



# City of Grand Island

Tuesday, June 28, 2016

Council Session

## Item E-4

**Public Hearing on Redevelopment Plan for CRA Area 19 located at the Northeast Corner of US Highway 34 and South Locust Street (Talon Apartments, Inc.)**

*Council action will take place under Resolution item I-1.*

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Chad Nabity, AICP  
**Meeting:** June 28, 2016  
**Subject:** Site Specific Redevelopment Plan for CRA Area 19  
**Presenter(s):** Chad Nabity, AICP CRA Director

## Background

In 2016, the Grand Island City Council declared property referred to as CRA Area 19 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, and drainage.

Talon Apartments has made an offer and intend to purchase property and has submitted an application for Tax Increment Financing to aid in the construction of 288 Apartments north of U.S. Highway 34 and east of Locust Street (Lot 3 of Vanosdall Second Subdivision). Staff has prepared a redevelopment plan for this property consistent with the TIF application.

The CRA reviewed the proposed development plan on May 11, 2016 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on June 1, 2016. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on June 1, 2016. The Planning Commission approved Resolution 2016-04 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.

## Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this

proposed project) and to enter into the record a copy of the plan amendment that would authorize a redevelopment contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area 19 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment specifies that TIF will be used to offset allowed costs for acquisition of this property, grading, site work, utility extensions, and paving along with planning architecture and engineering for development of apartments at this site. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for an eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. There are a minimum of \$5,620,334 of identified expenses eligible for Tax Increment Financing associated with the proposed redevelopment plan amendment. The bond for this project will be issued for a period of 15 years for each phase of the development and will end upon final payment of the bond principal and any associated interest. The proposed bond for this project will be issued for the expected TIF proceeds for the 15 year period of \$4,473,120.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the resolution
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

### **Sample Motion**

Move to approve the resolution as submitted.

**Redevelopment Plan Amendment  
Grand Island CRA Area 19  
May 2016**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to adopt a Redevelopment Plan for Area 19 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 19.**

**Executive Summary:**

**Project Description**

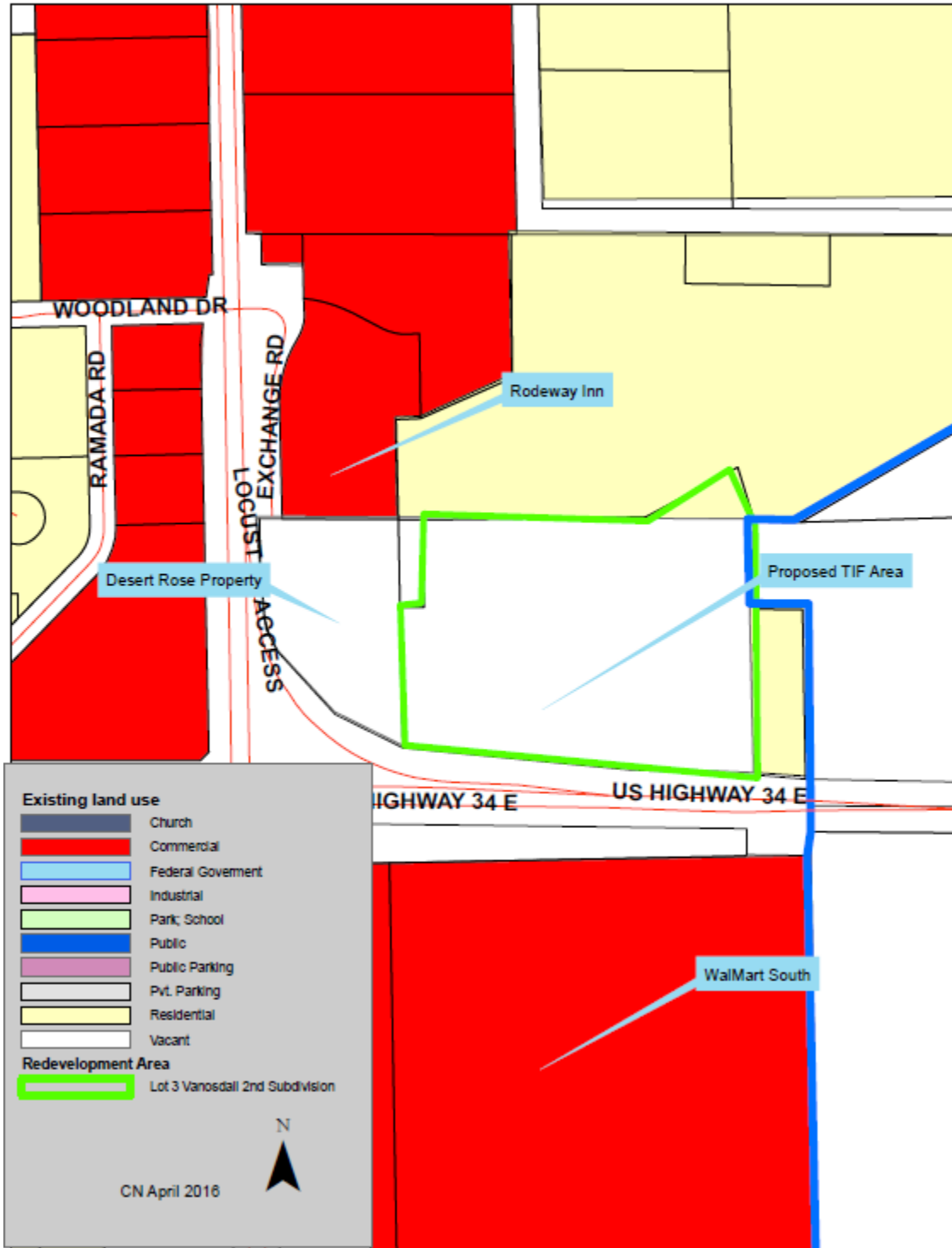
THE REDEVELOPMENT OF PROPERTY LOCATED NORTH OF U.S. HIGHWAY 34 (HUSKER HIGHWAY) AND EAST OF SOUTH LOCUST STREET (LOT 3 OF VANOSDALL SECOND SUBDIVISION) FOR USE THE CONSTRUCTION AND DEVELOPEMNT OF UP TO 288 APARTMENTS (8 BUILDINGS WITH 36 UNITS IN EACH BUILDING) INCLUDING ACQUISTION OF PROPERERTY AND 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 Lot 3 of Vanosdall 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 288 apartments in southeast Grand Island, constituting the largest residential development south of Stolley Park Road and east of Blaine Street in more than 40 years. The cost of extending and connecting water, sanitary sewer and storm sewer makes developing this property at the southeast entrance to the City of Grand Island prohibitively expensive.

Talon Apartments has offered \$300,000 for the property and the offer has been accepted contingent upon the approval of Tax Increment Financing (TIF) available to offset the cost of the property and the necessary grading and infrastructure improvements to develop the property. Acquisition of property is an eligible TIF activity. The property is currently vacant with the exception of the concession stand and bathroom building that was there to support the ballfields that used to occupy this space. 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 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”)

**Legal Descriptions:** Lot 3 Vanosdall Second Subdivision in Grand Island, Hall County, Nebraska.



**Existing Land Use and Subject Property**

**This plan amendment provides for the issuance of two TIF Notes, the proceeds of which will be granted to the Redeveloper. The tax increment to be captured will be captured in up to 4 phases, depending on the speed of the construction of apartments.**

**The tax increment will be captured for up to 15 tax years the payments for which become delinquent in years 2018 through 2032 inclusive or as otherwise dictated by the contract.**

**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 apartment buildings at this location. Apartments are permitted in the current B2-AC General Business with an Arterial Commercial overlay. The developers have submitted a request for a change of zoning and approval of a development plan for an RD Residential Development zone.**

**Statutory Pledge of Taxes.**

In accordance with Section 18-2147 of the Act and the terms of the Resolution, the Authority hereby provides that any ad valorem tax on any Lot or Lots located in the Redevelopment Project Area identified from time to time by the Redeveloper (such Lot or Lots being referred to herein as a "Phase") as identified in a written notice from the Redeveloper to the Authority (each, a "Redevelopment Contract Amendment Notice") for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract Amendment Notice and reflected in a Redevelopment Contract Amendment, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

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 February 23, 2016.[§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 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 acquire extend utilities and infrastructure for uses permitted 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 #19 provides and anticipates real property acquisition by the developer. There is no proposed acquisition by the authority.

