



Community Redevelopment Authority (CRA)

**Wednesday, February 10, 2016
Regular Meeting**

Item H1

TIF App - 106 S Webb Rd - Pump & Pantry Inc.

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Pump and Pantry Inc.
3123 W. Stolley Park Road, PO Box 4905
Grand Island, NE 68802-4905
Telephone: 308-382-5501 ext. 147
Contact: Gus Patsios

Brief Description of Applicant's Business:

Pump and Pantry Inc. are affiliated with the Bosselman Retail Companies. Founded in 1948, the Bosselman Companies has expanded throughout 24 states with over 1,400 employees. A family company in its third generation, Bosselman is comprised of 49 convenience stores, 44 truck repair shops, 12 hotels, 5 restaurants, 5 quick serve food locations, an indoor professional football team, storage, vending, and truck rental services, and Nebraska's premier travel center. Bosselman corporate headquarters are located in Grand Island, Nebraska.

Present Ownership Proposed Project Site:

106 S. Webb Rd.
Parcel #400130572
Plate Realty
620 N. Webb
Grand Island, NE. 68803

Proposed Project:

Pump and Pantry Inc. to develop a new state of the art Generation 3 Convenience store that will have multiple options for Grand Island residents. The development will include a 2,400 square foot tunnel car wash; multiple food offerings to include dine in options in a family friendly environment with in a modern 6,845 square foot Convenience store/ with Gas and Diesel islands.

Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 900,000
B. Building	\$

Construction Costs:

A. Renovation or Building Costs:	\$ 2,000,000
B. On-Site Improvements:	\$ 600,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 85,000
B. Financing Fees:	\$ 15,000
C. Legal/Developer/Audit Fees:	\$ 7,000
D. Contingency Reserves:	\$ 135,000
E. Personal Property	\$ 300,000
TOTAL	\$ 542,000

Total Estimated Market Value at Completion: \$ 2,652,085

Source of Financing:

A. Developer Equity:	\$ 1,117,200
B. Commercial Bank Loan:	\$ 2,606,800
Tax Credits:	
1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance:	\$ 748,688.02
F. Other	\$ 0

Architect: Ryan Sterns
Hewgley and Associates
702 S. Bailey
North Platte, NE 69101
308-534-4983

General Contractor: Matt Krieser
Bosselman Administrative Services, Inc.
3123 W. Stolley Park Road, PO Box 4905
Grand Island Ne. 68802-4905
308-382-5501 ext. 170

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

Project-

Base \$393,355

Expected value \$2,652,085

Annual Tax Increment \$49,913

15 year \$748,688.02

Project Construction Schedule:

Construction Start Date: October 15, 2016 –Est.

Construction Completion Date: March 31, 2017-Est.

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Amount: \$748,688.02

Purpose for TIF requested- Land acquisition cost, general site work, extension of utilities throughout site and storm water drainage.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed Project: , financial analysis has determined without TIF, the land acquisition costs, site work, utility extensions and new construction costs are too high to support a reasonable ROI on the project.

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:

2012 Sayre, OK. Boss Truck Shop
2013 Sullivan, MO. Boss Truck Shop
2013 Tucumcari, NM. Boss Truck Shop
2013 LaVista, NE. Pump & Pantry
2013 Fremont, NE. Pump & Pantry
2013 370 Omaha, NE. Pump & Pantry
2013 York, NE. Pump & Pantry
2013 Gretna, NE. Boss Truck Shop
2013 Rawlins, NE. Boss Truck Shop
2014 Bellevue, NE. Pump & Pantry
2014 Lincoln, NE. Quality Inn
2014 Bellevue, NE. Comfort Inn
2014 Grand Island, NE. Quaker Steak & Lube
2015 Cairo, NE. Pump & Pantry

**Redevelopment Plan Amendment
Grand Island CRA Area 15
February 2016**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 15 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 15.

Executive Summary:

Project Description

THE REDEVELOPMENT OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF WEBB ROAD AND OLD POTASH HIGHWAY (LOT 1 OF ANTONSON SECOND SUBDIVISION) FOR USE AS A LATEST GENERATION BOSSELMAN PUMP AND PANTRY STORE INCLUDING ACQUISITION OF PROPERERTY AND NECESSARY INFRASTRUCTURE AND GRADING IMPROVEMENTS.

