'S OFFICE

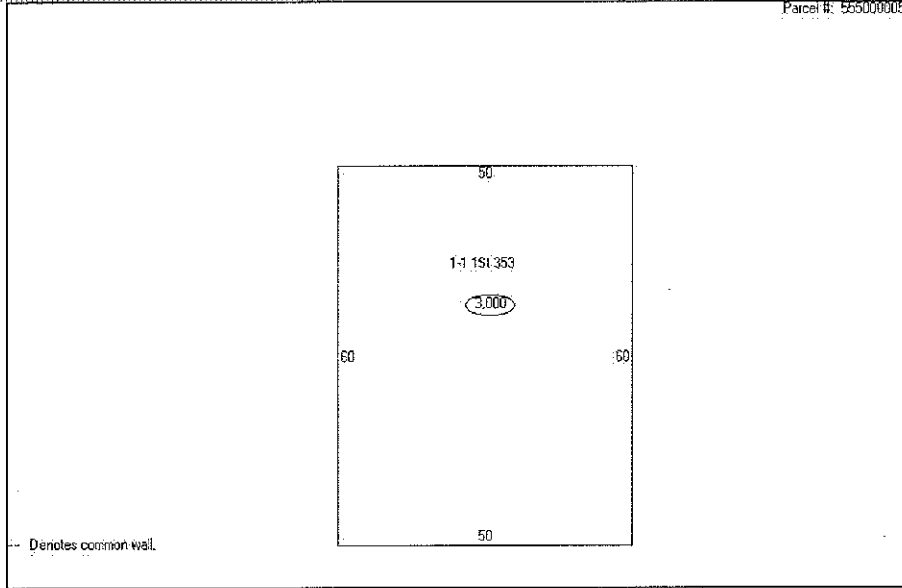


Commercial Property Record Card

TerraScan Inc.


Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:13:15P

| Parcel Information | | Ownership Information | |
|---|--|-----------------------|--|
| Parcel Number 555000005 Map Number Situs Legal | Current Owner Address City St. Zip Cadastral # | | |
| Property Data | | | |
| Neighborhood 315 Lot Width 104 Lot Depth 290 Units Buildable 30160 Value Method SF | Topography Street Utilities Amenities 1 Amenities 2 | | |
| Number of Units 30160 Unit Value 2.33 Adjustment Lot Value 70,273 | | | |



| Building Data | | | | | | | | | | | | | | | |
|---------------|------|------|--------------|------|------|-------|-------|------|-------|-------|-------|----------|-------------|-------|---------|
| Bldg. | Sec. | Code | Description | Year | Cls. | Qual. | Cond. | Area | Perm. | Stor. | Hght. | Sec. RCN | Phys. Func. | RCNLD | |
| 1 | 1 | 353 | RETAIL STORE | 1987 | S | | 200 | 40 | 3,000 | 220 | 1 | 12 | 199,110 | 43% | 113,493 |

| Cost Approach From Marshall & Swift | | | | Potential Gross Income | | | | | | |
|-------------------------------------|--|--|--|------------------------|----------------------------|--|--|--|---------|--|
| Total Building Area | | | | 3,000 | Contract | | | | Market | |
| Total Building RCN | | | | 199,110 | Vacancy & Collection Loss | | | | | |
| Total Refinements | | | | | Effective Income | | | | | |
| Total Replacement Cost New | | | | 199,110 | Total Expenses | | | | | |
| Total Phys. & Func. Depreciation | | | | (85,617) | Net Operating Income | | | | | |
| RCN Less Phys. & Func. | | | | 113,493 | Capitalization Rate | | | | | |
| Economic Depreciation | | | | | Income Approach | | | | | |
| Accrued Economic depreciation | | | | | Final Value Reconciliation | | | | 183,766 | |
| Total RCN Less Depreciation | | | | 113,493 | | | | | | |
| Additional Lump Sums | | | | | | | | | | |
| Land Value | | | | 70,273 | | | | | | |
| Total Cost Value | | | | 183,766 | | | | | | |
| Value Per Res Unit | | | | | | | | | | |
| Value Per Sq. Ft. | | | | 61.26 | | | | | | |