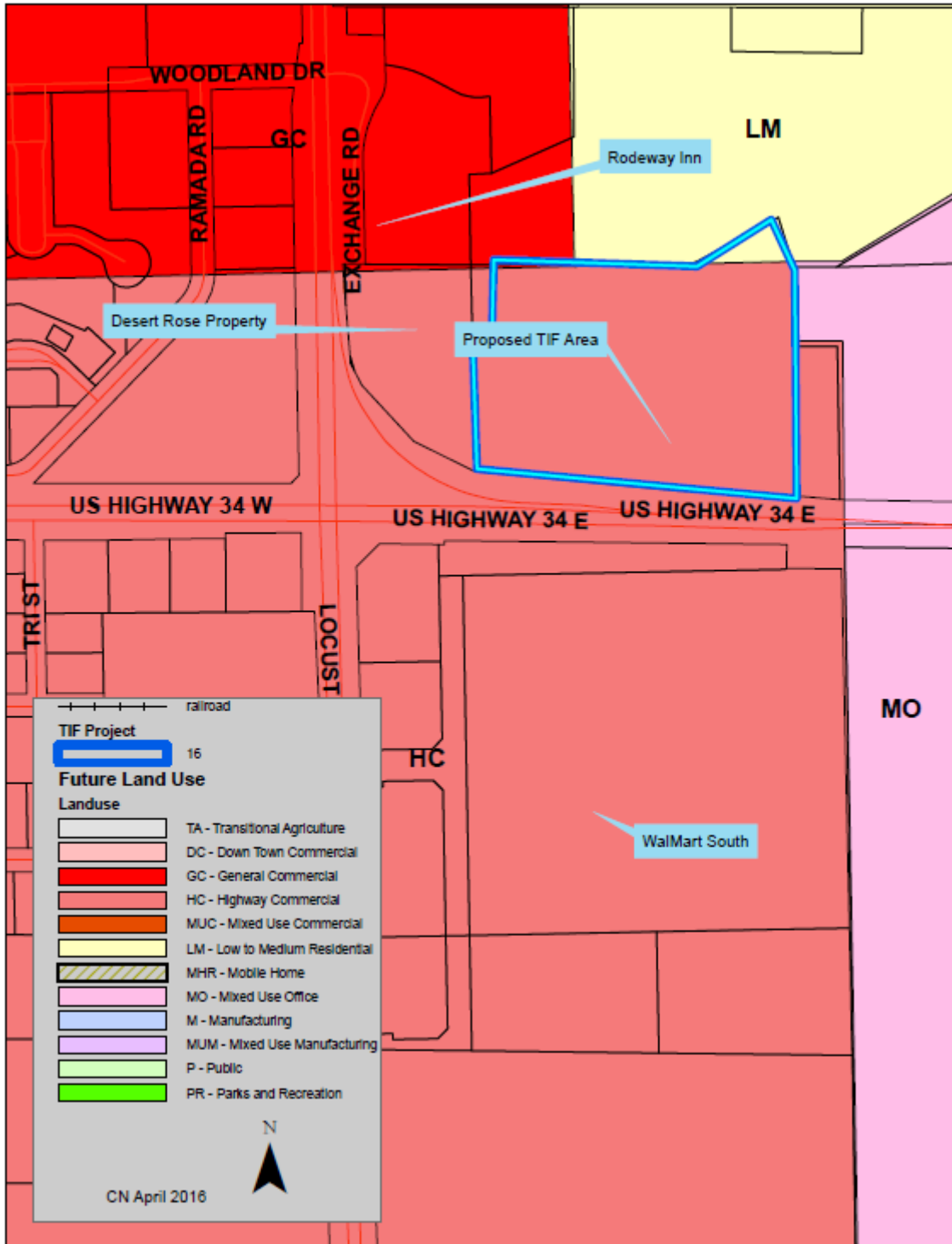
***b. Demolition and Removal of Structures:***

The project to be implemented with this plan does require and provide for the demolition and removal existing structures on this property. The existing structure is a concession stand and bathroom facility that was built to support ball fields that have not been used in more than 15 years.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. The area immediately to the north this property is planned for low to medium density residential, generally a density of 14 dwelling units per acre or less. The subject property is separated from the property to the north by a lake. The property to the south is planned and zoned for commercial development, Walmart is located there. The property to the west is vacant and available for commercial development. This property to the contains a

single family residence and a farm residence it is planned for medium density residential to office uses and would allow a density of 42+ dwelling units per acre.. [§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 B2-AC General Business with an Arterial Commercial Overlay. Apartment development at up to 42 dwelling units per acre is permitted within this zoning district. The developers are seeking to rezone the property to RD Residential Development zone a planned development that is commonly used for apartment complexes within the Grand Island Zoning jurisdiction. As part of the RD zone change and approval drainage from the proposed development will be considered, the primary drainage pattern is toward and into the lake to the north and that will be maintained. Internal streets and drives will be constructed to support the development of this property. Changes are likely, offsite, to the south and west along U.S. Highway 34 that include removal of the free right turn lane from U.S. Highway 34 west onto Locust Street north and the construction of a drive access across the former Desert Rose property to the west along the south side of Rodeway Inn. 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 both the current and the proposed zoning districts. [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Water and sanitary are available to support this development. The developer will be responsible for extension of water and sanitary sewer necessary to serve this site. Development and extension of this infrastructure is one of the primary challenges for this site. Water is proposed to be extended from both the south (under U.S. Highway 34) and the west along the south edge of the Desert Rose property to complete a looped system capable of supporting the development and being extended to the east as additional development occurs along U.S. Highway 34. Sanitary sewer is proposed to be extended from the northwest corner of the lake along Midaro Drive along the east edge of the lake and onto the property. This sewer extension will increase the possibility of serving properties east of Midaro Drive toward Stuhr Road.

Electric utilities will be extended throughout the site to support the proposed development.

No other city 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 unused 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 \$306,000 and would be a TIF eligible expense. Grading, demolition, storm water management, utility connections and extensions, landscaping and similar site improvements are estimated at \$3,144,526. Planning related expenses for Architecture, Engineering, Planning services and permitting of \$2,169,808 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$50,000 are included as TIF eligible expense. The total of eligible expenses for this project is \$5,620,334.

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 \$4,473,120 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 according to the approved contract.

*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 July 2016 and December of 2020. The developers anticipate building two building (72 units) in each phase of this development. All four phases could be completed within 2 years or depending on market absorption could take as long as 1 or 2 years per phase. Excess valuation should be available for this project for 15 years on each phase of this project beginning with the 2018 tax year.

### **9. Justification of Project**

This space has been vacant and underutilized for a number of years and has not sold or redeveloped even with aggressive marketing by the owner. When Walmart opened in 2004 there was a hope that development along this corridor would increase, that has not happened. The costs to extend sewer and water to this property are extremely high due to the highway on the south side of the property and the lake on the north side of the property and the location of those utilities. The extension of sewer and water to this property will allow for increased service territory for those utilities to the east of this property. A 2004 plan for South Locust by RDG Planning and Design of Omaha suggested apartment development at this location.

**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 \$4,473,120 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 \$22,553,966 in private sector financing; a private investment of \$5.04 for every TIF and grant dollar investment.<sup>1</sup> See the Attached Source and Uses of Funds Chart

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$300,000. Based on the 2015 levy this would result in a real property tax of approximately \$6,629. It is anticipated that the assessed value will increase by \$13,635,485 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$298,208 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for the period of the TIF contract or the time as may be 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:	\$ 300,000
Estimated value after completion	\$ 13,935,485
Increment value	\$ 13,635,485
Annual TIF generated (estimated)	\$ 298,208
TIF bond issue (Not to exceed)	\$ 4,473,120

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

The redevelopment project area currently has an estimated valuation of \$300,000. The proposed redevelopment will create additional valuation of \$13,635,485. 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 negatively impacted by this development. The electric utility has sufficient capacity to support the development. This development since it is housing may have an impact on Grand Island Public Schools. This property is in the Star Elementary School area and the new Star is under construction and will be completed before this project is completed. 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. Although it will increase housing choices in southeast Grand Island and

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<sup>1</sup> This does not include any investment in personal property at this time.

may positively impact recruitment of employees for businesses located in this part of the community.

***(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 within the Grand Island area.

***(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 be the first large scale housing project in southeast Grand Island in more than 20 years. It should encourage the development of additional retail in close proximity to the apartments.

### **Time Frame for Development**

Development of this project is anticipated to be completed during between July of 2016 and December of 2020. The base tax year should be calculated on the value of the property as of January 1, in the year prior to the year of the division of taxes for each Phase. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018 actual dates will be set within the contract as to Phase #1. 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 on each phase of the development or an amount not to exceed \$4,473,120 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 up to \$5,620,334 on TIF eligible expenses as part of this development.

**BACKGROUND INFORMATION RELATIVE TO  
TAX INCREMENT FINANCING REQUEST**

PROJECT REDEVELOPER INFORMATION

Business Name: Talon Apartments  
Business Address: 1201 Allen Drive #240  
Grand Island, NE 68803  
Business Telephone: 308.390.7203  
Business Email: phsotto@gmail.com

Business Contact: Mark Otto

Brief Description of Applicant's Business: Applicant has experience in various real estate endeavors including multi-family residential rentals.