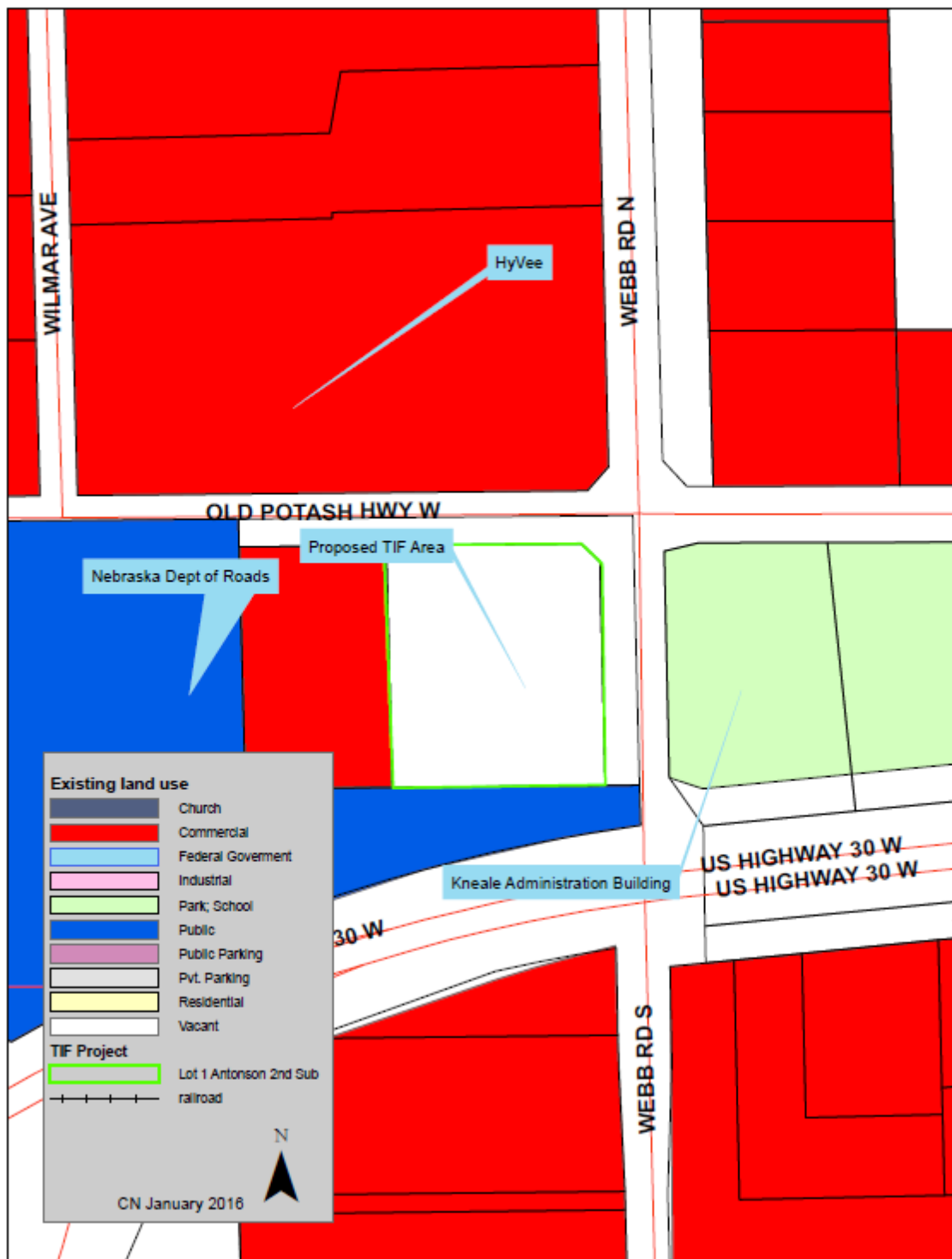
The use of Tax Increment Financing to aid in rehabilitation expenses associated with acquisition of property and necessary infrastructure and grading improvements to redevelop 106 S. Webb Road (Lot 1 of Antonson Second Subdivision in the City of Grand Island). The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in the construction of a newest generation Pump and Pantry store and carwash on a piece of property that has been vacant for a number of years. The developers feel this project, at this location would not be possible without the use of TIF.