What If

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

HALL COUNTY ASSESSOR'S OFFICE

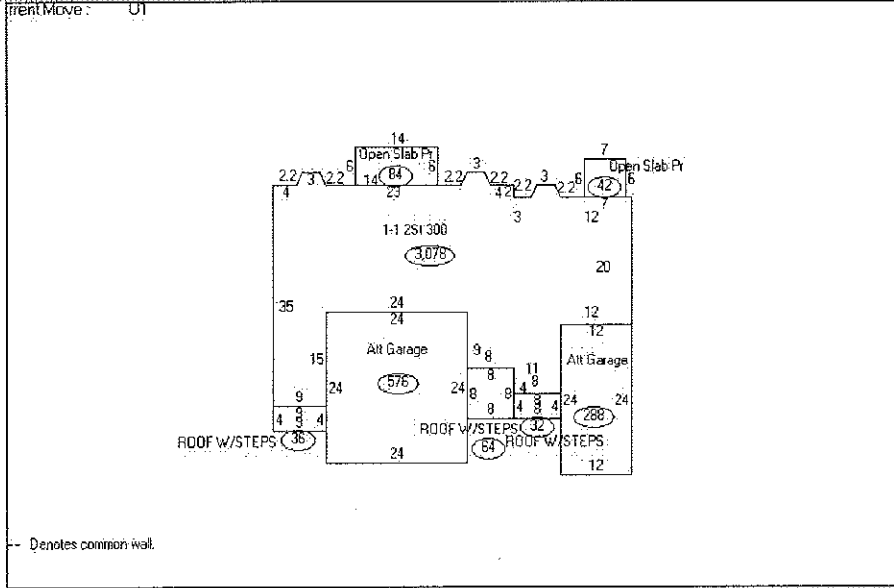


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:49:46P

| Parcel Information | | | | Ownership Information | | | |
|--------------------|-----------|--|-------------|-----------------------|-----------------|--|--|
| Parcel Number | 555000005 | | | Current Owner | | | |
| Map Number | | | | | | | |
| Situs | | | | Address | | | |
| Legal | | | | City St. Zip | | | |
| | | | | Cadastral # | | | |
| Property Data | | | | | | | |
| Neighborhood | 315 | | Topography | | Number of Units | | |
| Lot Width | | | Street | | Unit Value | | |
| Lot Depth | | | Utilities | | Adjustment | | |
| Units Buildable | | | Amenities 1 | | Lot Value | | |
| Value Method | | | Amenities 2 | | | | |



| Building Data | | | | | | | | | | | | | | |
|---------------|------|------|--------------------|------|------|-------|-------|-------|-------|-------|-------|----------|-------------|---------|
| Bldg. | Sec. | Code | Description | Year | Cls. | Qual. | Cond. | Area | Perm. | Stor. | Hght. | Sec. RCN | Phys. Func. | RCNLD |
| 1 | 1 | 300 | APARTMENT | 2012 | D | 300 | 40 | 3,078 | 225 | 2 | 24 | 365,420 | | 365,420 |
| 1 | | | OPEN SLAB PORCH | 2012 | | | | 84 | | | | 427 | | 427 |
| 1 | | | OPEN SLAB PORCH | 2012 | | | | 42 | | | | 231 | | 231 |
| 1 | | | ATTACHED GARAGE | 2012 | | | | 576 | | | | 14,100 | | 14,100 |
| 1 | | | ATTACHED GARAGE | 2012 | | | | 288 | | | | 8,412 | | 8,412 |
| 1 | | | SLAB W/ROOF & STEP | 2012 | | | | 36 | | | | 967 | | 967 |
| 1 | | | SLAB W/ROOF & STEP | 2012 | | | | 64 | | | | 1,553 | | 1,553 |
| 1 | | | SLAB W/ROOF & STEP | 2012 | | | | 32 | | | | 871 | | 871 |

| Cost Approach From Marshall & Swift | | Potential Gross Income | | |
|---|---------|----------------------------|----------|---------|
| Total Building Area | 3,078 | | Contract | Market |
| Total Building RCN | 365,420 | Vacancy & Collection Loss | | |
| Total Refinements | 26,561 | Effective Income | | |
| Total Replacement Cost New | 391,981 | Total Expenses | | |
| Total Phys. & Func. Depreciation | | Net Operating Income | | |
| RCN Less Phys. & Func. | 391,981 | Capitalization Rate | | |
| Economic Depreciation | | Income Approach | | |
| Accrued Economic depreciation | | Final Value Reconciliation | | 391,981 |
| Total RCN Less Depreciation | 391,981 | | | |
| Additional Lump Sums | | | | |
| Land Value | | | | |
| Total Cost Value | 391,981 | | | |
| Value Per Res Unit | | | | |
| Value Per Sq. Ft. | 127.35 | | | |
| *DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein. | | | | |

What Is

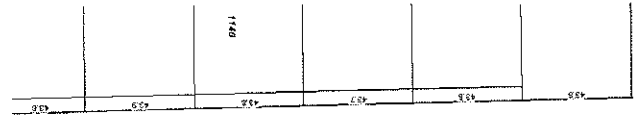


Figure 28.7

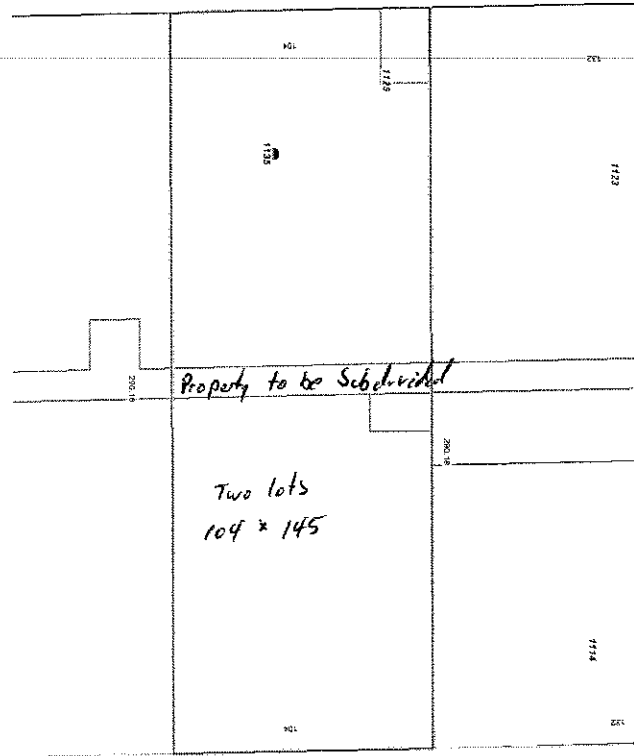
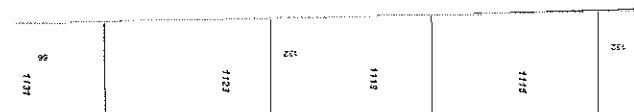