Present Ownership Proposed Project Site:

Wayne Vanosdall Sanitation Service Inc.  
P.O. Box 1284  
Grand Island NE 68802-1284

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

1. Square footage per building - 10,850 per floor  
Total 3 floors (building) – 30,255  
Total project – 242,040  
Total garage square footage -
2. Size of Property – 466,963 Sq. Ft
3. Description of buildings/materials – Wood frame; vinyl siding and windows; composite shingles; laminate countertops; all electric HVAC and water; fire sprinkled.
4. Copy of Site Plan (See Exhibit A)

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land:	\$306,000
B. Building:	\$

Construction Costs:

A. Renovation or Building Costs:	\$20,304,752
B. On-Site Improvements:	\$ 3,161,778

Soft Costs:

A. Architectural & Engineering Fees:	\$ 703,147
B. Financing Fees:	\$ 25,000
C. Legal/Developer/Audit Fees:	\$1,436,664
D. Contingency Reserves:	\$ 622,744
E. Other (please specify) – Building Permits	\$ 80,000

TOTAL COSTS \$26,640,085

TOTAL ESTIMATED MARKET VALUE AT COMPLETION: \$19,484,580

Source of Financing:

A. Developer Equity:	\$ 5,328,017
B. Commercial Bank Loan:	\$ 16,533,593
C. Tax Credits:	
1. N.I.F.A.	\$
2. Historic Tax Credits	\$
D. Industrial Revenue Bonds:	\$
E. Tax Increment Assistance:	\$ 4,778,475
F. Other:	\$

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

ARCHITECT: Stephen Granger  
1120 Sherman Court  
North Platte, NE 69101  
Stephen@grangerarc.com

ENGINEER: Matt Rief – Olson Associates  
201 E. 2<sup>nd</sup>  
P.O. Box 1072  
Grand Island, NE 68802  
308.384.8750 (phone) 308.384.8752 (fax)  
mrief@olsonassociates.com

GENERAL CONTRACTOR: Mark Otto  
1603 Coventry Lane  
Grand Island, NE 68801  
308.390.7203  
phsotto@gmail.com

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

\$47,345.43 per unit x 288 Units = \$13,635,485  
Land Value \$300,000  
Taxable Value Land and Buildings = \$13,935,485  
Tax Increment \$13,635,485 x .021870\* = \$298,208

\*this mill levy rate was determined based on fully developed adjacent land

Project Construction Schedule:

- A. Construction Start Date: June 10, 2016
- B. Construction Completion Date: March 1, 2020
- C. If Phased Project:
  - March 1, 2017 25%
  - March 1, 2018 25%
  - March 1, 2019 25%
  - March 1, 2020 25%

XII. Please See Attached Construction Pro Forma (Exhibit B)

XIII. Please See Attached Income & Expense Pro Forma (With Appropriate Schedules):  
(Exhibit C)

**TAX INCREMENT FINANCING REQUEST INFORMATION**

Describe Amount and Purpose for Which Tax Increment funding is Requested: We are requesting \$4,473,120. See attachment of expenditures (Exhibit B).



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

The market value of the finished project at completion compared to the cost to build is deficient by almost \$7,200,000. The reason for this is, this site offers more obstacles to develop than potentially any site in town. The Sanitary is across the lake, water is not at the location, and there is not a proper access. It is by all purposes an in-lot. Yet it is located at the entrance point to Grand Island on the South Locust Corridor which has consistently shown its inability to grow in population and therefore business.

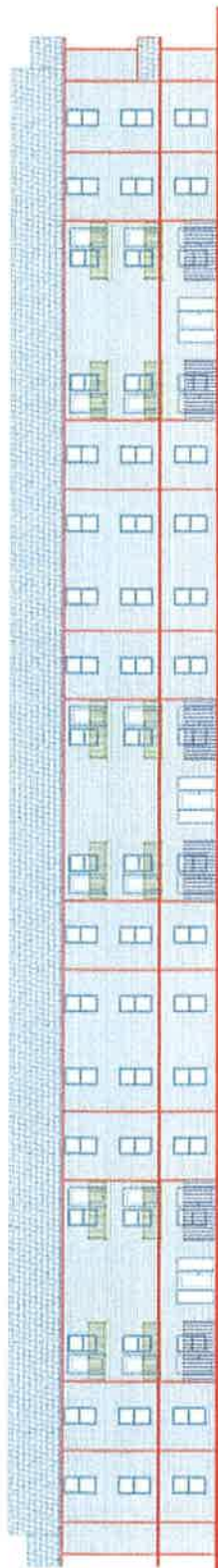
Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:  
Pending -- available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

XIV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years: N/A – New entity

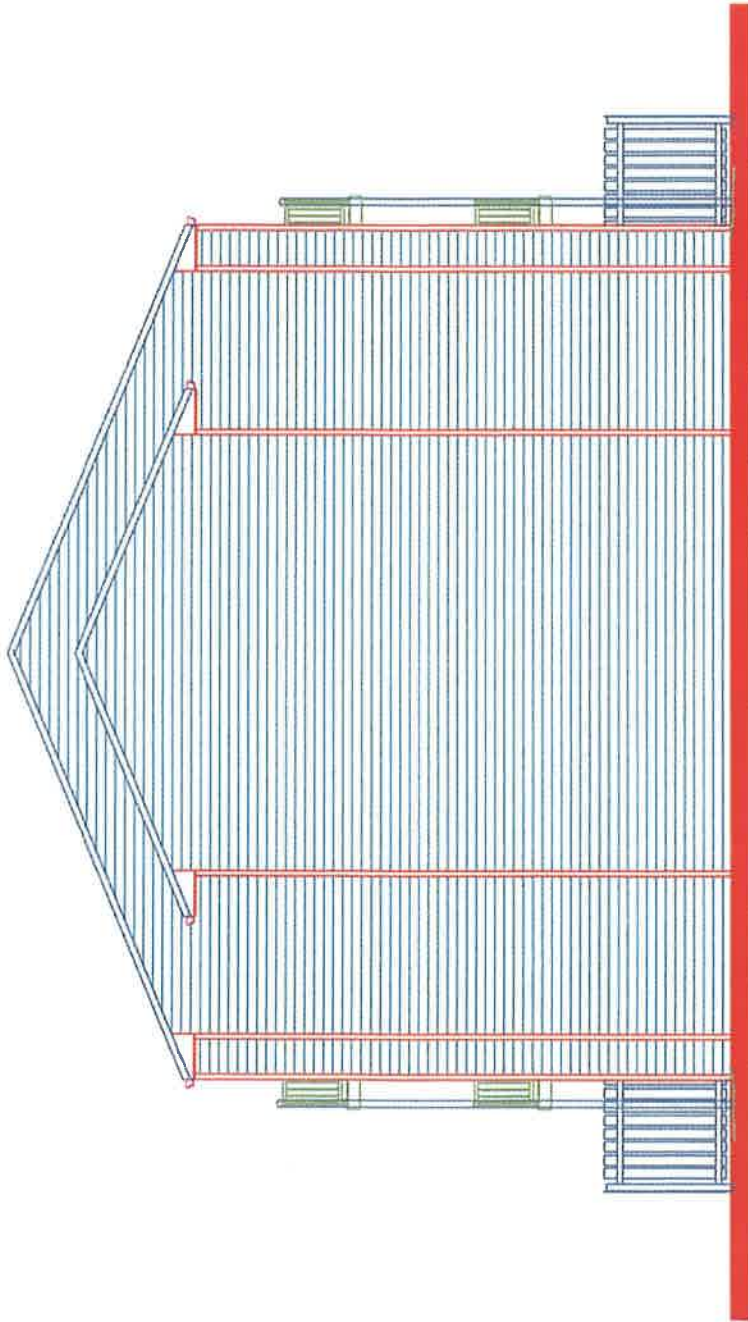
Post Office Box 1968  
Grand Island, Nebraska 68802-1968  
Phone: 308.385.5240  
Fax: 308.385.5423  
Email: [cnabity@grand-island.com](mailto:cnabity@grand-island.com)