Pump and Pantry Inc. made an offer to purchase this property for \$900,000 contingent on their ability to secure TIF for the project to offset a portion of the acquisition cost. Acquisition of property is an eligible TIF activity. The property is currently vacant the buildings that were on this property were removed by the current property owner in preparation for redevelopment.. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the 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, 2017 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:
Property Description (the “Redevelopment Project Area”)

106 S Webb Road in Grand Island Nebraska

Legal Descriptions: [Lot 1 of Antonson Second Subdivision in Grand Island, Hall County, Nebraska.](#)



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2017 through 2031 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 the construction of a convenience store at this location as permitted in the M2 Heavy Manufacturing Zoning District.

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, 2017.

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 January 14, 2014.[§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 the building for permitted uses on this property as defined by the current and effective zoning regulations.

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

a. Land Acquisition:

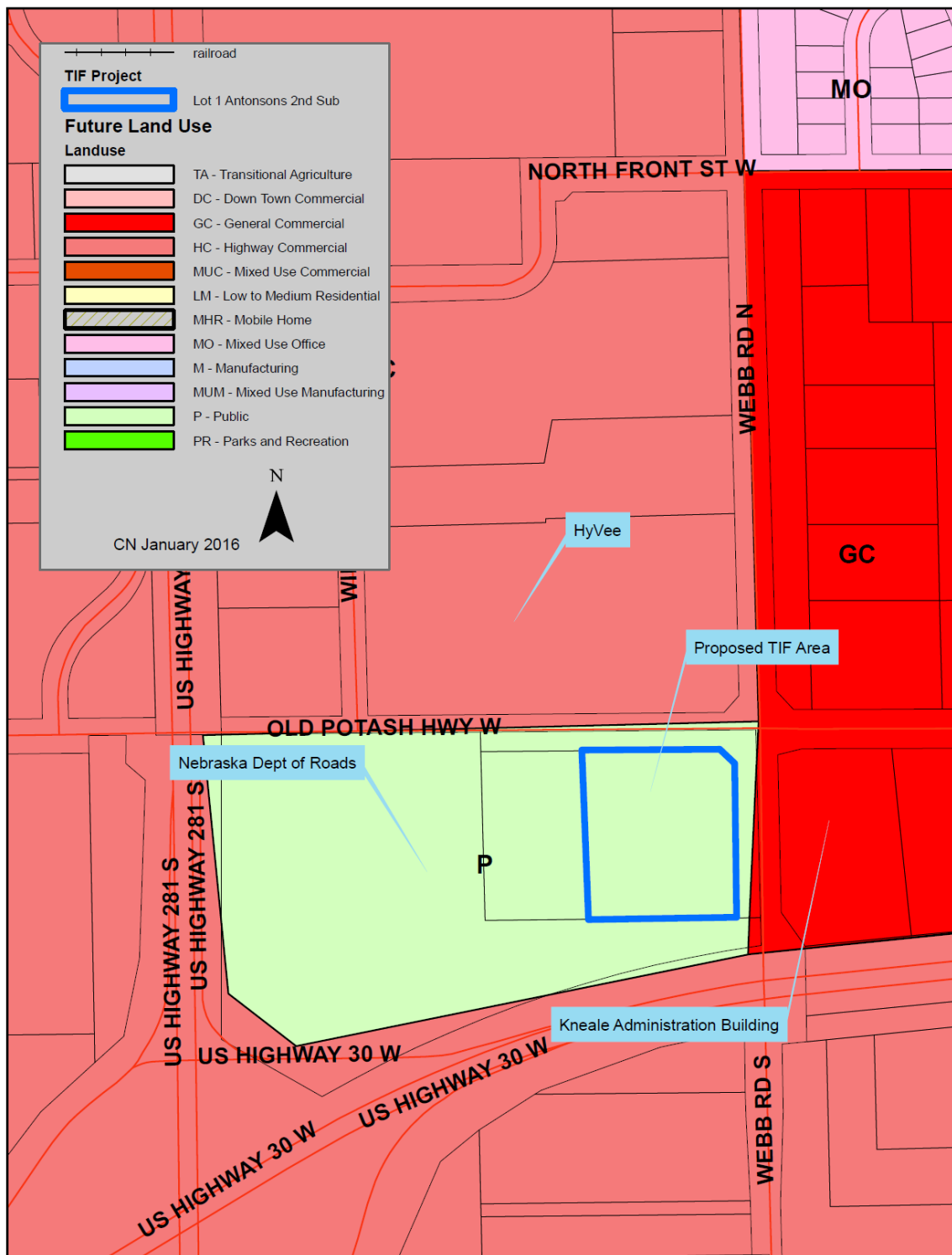
This Redevelopment Plan for Area #15 provides and anticipates real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property. All structures on the property were removed by the current property owner.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The area immediately to the north and east of this property is planned for commercial or highway commercial development. The Nebraska Department of Roads has the property to the south and the property to the west is used for commercial purposes. This property is in private ownership. [§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 M2 Heavy Manufacturing 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. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the current zoning district. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. No new services are anticipated with this development.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