Figure 28.8



Annual Income and Expense

Income

| | |
|--------------------------|---------------------|
| Rent Commercial building | \$36,000.00 |
| <u>Rent Triplex</u> | <u>\$36,000.00</u> |
| | \$72,000.00 |
| 5% vacancy rate | <u>(\$3,300.00)</u> |
| Gross income | \$68,700.00 |

Expense

| | |
|---|---------------|
| Debt service ((\$547,481 @ 5% for 15years) | \$51,953.00 |
| Water / sewer | \$3,600.00 |
| Maintenance | \$2,800.00 |
| Lawn care | \$ 960.00 |
| Insurance | \$3,200.00 |
| Property tax | \$12,622.00 |
| <u>Advertising</u> | <u>500.00</u> |
| Total expense | \$ 75,635.00 |

Income \$68,700.00

Expense (75,635.00)

Annual financial gap (\$6,935.00)

Tax increment financing assistance \$ 10,649.00

Cash flow after TIF \$3,714.00

Construction Cost Breakdown

Commercial building

| | |
|--------------------------------|--------------|
| Commercial glass | \$19,270.00 |
| Stucco/Stone | 28,200.00 |
| Façade | 20,000.00 |
| HVAC | 12,000.00 |
| Electric and lighting fixtures | 21,000.00 |
| Landscape | 8,000.00 |
| Asphalt | 10,000.00 |
| Plumbing | 15,000.00 |
| Interior doors | 800.00 |
| Gutters | 200.00 |
| Drywall and trim | 6,200.00 |
| Painting | 1,800.00 |
| Tiles and carpet | 4,000.00 |
| Other | 3,530.00 |
| Total | \$150,000.00 |

Multifamily housing

| | |
|------------------------------------|--------------|
| Dirt work, foundation and backfill | \$25,679.00 |
| Framing | 61,149.00 |
| Sheathing | 10,583.00 |
| Windows | 10,975.00 |
| Exterior doors | 3,527.00 |
| Interior doors and hardware | 5,879.00 |
| Stairs | 3,135.00 |
| Roof shingles | 14,895.00 |
| Siding | 22,734.00 |
| Gutters | 1,567.00 |
| Plumbing | 35,278.00 |
| Electric wiring | 23,423.00 |
| Lighting fixtures | 4,311.00 |
| HVAC | 23,518.00 |
| Insulation | 5,879.00 |
| Drywall | 19,991.00 |
| Painting | 13,327.00 |
| Cabinets & countertops | 31,358.00 |
| Appliances | 11,759.00 |
| Tiles and carpet | 19,991.00 |
| Trim | 12,935.00 |
| Landscape | 12,543.00 |
| Patio | 3,527.00 |
| Driveway | 5,487.00 |
| Other | 8,531.00 |
| Total | \$391,981.00 |

Total construction cost \$541,981.00



P.O. Box 909 • Kearney, NE 68848-0909 • 308-234-6171

July 9, 2012

Gary Jacobsen, President
Auto One, Inc.
1112 S Locust Street
Grand Island, NE 68801

RE: 1135 South Locust
Grand Island, NE

Gary:

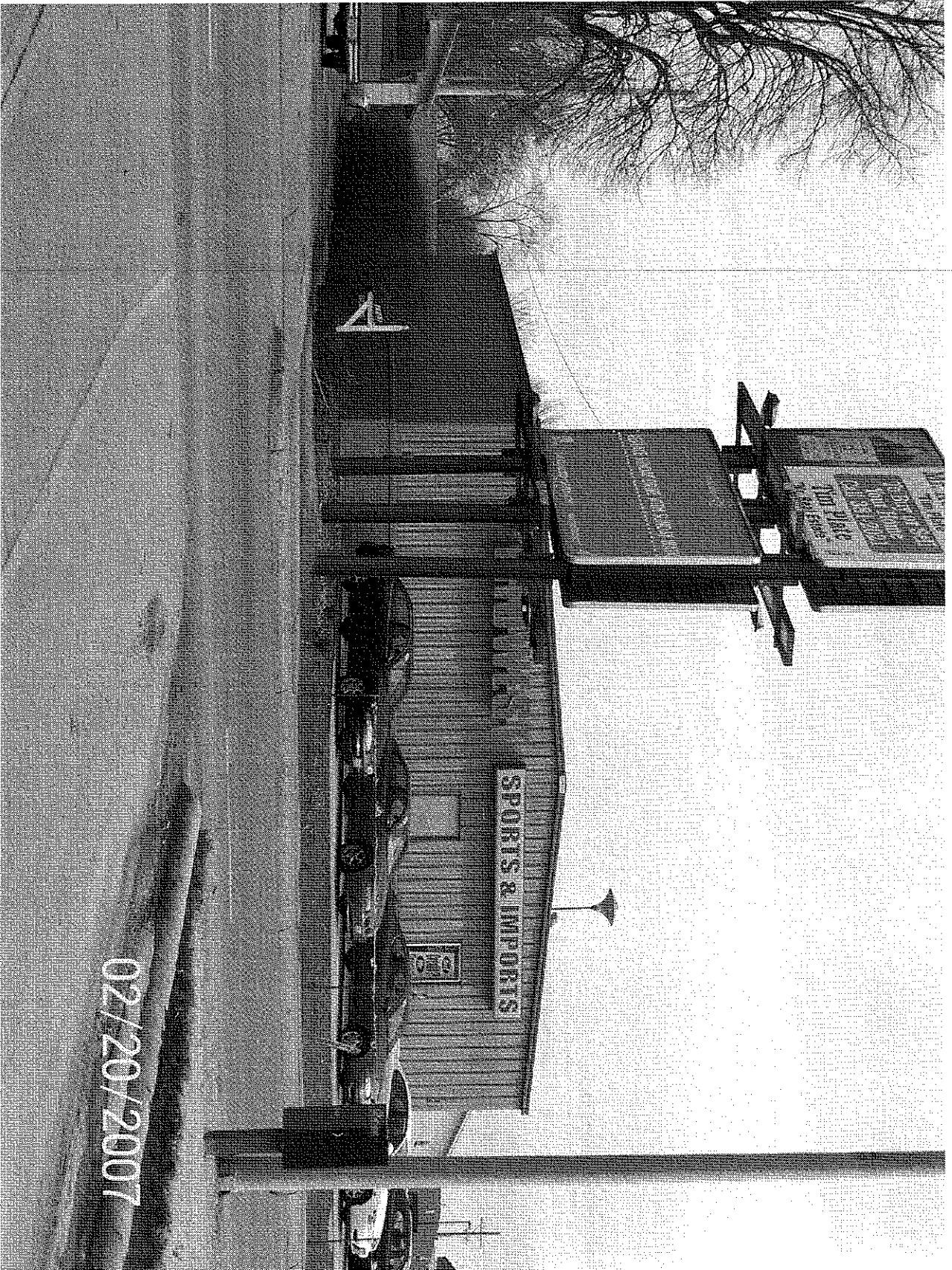
Five Points Bank commits to provide to Auto One Inc. (borrower) adequate loan funding to purchase the property located at 1135 South Locust in Grand Island and to rehab and improve the existing commercial structure and construct a multi-family rental facility at the same location.

This loan commitment is based on the following conditions:

- The improvement to the existing facility and the new construction are to be completed in accordance with the plans you submitted. Any major changes or alterations need prior approval of bank.
- Prior to loan funding, borrower to provide a projected report of income and expenses indicating a positive rental cash flow.

Five Points Bank and my self look forward t working with you on this project. Please contact me with any questions or comments.