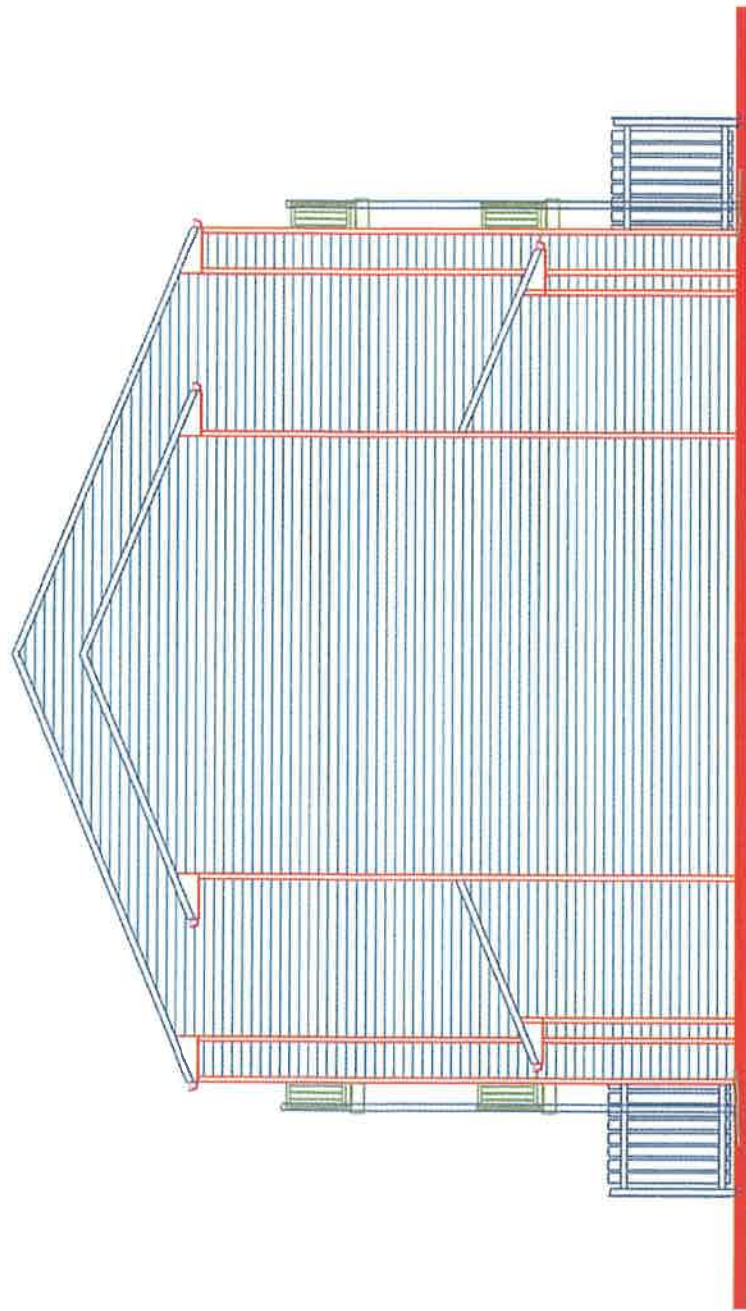
Exhibit A



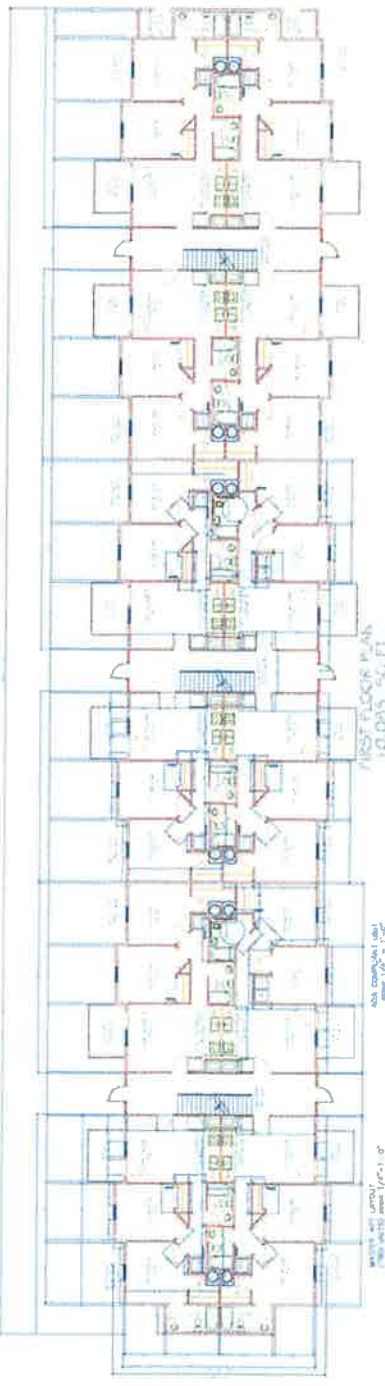
## Exhibit A



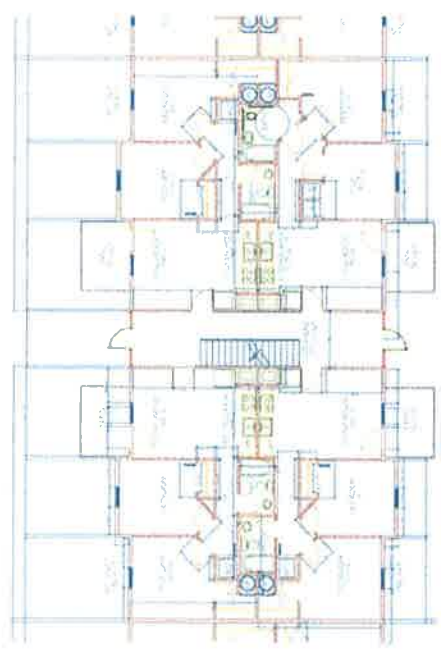
## Exhibit A



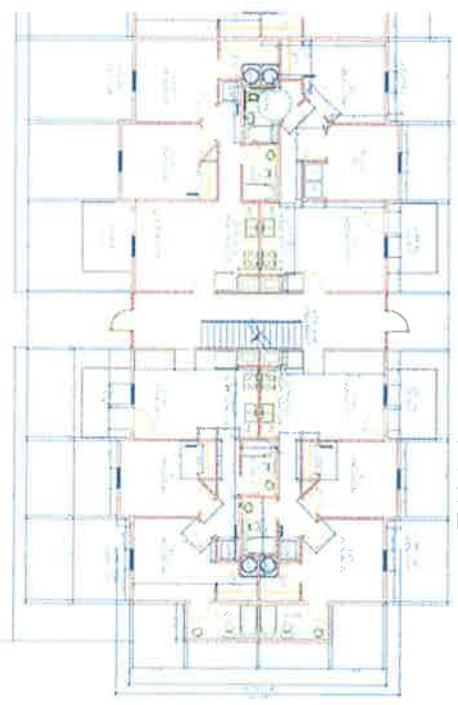
## Exhibit A



**FULL FLOOR PLAN**  
 SCALE: 1/4" = 1'-0"

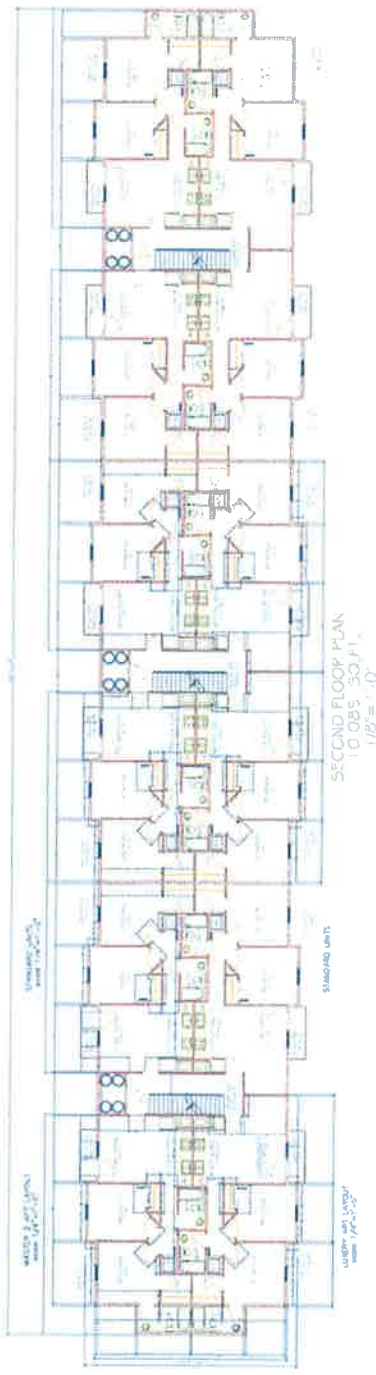


**CENTER SECTION FLOOR PLAN**  
 SCALE: 1/4" = 1'-0"

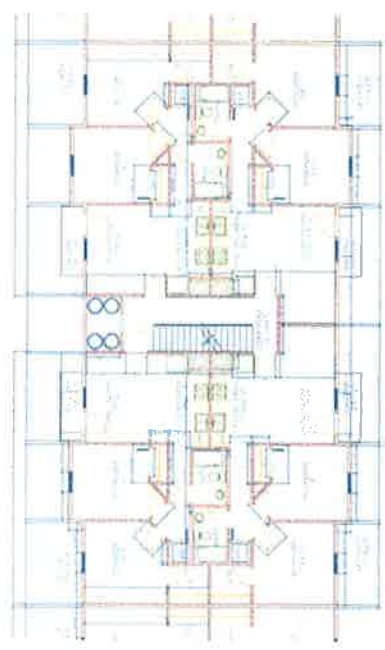


**LEFT SECTION FLOOR PLAN**  
 SCALE: 1/4" = 1'-0"

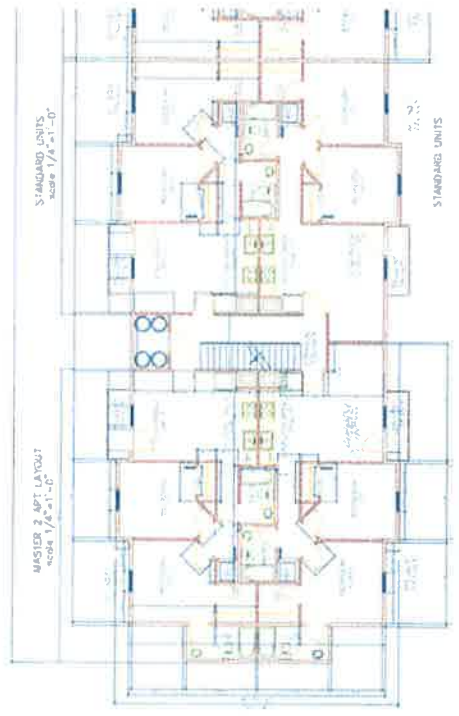
**Exhibit A**



**FULL FLOOR PLAN**  
SCALE: 3/8"=1'-0"

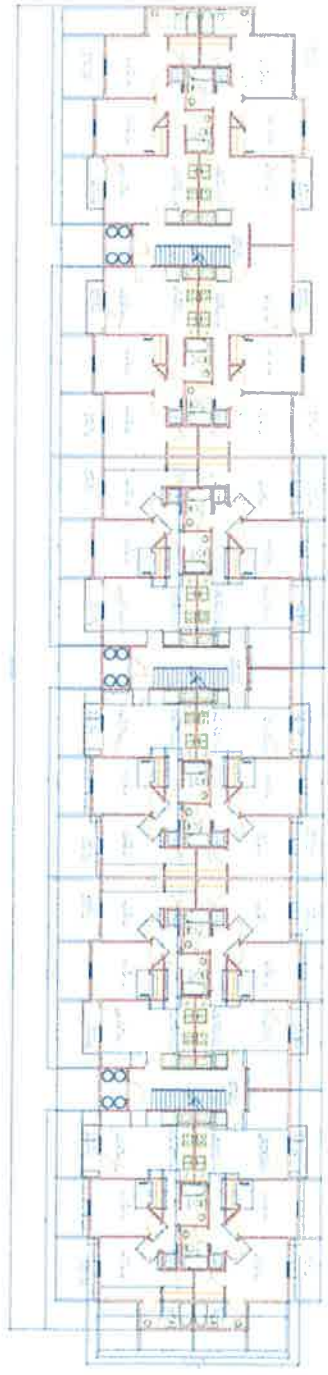


**CENTER SECTION FLOOR PLAN**  
SCALE: 1/8"=1'-0"



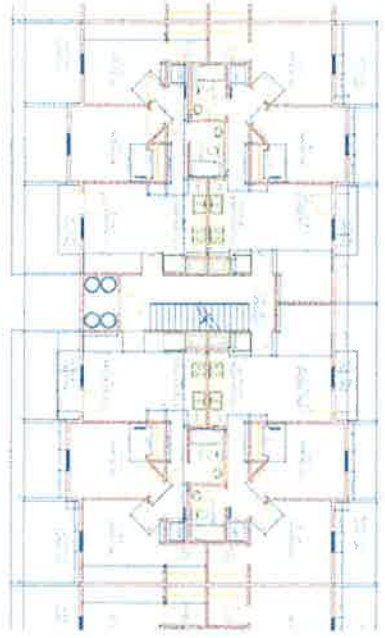
**LEFT SECTION FLOOR PLAN**  
SCALE: 1/8"=1'-0"

**Exhibit A**



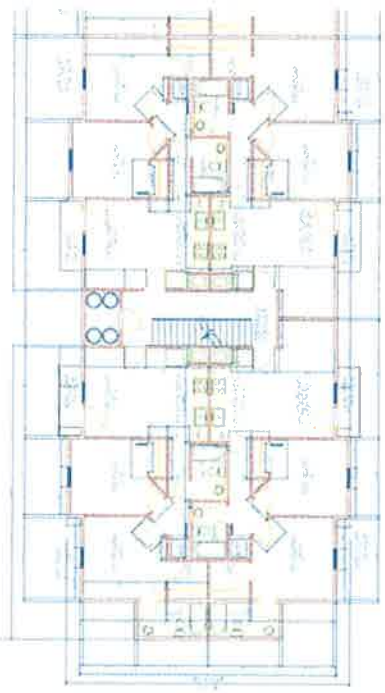
THIRD FLOOR PLAN  
10,085 SQ. FT.

**FULL FLOOR PLAN**



THIRD FLOOR PLAN  
10,085 SQ. FT.

**CENTER SECTION FLOOR PLAN**



**LEFT SECTION FLOOR PLAN**

**Exhibit A**





# Exhibit A



# Exhibit A

General Contractor  
 1603 Coventry Lane  
 Grand Island, NE 68801

# Estimate

Date	Estimate #
3/10/2016	8

Name / Address
Talon Apartments-All tif 3100 A S. Locust Grand Island NE 68801

Project

Description	Qty	Rate	Total
Land Purchase & Closing Costs		306,000.00	306,000.00
Building Permits /		80,000.00	80,000.00
Legal		25,000.00	25,000.00
Accounting		25,000.00	25,000.00
Demo		20,000.00	20,000.00
Electrical & Lighting		270,000.00	270,000.00
Olson Estimates (Sanitary Sewer, Water Main, Surfacing, Access, Excavating)		2,220,978.00	2,220,978.00
Landscaping Decor	8	80,000.00	640,000.00
Erosion Control		6,000.00	6,000.00
Site Fencing	800	6.00	4,800.00
Contingency Sanitary Sewer, Water Main, Surfacing, Access, Excavating	2,220,978	0.25	555,244.50
Contingency Electrical	270,000	0.25	67,500.00
Consulting Engineering	2,220,978	0.15	333,146.70
Consulting Architectural		370,000.00	370,000.00
Planning & Development		1,386,664.00	1,386,664.00
		<b>Total</b>	\$6,310,333.20

Exhibit B

General Contractor  
 1603 Coventry Lane  
 Grand Island, NE 68801

# Estimate

Date	Estimate #
3/10/2016	1

Name / Address
Talon Apartments Building Construction

			Project
Description	Qty	Rate	Total
Foundation		63,320.00	63,320.00
Building Slab		40,340.00	40,340.00
Sidewalks/Steps		25,000.00	25,000.00
Parking Spaces		103,000.00	103,000.00
General Concrete Pads		10,000.00	10,000.00
Materials: Framing, Truss Package, Roofing, Siding, Cabinets( - Drywall Material)	1	493,016.00	493,016.00
Framing	30,240	6.00	181,440.00
Decks	36	2,500.00	90,000.00
Soffit & Fascia	436	3.00	1,308.00
Gutters & Downspout	1	6,092.00	6,092.00
Siding	175	70.00	12,250.00
Roofing	140	35.00	4,900.00
Doors & Trim Labor by Unit (ESTXXX)	39	2,000.00	78,000.00
Plumbing (\$9000 for 12 Master Suites-\$6,000 for 24 - 1 Bath units)	36	6,500.00	234,000.00
Heating & Cooling	36	3,500.00	126,000.00
Electrical & Lighting	1	234,000.00	234,000.00
Fire Sprinkler (2 buildings) NOTE QUANTITY	0.5	98,900.00	49,450.00
Insulation		50,473.00	50,473.00
Drywall Material and Labor Hung and Finished	1	185,000.00	185,000.00