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 has been vacant with no structures for several years, no relocation is contemplated or necessary. [§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] No members of the authority or staff of the CRA have any interest in this property.

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 a contract to purchase this property contingent on approval of the Tax Increment Financing. The cost this property is \$900,000 and would be a TIF eligible expense. Grading, storm water management, utility connections and extensions, landscaping and similar site improvements are estimated at \$600,000 a portion of which would be eligible for TIF. Planning related expenses for Architectural and Engineering services of \$85,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$7,000 are included as

TIF eligible expense. The total of eligible expenses for this project is \$992,000 at a minimum and potentially as much as \$1,592,000.

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 \$748,688 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Incremental Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2017 through December 2032.

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. This will have the intended result of preventing recurring elements of blighted conditions including vacant and underutilized building sites.

8. Time Frame for Development

Development of this project is anticipated to be completed between April 2016 and December of 2017. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year.

9. Justification of Project

This space has been vacant for a number of years and has not sold or redeveloped even with aggressive marketing by the owner. The proximity of and appearance of the Nebraska Department of Roads equipment yards adjacent to the site may have an influence on the perceived value of the site. The proposed use and plan would provide screening of the NDOR site from the north. Screening from the south will not be possible without cooperation from NDOR.

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.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$748,688 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$2,993,312 in private sector financing; a private investment of \$3.99 for every TIF and grant dollar investment.¹

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$748,688	\$151,312	\$90,000
Site preparation		\$600,000	\$24,174
Legal and Plan*		\$920,00	\$15,000
Building Costs		\$2,000,000	\$2,000,000
Renovation			\$527,053
Personal Property			
Soft Costs		\$150,000	\$150,000
TOTALS	\$748,688	\$2,993,312	\$3,741,820

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$393,355. Based on the 2015 levy this would result in a real property tax of approximately \$8,692. It is anticipated that the assessed value will increase by \$2,258,730 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$49,913 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be

¹ This does not include any investment in personal property at this time.

required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 393,355
Estimated value after completion	\$ 2,652,085
Increment value	\$ 2,258,730
Annual TIF generated (estimated)	\$ 49,913
TIF bond issue	\$ 748,688

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

The redevelopment project area currently has an estimated valuation of \$393,355. The proposed redevelopment will create additional valuation of \$2,258,730. 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 negatively 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;

This will have minimal impact on employers or employees within the redevelopment project area. It will create a need for additional employees within Bosselman Inc.

(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 project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. The Grand Island labor market is tight but this will create additional full time jobs in the regions. This will allow a local company to expand in our community.

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

This project will produce sales tax from items sold and property taxes on the personal property located within the store and carwash.

Time Frame for Development

Development of this project is anticipated to be completed during between April of 2016 and December 31 of 2017. The base tax year should be calculated on the value of the property as of January 1, 2016. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. 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 \$110,485 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 rehabilitation the developer will spend between \$992,000 and \$1,592,000 on TIF eligible activities.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 207

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

106 S Webb Rd.

**COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 208

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 15, from Pump & Pantry, Inc., (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 15;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this ____ day of _____, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By _____
Chairperson

ATTEST:

Secretary

106 S Webb Rd.