Curt Bjornsen
Five Points Bank
308-698-3008



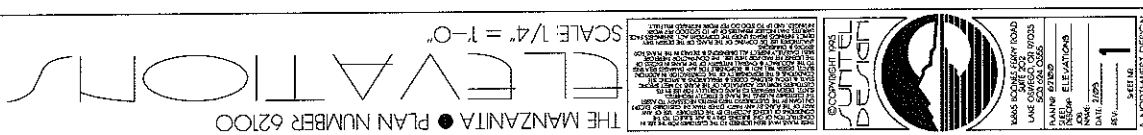
Before

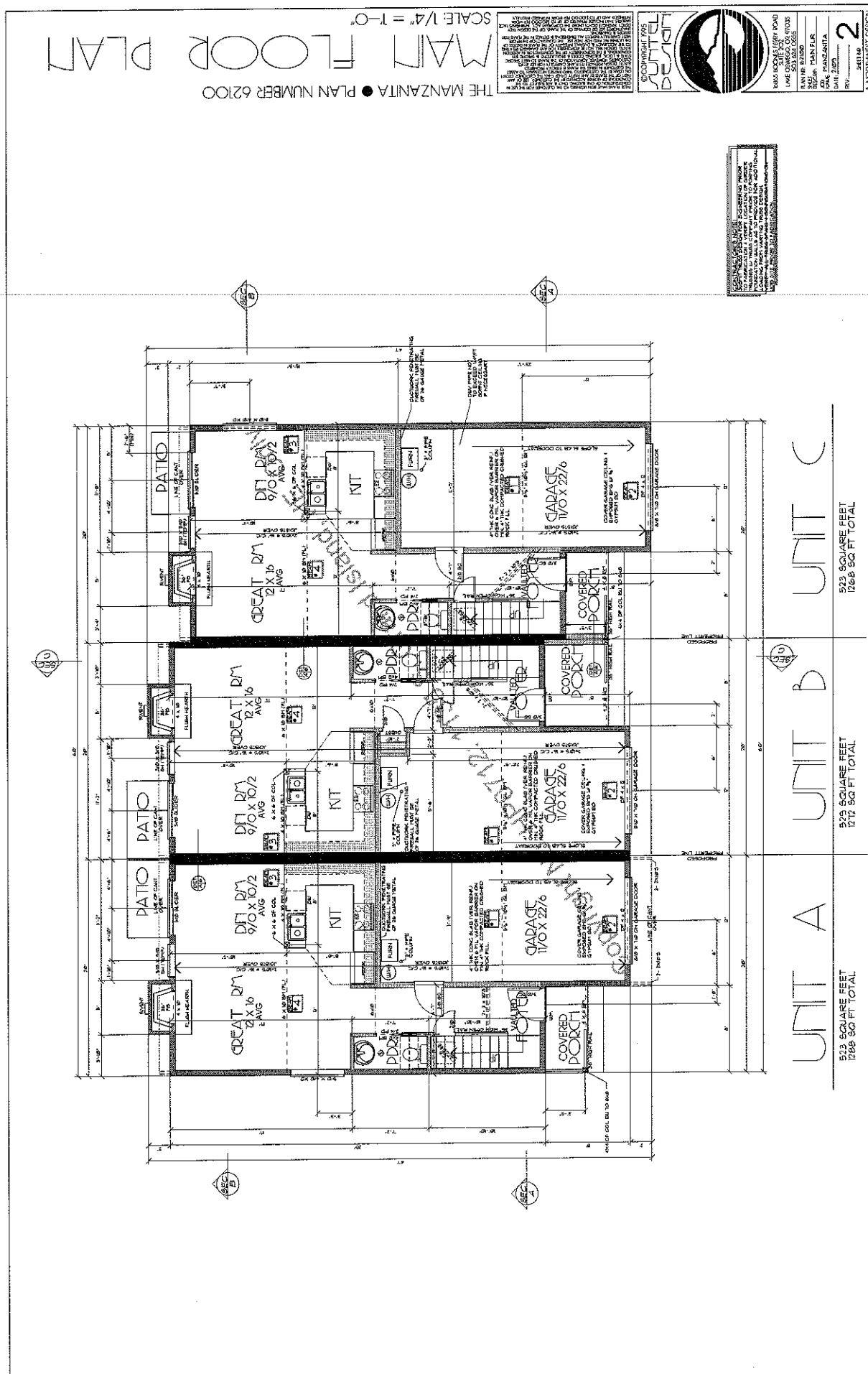
1135 S Locust



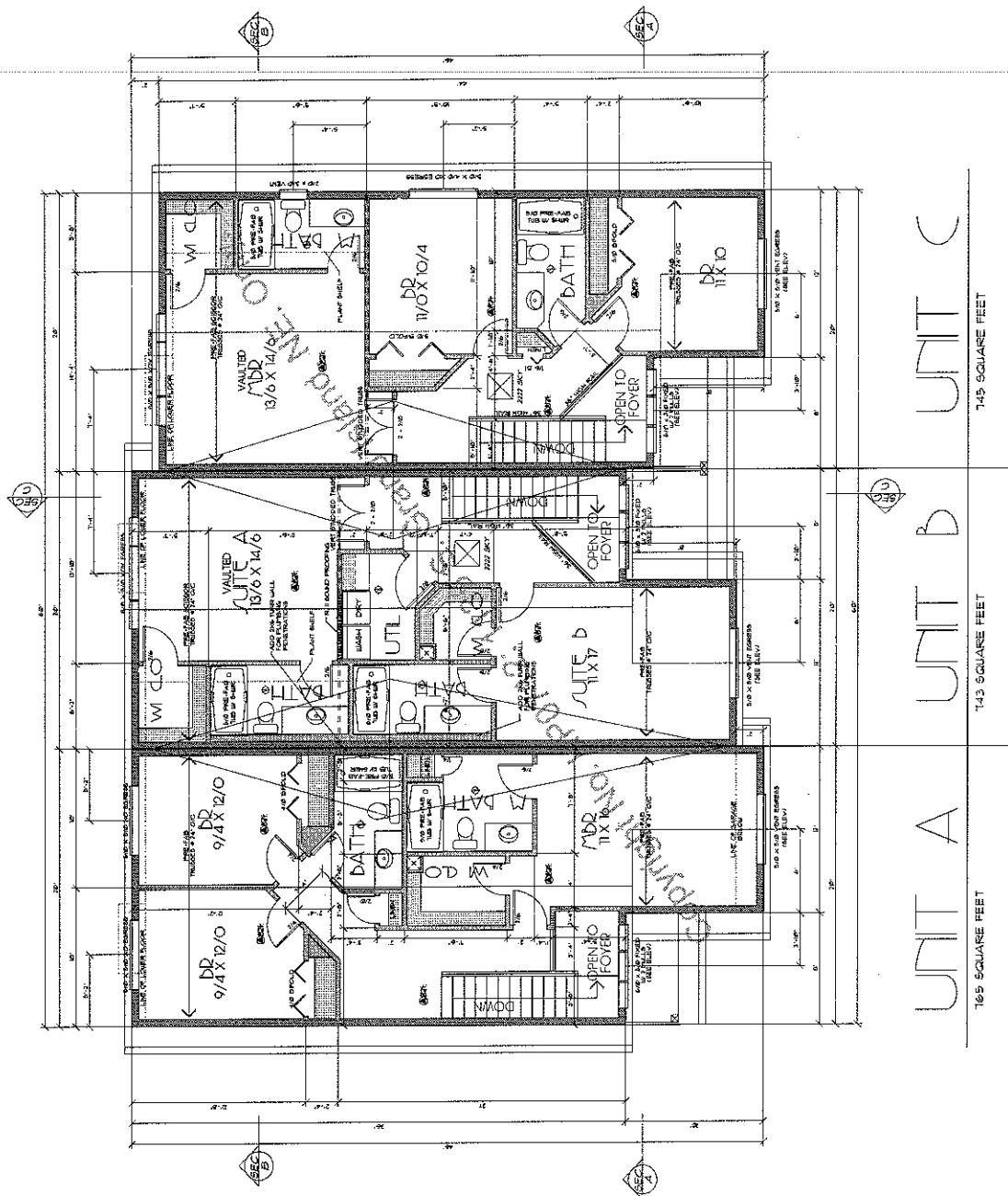
After

<http://us.123rf.com/400wm/400/400/Iharn/Iharn0901/Iharn090100030/4228933-beige-store...> 7/16/2012





3000 PINEWOOD ROAD
 SUITE 100
 SAN ANTONIO, TEXAS 78217
 (214) 591-1111
 WWW.NORTHWESTDESIGN.COM
 NORTHWEST DESIGN
 ARCHITECTS
 3
 SET 1A
 11/10/2011