Blinds, Towel Bars, ETC	36	300.00	10,800.00
Appliances	36	2,000.00	72,000.00
Pretreat for Termites		1,500.00	1,500.00
Floor Coverings (ESTXXXX)	31,500	2.00	63,000.00
Painting (ESTXXX)	39	1,000.00	39,000.00
Cleanup & Restoration		5,000.00	5,000.00
Supervision 6% of Sub Total Number \$2,163,889		129,833.00	129,833.00
10% Contingency of Second Sub Total \$2,293,722		229,372.00	229,372.00
COST PER BUILDING. FOR ALL 4 PHASES MULTIPLY BY 8		<b>Total</b>	\$2,538,094.00

## Exhibit B

Total identical buildings	x 8
Total building construction	20,304,752.00



April 25, 2016

City of Grand Island  
Community Redevelopment Authority  
P.O. Box 1968  
Grand Island, NE 68802-1968

RE: Talon Apartments TIF Application

To Whom It May Concern:

The proponents of the Talon Apartments Tax Increment Financing (TIF) request for the proposed project on South Locust Street have asked for our assistance in analyzing the data they have compiled to supplement their application. Specifically, we examined the attached documents produced by those proponents to evaluate the feasibility of the project in the context of Capitalization Rate scenarios both with and without the requested TIF assistance.

In examining said documents, we focused our review on "Year 5" data reflecting anticipated net rental revenue after project completion and rent-up stabilization. This represents results from a fully-matured project, but it should be noted that in the earlier phases of the uncompleted project, investor risk is even more substantial. In the absence of any income tax considerations, the proponents calculated a capitalization rate of 8.62% with TIF assistance, as opposed to a rate of 7.49% without TIF assistance (a 1.13% differential). These numbers were arrived at by dividing respective Net Operating Income (NOI) of \$2,296,545 and \$1,995,907 by the estimated project acquisition cost of \$26,640,085.

Alternatively, we also considered estimated income tax implications using a combined Federal and State effective tax rate of 40%, producing "Year 5" capitalization rates with and without TIF financing of 7.78% and 7.1% respectively (a .68% differential). These figures were arrived at after adjusting NOI by applying a projected 40% income tax rate on taxable income of \$560,371 and \$259,732 respectively (i.e. NOI adjusted for depreciation and mortgage interest).

Based on these figures, it is our conclusion that a typical investor would weigh the associated risks as too high and the investment unwarranted, given the anticipated rates of return in the project in the absence of TIF assistance. In fact, given the property location development compromises, along with the uncertainty of the physical community sector chosen, we believe the project risk remains high even with the TIF assistance.

2535 N. Carleton Ave.

Suite B

Grand Island, NE

68803

P.O. Box 520

Grand Island, NE

68802-0520

PH: 308-381-1355

FAX:308-381-6557

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WEBSITE:  
www.ss-cpas.com

Sincerely,

SCHROEDER & SCHREINER, P.C.

Bruce E. Schreiner, CPA

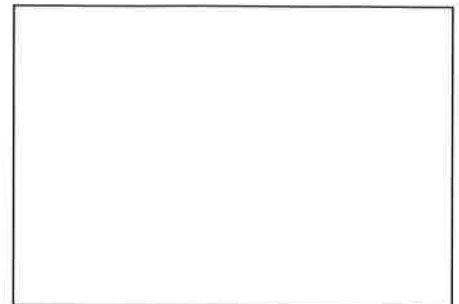
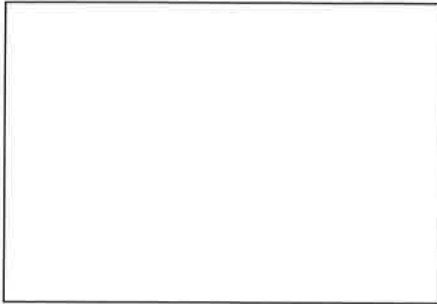
rh/16

c: Mark Otto

Encl: As Stated

*Where Your Success Counts!*

## Executive Summary



### Income, Expenses & Cash Flow Property Overview

Potential Rental Income	\$ 2,622,720
Other Income	309,936
Total Vacancy and Credits	(393,408)
Operating Expenses	\$ (679,844)
<b>Net Operating Income (NOI)</b>	<b><u>\$ 1,859,404</u></b>
 Debt Service:	 \$(1,583,660)
<b>Cash Flow Before Taxes</b>	<b>\$ 275,744</b>

Purchase/Asking Price	\$26,640,085
Improvements	
Other	
Closing Costs	
Finance Points	
<b>Total Acquisition Cost</b>	<b><u>\$26,640,085</u></b>
 Mortgage (s)	 \$21,312,068
 Down Payment / Investment	 <b>\$5,328,017</b>

Property Type	Apartments	
No. of Units	288	
Price Per Unit	\$	92,500
Total Sq Ft	220,608	
Price Per Sq Ft	\$	121
Income per Unit	\$	10,183
Expenses per Unit	\$	(2,361)

### Assumptions Loan Information

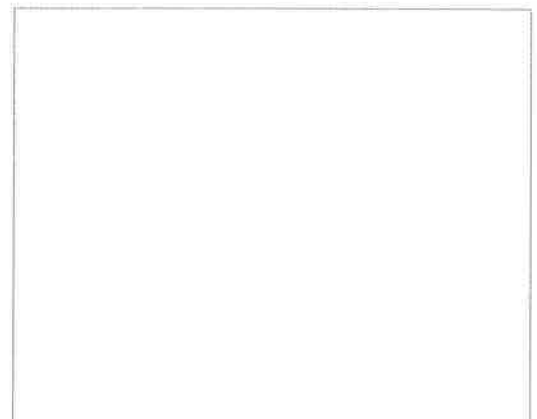
Rental Growth Rate:	2.00%
Expense Growth Rate:	1.00%
Capitalization Rate (Resale):	8.00%

		<u>% of Asking</u>	<u>% of Cost</u>
Down Payment:	\$ 5,328,017	20.00%	20.00%
Initial Loan Balance:	\$21,312,068	80.00%	80.00%

<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Payment</u>
\$ 21,312,068	4.25%	20	\$131,972

### Financial Measurements Notes / Discussion

Financial Measurements	Year 1	Year 2	Year 3
Debt Coverage Ratio (DCR)	1.17	1.37	1.39
Loan-to-Value Ratio (LVR)	88.7%	73.6%	69.4%
Capitalization Rate Based on Cost	6.98%	8.12%	8.29%
Capitalization Rate Based on Resale Price	8.00%	8.00%	8.00%
Gross Rent Multiplier	10.16	10.11	10.11
Net Present Value (NPV) - B/ Taxes <span style="float: right;">13.50%</span>	(4,003,844)	(343,703)	434,599
Cash on Cash Return - Before Taxes	<b>5.18%</b>	<b>10.89%</b>	<b>11.70%</b>
Internal Rate of Return - Before Taxes		<b>9.69%</b>	<b>16.68%</b>
Modified Internal Rate of Return - Before Taxes		<b>9.46%</b>	<b>15.77%</b>



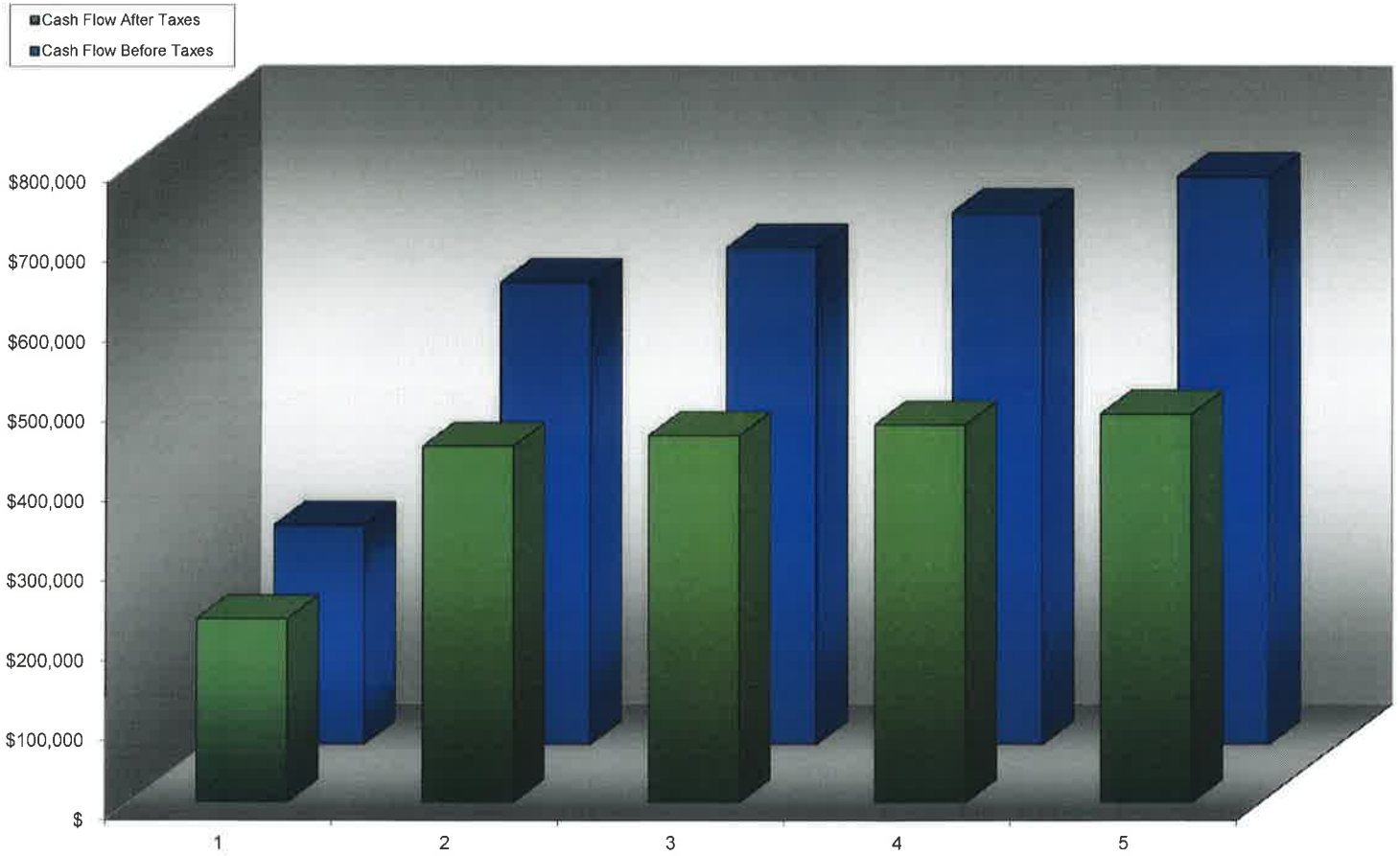
**Disclaimer: All information presented is believed to be accurate.**

The information, calculations and data presented in this report are believed to be accurate, but are not guaranteed. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

**Exhibit C (W/HTIF)**

# Cash Flow Projections

Mark Otto  
308.390.7203



Time Period	Net Operating Income	MIP Payments	Debt Service	Cash Flow Before Tax	Incomes Taxes	Cash Flow After Tax
Int Investment				\$ (5,328,017)		\$ (5,328,017)
Year 1	1,859,404	-	(1,583,660)	275,744	(44,751)	230,994
Year 2	2,164,016	-	(1,583,660)	580,356	(132,119)	448,237
Year 3	2,207,261	-	(1,583,660)	623,601	(161,875)	461,726
Year 4	2,251,431	-	(1,583,660)	667,771	(192,541)	475,230
Year 5	2,296,545	-	(1,583,660)	712,885	(224,148)	488,737