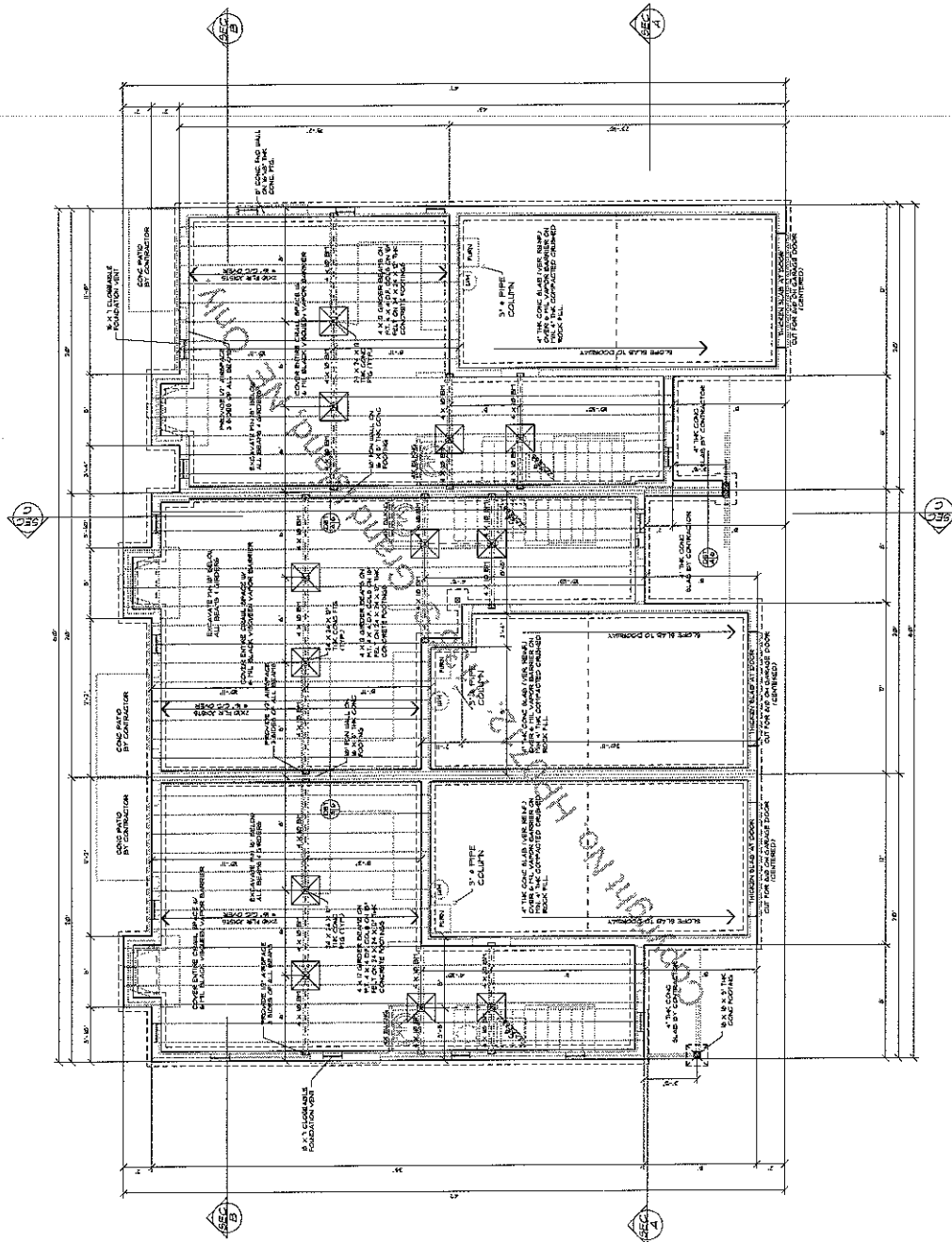


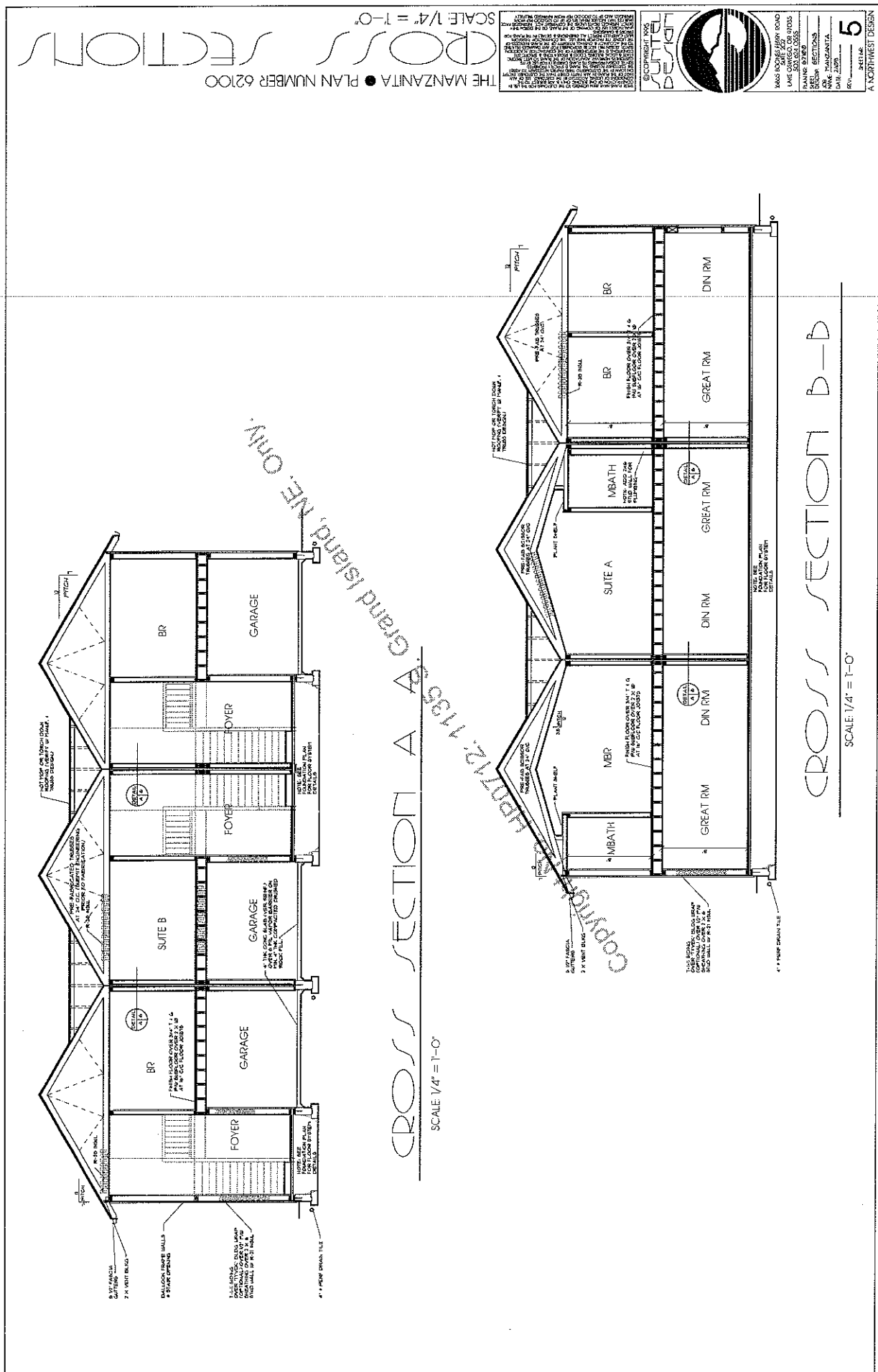
THE MANZANITA • PLAN NUMBER 62100
 FOUNDATION PLAN
 SCALE 1/4" = 1'-0"