## Exhibit C (With TIF)

© 1993 - 2015 Cash Flow Analyzer®

RentalSoftware.com

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
205	4,453,188	116,200	15,772	131,972	10,079,113	16,975,080			
206	4,336,988	116,612	15,360	131,972	10,094,473	17,091,691			
207	4,220,377	117,025	14,947	131,972	10,109,420	17,208,716			
208	4,103,352	117,439	14,533	131,972	10,123,953	17,326,155			
209	3,985,913	117,855	14,117	131,972	10,138,069	17,444,010			
210	3,868,058	118,272	13,699	131,972	10,151,769	17,562,282			
211	3,749,786	118,691	13,280	131,972	10,165,049	17,680,973			
212	3,631,095	119,112	12,860	131,972	10,177,909	17,800,085			
213	3,511,983	119,533	12,438	131,972	10,190,348	17,919,618			
214	3,392,450	119,957	12,015	131,972	10,202,363	18,039,575			
215	3,272,493	120,382	11,590	131,972	10,213,953	18,159,956			
216	3,152,112	120,808	11,164	131,972	10,225,116	18,280,764	161,776	1,421,885	1,583,660
217	3,031,304	121,236	10,736	131,972	10,235,852	18,402,000			
218	2,910,068	121,665	10,306	131,972	10,246,159	18,523,665			
219	2,788,403	122,096	9,876	131,972	10,256,034	18,645,761			
220	2,666,307	122,529	9,443	131,972	10,265,478	18,768,290			
221	2,543,778	122,962	9,009	131,972	10,274,487	18,891,252			
222	2,420,816	123,398	8,574	131,972	10,283,060	19,014,650			
223	2,297,418	123,835	8,137	131,972	10,291,197	19,138,485			
224	2,173,583	124,274	7,698	131,972	10,298,895	19,262,759			
225	2,049,309	124,714	7,258	131,972	10,306,153	19,387,473			
226	1,924,595	125,155	6,816	131,972	10,312,970	19,512,628			
227	1,799,440	125,599	6,373	131,972	10,319,343	19,638,227			
228	1,673,841	126,043	5,928	131,972	10,325,271	19,764,270	100,154	1,483,506	1,583,660
229	1,547,798	126,490	5,482	131,972	10,330,752	19,890,760			
230	1,421,308	126,938	5,034	131,972	10,335,786	20,017,698			
231	1,294,370	127,387	4,584	131,972	10,340,371	20,145,085			
232	1,166,983	127,839	4,133	131,972	10,344,504	20,272,924			
233	1,039,144	128,291	3,680	131,972	10,348,184	20,401,215			
234	910,853	128,746	3,226	131,972	10,351,410	20,529,961			
235	782,107	129,202	2,770	131,972	10,354,180	20,659,163			
236	652,905	129,659	2,312	131,972	10,356,492	20,788,822			
237	523,246	130,119	1,853	131,972	10,358,345	20,918,940			
238	393,128	130,579	1,392	131,972	10,359,738	21,049,520			
239	262,548	131,042	930	131,972	10,360,668	21,180,562			
240	131,506	131,506	466	131,972	10,361,133	21,312,068	35,863	1,547,798	1,583,660

### Exhibit C (With TIF)



PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
151	10,155,292	96,005	35,967	131,972	8,674,941	11,252,781			
152	10,059,287	96,345	35,627	131,972	8,710,568	11,349,126			
153	9,962,942	96,686	35,285	131,972	8,745,853	11,445,812			
154	9,866,256	97,029	34,943	131,972	8,780,796	11,542,841			
155	9,769,227	97,372	34,599	131,972	8,815,395	11,640,213			
156	9,671,855	97,717	34,254	131,972	8,849,650	11,737,931	433,549	1,150,111	1,583,660
157	9,574,137	98,063	33,908	131,972	8,883,558	11,835,994			
158	9,476,074	98,411	33,561	131,972	8,917,119	11,934,404			
159	9,377,664	98,759	33,213	131,972	8,950,332	12,033,164			
160	9,278,904	99,109	32,863	131,972	8,983,195	12,132,272			
161	9,179,796	99,460	32,512	131,972	9,015,707	12,231,732			
162	9,080,336	99,812	32,160	131,972	9,047,866	12,331,545			
163	8,980,524	100,166	31,806	131,972	9,079,672	12,431,710			
164	8,880,358	100,520	31,451	131,972	9,111,123	12,532,231			
165	8,779,837	100,876	31,095	131,972	9,142,219	12,633,107			
166	8,678,961	101,234	30,738	131,972	9,172,957	12,734,341			
167	8,577,727	101,592	30,379	131,972	9,203,336	12,835,933			
168	8,476,135	101,952	30,020	131,972	9,233,356	12,937,885	383,706	1,199,954	1,583,660
169	8,374,183	102,313	29,659	131,972	9,263,014	13,040,198			
170	8,271,870	102,675	29,296	131,972	9,292,310	13,142,873			
171	8,169,195	103,039	28,933	131,972	9,321,243	13,245,913			
172	8,066,155	103,404	28,568	131,972	9,349,811	13,349,317			
173	7,962,751	103,770	28,201	131,972	9,378,012	13,453,087			
174	7,858,981	104,138	27,834	131,972	9,405,846	13,557,225			
175	7,754,843	104,507	27,465	131,972	9,433,311	13,661,731			
176	7,650,337	104,877	27,095	131,972	9,460,406	13,766,608			
177	7,545,460	105,248	26,724	131,972	9,487,129	13,871,856			
178	7,440,212	105,621	26,351	131,972	9,513,480	13,977,477			
179	7,334,591	105,995	25,977	131,972	9,539,457	14,083,472			
180	7,228,596	106,370	25,601	131,972	9,565,058	14,189,842	331,702	1,251,958	1,583,660
181	7,122,226	106,747	25,225	131,972	9,590,283	14,296,590			
182	7,015,478	107,125	24,846	131,972	9,615,129	14,403,715			
183	6,908,353	107,505	24,467	131,972	9,639,596	14,511,219			
184	6,800,849	107,885	24,086	131,972	9,663,683	14,619,105			
185	6,692,963	108,267	23,704	131,972	9,687,387	14,727,372			
186	6,584,696	108,651	23,321	131,972	9,710,708	14,836,023			
187	6,476,045	109,036	22,936	131,972	9,733,644	14,945,059			
188	6,367,009	109,422	22,550	131,972	9,756,193	15,054,480			
189	6,257,588	109,809	22,162	131,972	9,778,356	15,164,290			
190	6,147,778	110,198	21,773	131,972	9,800,129	15,274,488			
191	6,037,580	110,589	21,383	131,972	9,821,512	15,385,077			
192	5,926,991	110,980	20,991	131,972	9,842,504	15,496,057	277,446	1,306,215	1,583,660
193	5,816,011	111,373	20,598	131,972	9,863,102	15,607,430			
194	5,704,638	111,768	20,204	131,972	9,883,306	15,719,198			
195	5,592,870	112,164	19,808	131,972	9,903,114	15,831,362			
196	5,480,706	112,561	19,411	131,972	9,922,525	15,943,922			
197	5,368,146	112,959	19,012	131,972	9,941,537	16,056,882			
198	5,255,186	113,360	18,612	131,972	9,960,149	16,170,241			
199	5,141,827	113,761	18,211	131,972	9,978,360	16,284,002			
200	5,028,066	114,164	17,808	131,972	9,996,168	16,398,166			
201	4,913,902	114,568	17,403	131,972	10,013,571	16,512,735			
202	4,799,333	114,974	16,998	131,972	10,030,569	16,627,709			
203	4,684,359	115,381	16,590	131,972	10,047,159	16,743,090			
204	4,568,978	115,790	16,182	131,972	10,063,341	16,858,880	220,837	1,362,823	1,583,660

### Exhibit C (With TIF)

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
97	14,866,400	79,320	52,652	131,972	6,276,264	6,524,988			
98	14,787,080	79,601	52,371	131,972	6,328,635	6,604,589			
99	14,707,479	79,883	52,089	131,972	6,380,724	6,684,472			
100	14,627,596	80,166	51,806	131,972	6,432,530	6,764,637			
101	14,547,431	80,450	51,522	131,972	6,484,052	6,845,087			
102	14,466,981	80,734	51,237	131,972	6,535,289	6,925,821			
103	14,386,247	81,020	50,951	131,972	6,586,240	7,006,842			
104	14,305,226	81,307	50,664	131,972	6,636,905	7,088,149			
105	14,223,919	81,595	50,376	131,972	6,687,281	7,169,744			
106	14,142,324	81,884	50,087	131,972	6,737,368	7,251,629			
107	14,060,439	82,174	49,797	131,972	6,787,166	7,333,803			
108	13,978,265	82,465	49,506	131,972	6,836,672	7,416,268	613,060	970,600	1,583,660
109	13,895,800	82,757	49,214	131,972	6,885,886	7,499,026			
110	13,813,042	83,050	48,921	131,972	6,934,808	7,582,076			
111	13,729,992	83,345	48,627	131,972	6,983,435	7,665,421			
112	13,646,647	83,640	48,332	131,972	7,031,767	7,749,060			
113	13,563,008	83,936	48,036	131,972	7,079,802	7,832,996			
114	13,479,072	84,233	47,738	131,972	7,127,541	7,917,230			
115	13,394,838	84,532	47,440	131,972	7,174,981	8,001,761			
116	13,310,307	84,831	47,141	131,972	7,222,121	8,086,592			
117	13,225,476	85,131	46,840	131,972	7,268,962	8,171,724			
118	13,140,344	85,433	46,539	131,972	7,315,500	8,257,157			
119	13,054,911	85,736	46,236	131,972	7,361,736	8,342,892			
120	12,969,176	86,039	45,933	131,972	7,407,669	8,428,931	570,997	1,012,663	1,583,660
121	12,883,137	86,344	45,628	131,972	7,453,297	8,515,275			
122	12,796,793	86,650	45,322	131,972	7,498,619	8,601,925			
123	12,710,143	86,957	45,015	131,972	7,543,634	8,688,882			
124	12,623,186	87,265	44,707	131,972	7,588,341	8,776,146			
125	12,535,922	87,574	44,398	131,972	7,632,739	8,863,720			
126	12,448,348	87,884	44,088	131,972	7,676,827	8,951,604			
127	12,360,464	88,195	43,777	131,972	7,720,603	9,039,799			
128	12,272,269	88,507	43,464	131,972	7,764,068	9,128,306			
129	12,183,762	88,821	43,151	131,972	7,807,219	9,217,127			
130	12,094,941	89,135	42,836	131,972	7,850,055	9,306,262			
131	12,005,806	89,451	42,521	131,972	7,892,575	9,395,713			
132	11,916,355	89,768	42,204	131,972	7,934,779	9,485,481	527,110	1,056,550	1,583,660
133	11,826,587	90,086	41,886	131,972	7,976,665	9,575,567			
134	11,736,501	90,405	41,567	131,972	8,018,232	9,665,972			
135	11,646,096	90,725	41,247	131,972	8,059,478	9,756,697			
136	11,555,371	91,046	40,925	131,972	8,100,404	9,847,744			
137	11,464,324	91,369	40,603	131,972	8,141,006	9,939,112			
138	11,372,956	91,692	40,279	131,972	8,181,286	10,030,805			
139	11,281,263	92,017	39,954	131,972	8,221,240	10,122,822			
140	11,189,246	92,343	39,629	131,972	8,260,869	10,215,165			
141	11,096,903	92,670	39,302	131,972	8,300,170	10,307,835			
142	11,004,233	92,998	38,973	131,972	8,339,144	10,400,834			
143	10,911,234	93,328	38,644	131,972	8,377,788	10,494,161			
144	10,817,907	93,658	38,313	131,972	8,416,101	10,587,820	481,322	1,102,338	1,583,660
145	10,724,248	93,990	37,982	131,972	8,454,083	10,681,810			
146	10,630,258	94,323	37,649	131,972	8,491,731	10,776,132			
147	10,535,936	94,657	37,315	131,972	8,529,046	10,870,789			
148	10,441,279	94,992	36,980	131,972	8,566,026	10,965,781			
149	10,346,287	95,329	36,643	131,972	8,602,669	11,061,110			
150	10,250,958	95,666	36,305	131,972	8,638,974	11,156,776			