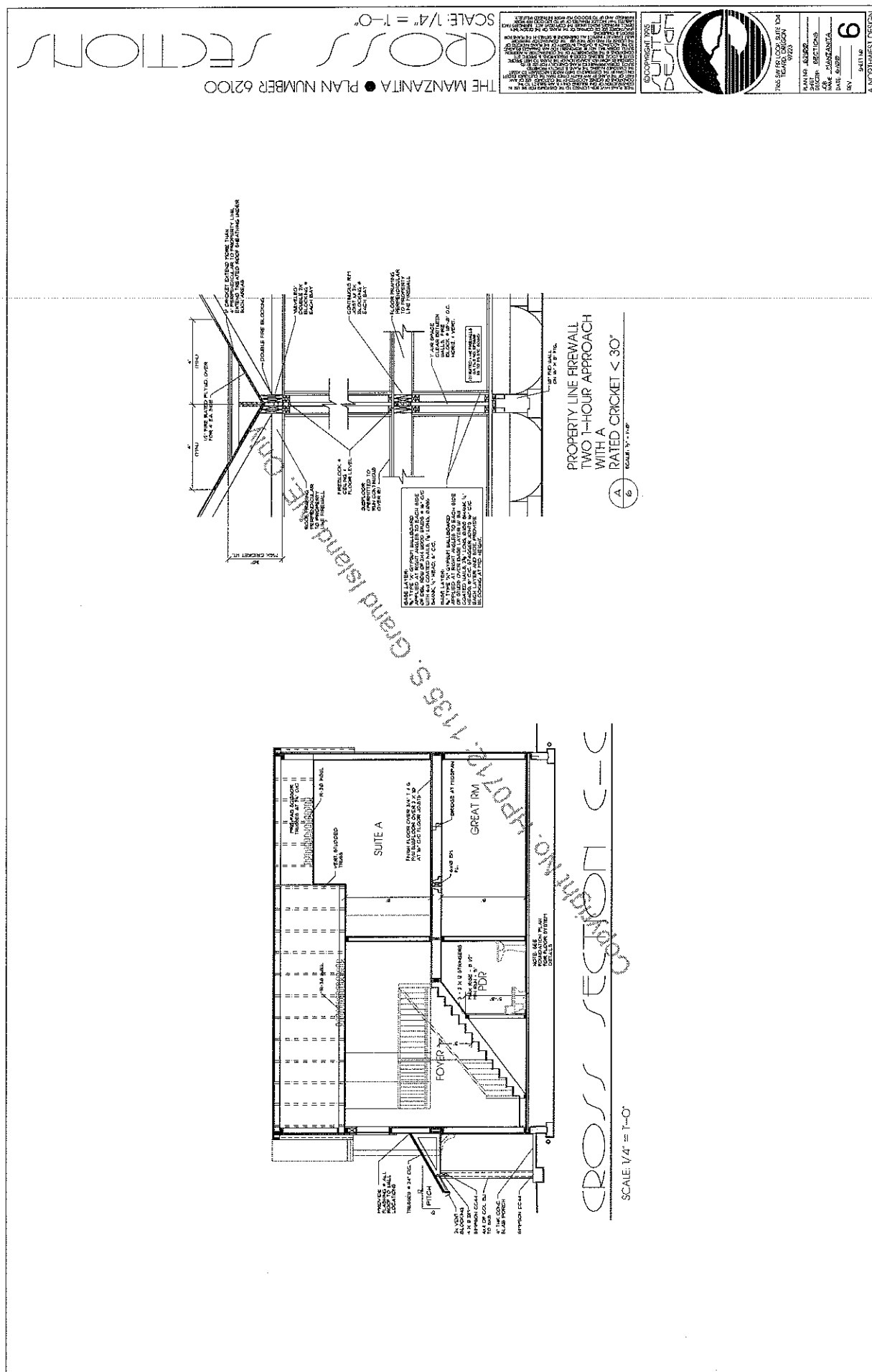
THIS FOUNDATION PLAN IS A PART OF THE SET OF PLANS FOR THE MANZANITA, A NORTHWEST DESIGN PROJECT. IT IS TO BE USED IN CONJUNCTION WITH THE OTHER PLANS IN THE SET. NO PART OF THIS PLAN IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF A NORTHWEST DESIGN.

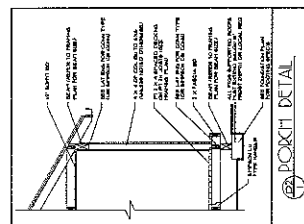
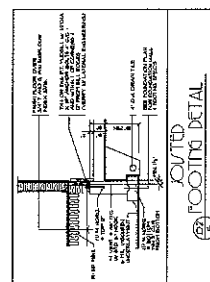
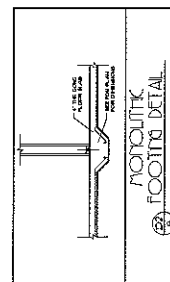
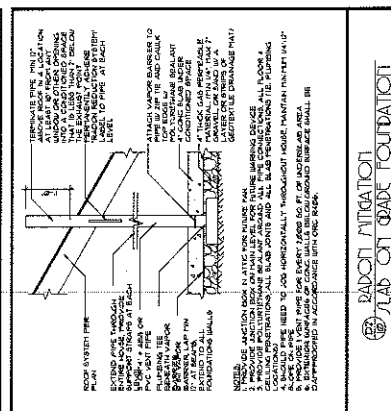


1805 BOWMAN STREET ROAD
 LAKE OSWEGO, OR 97035
 503.266.0005
 A NORTHWEST DESIGN
 PROJECT: FOUNDATION
 CLIENT: MANZANITA
 DATE: 1/27/12
 REV: 4C
 SHEET NO. 4C
 A NORTHWEST DESIGN









Resolution Number 2013-01

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