### Exhibit C (With TIF)

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
43	18,758,741	65,534	66,437	131,972	3,055,920	2,618,861			
44	18,693,207	65,767	66,205	131,972	3,122,126	2,684,628			
45	18,627,440	65,999	65,972	131,972	3,188,098	2,750,627			
46	18,561,441	66,233	65,738	131,972	3,253,836	2,816,861			
47	18,495,207	66,468	65,504	131,972	3,319,340	2,883,328			
48	18,428,740	66,703	65,268	131,972	3,384,609	2,950,032	798,577	785,083	1,583,660
49	18,362,036	66,939	65,032	131,972	3,449,641	3,016,971			
50	18,295,097	67,177	64,795	131,972	3,514,436	3,084,148			
51	18,227,920	67,414	64,557	131,972	3,578,993	3,151,562			
52	18,160,506	67,653	64,318	131,972	3,643,312	3,219,215			
53	18,092,853	67,893	64,079	131,972	3,707,390	3,287,108			
54	18,024,960	68,133	63,838	131,972	3,771,229	3,355,241			
55	17,956,827	68,375	63,597	131,972	3,834,826	3,423,616			
56	17,888,452	68,617	63,355	131,972	3,898,181	3,492,233			
57	17,819,835	68,860	63,112	131,972	3,961,293	3,561,092			
58	17,750,976	69,104	62,868	131,972	4,024,161	3,630,196			
59	17,681,872	69,348	62,623	131,972	4,086,784	3,699,544			
60	17,612,524	69,594	62,378	131,972	4,149,162	3,769,138	764,553	819,107	1,583,660
61	17,542,930	69,840	62,131	131,972	4,211,293	3,838,979			
62	17,473,089	70,088	61,884	131,972	4,273,177	3,909,067			
63	17,403,001	70,336	61,636	131,972	4,334,812	3,979,403			
64	17,332,665	70,585	61,387	131,972	4,396,199	4,049,988			
65	17,262,080	70,835	61,137	131,972	4,457,335	4,120,823			
66	17,191,245	71,086	60,886	131,972	4,518,221	4,191,909			
67	17,120,159	71,338	60,634	131,972	4,578,855	4,263,247			
68	17,048,821	71,590	60,381	131,972	4,639,236	4,334,837			
69	16,977,231	71,844	60,128	131,972	4,699,364	4,406,681			
70	16,905,387	72,098	59,873	131,972	4,759,237	4,478,780			
71	16,833,288	72,354	59,618	131,972	4,818,855	4,551,133			
72	16,760,935	72,610	59,362	131,972	4,878,217	4,623,743	729,055	854,605	1,583,660
73	16,688,325	72,867	59,104	131,972	4,937,321	4,696,611			
74	16,615,457	73,125	58,846	131,972	4,996,168	4,769,736			
75	16,542,332	73,384	58,587	131,972	5,054,755	4,843,120			
76	16,468,948	73,644	58,328	131,972	5,113,083	4,916,764			
77	16,395,304	73,905	58,067	131,972	5,171,149	4,990,669			
78	16,321,399	74,167	57,805	131,972	5,228,954	5,064,836			
79	16,247,232	74,429	57,542	131,972	5,286,497	5,139,265			
80	16,172,803	74,693	57,279	131,972	5,343,775	5,213,958			
81	16,098,110	74,958	57,014	131,972	5,400,789	5,288,916			
82	16,023,152	75,223	56,749	131,972	5,457,538	5,364,139			
83	15,947,929	75,489	56,482	131,972	5,514,020	5,439,628			
84	15,872,440	75,757	56,215	131,972	5,570,235	5,515,385	692,018	891,642	1,583,660
85	15,796,683	76,025	55,947	131,972	5,626,182	5,591,410			
86	15,720,658	76,294	55,677	131,972	5,681,859	5,667,705			
87	15,644,363	76,565	55,407	131,972	5,737,266	5,744,269			
88	15,567,799	76,836	55,136	131,972	5,792,402	5,821,105			
89	15,490,963	77,108	54,864	131,972	5,847,266	5,898,213			
90	15,413,855	77,381	54,591	131,972	5,901,857	5,975,594			
91	15,336,474	77,655	54,317	131,972	5,956,173	6,053,249			
92	15,258,819	77,930	54,042	131,972	6,010,215	6,131,179			
93	15,180,889	78,206	53,766	131,972	6,063,981	6,209,385			
94	15,102,683	78,483	53,489	131,972	6,117,469	6,287,868			
95	15,024,200	78,761	53,211	131,972	6,170,680	6,366,629			
96	14,945,439	79,040	52,932	131,972	6,223,612	6,445,668	653,377	930,283	1,583,660

### Exhibit C (With TIF)

# AMORTIZATION SCHEDULE

## Mortgage 1

Mortgage Amount	\$21,312,068	Monthly Payment	131,972
Annual Interest Rate	4.25%	Annual Payment	1,583,660
Amortization Period	20 Years		

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
1	21,312,068	56,491	75,480	131,972	75,480	56,491			
2	21,255,577	56,692	75,280	131,972	150,760	113,183			
3	21,198,885	56,892	75,079	131,972	225,840	170,075			
4	21,141,993	57,094	74,878	131,972	300,718	227,169			
5	21,084,899	57,296	74,676	131,972	375,393	284,465			
6	21,027,603	57,499	74,473	131,972	449,866	341,964			
7	20,970,104	57,703	74,269	131,972	524,135	399,666			
8	20,912,402	57,907	74,065	131,972	598,200	457,573			
9	20,854,495	58,112	73,860	131,972	672,060	515,685			
10	20,796,383	58,318	73,654	131,972	745,714	574,003			
11	20,738,065	58,524	73,447	131,972	819,161	632,528			
12	20,679,540	58,732	73,240	131,972	892,401	691,259	892,401	691,259	1,583,660
13	20,620,809	58,940	73,032	131,972	965,433	750,199			
14	20,561,869	59,148	72,823	131,972	1,038,256	809,347			
15	20,502,721	59,358	72,614	131,972	1,110,870	868,705			
16	20,443,363	59,568	72,404	131,972	1,183,274	928,273			
17	20,383,795	59,779	72,193	131,972	1,255,466	988,052			
18	20,324,016	59,991	71,981	131,972	1,327,447	1,048,043			
19	20,264,025	60,203	71,768	131,972	1,399,216	1,108,246			
20	20,203,822	60,416	71,555	131,972	1,470,771	1,168,663			
21	20,143,405	60,630	71,341	131,972	1,542,112	1,229,293			
22	20,082,775	60,845	71,126	131,972	1,613,238	1,290,138			
23	20,021,930	61,061	70,911	131,972	1,684,149	1,351,199			
24	19,960,869	61,277	70,695	131,972	1,754,844	1,412,476	862,443	721,217	1,583,660
25	19,899,592	61,494	70,478	131,972	1,825,322	1,473,970			
26	19,838,098	61,712	70,260	131,972	1,895,582	1,535,682			
27	19,776,386	61,930	70,041	131,972	1,965,623	1,597,612			
28	19,714,456	62,150	69,822	131,972	2,035,445	1,659,762			
29	19,652,306	62,370	69,602	131,972	2,105,047	1,722,131			
30	19,589,937	62,591	69,381	131,972	2,174,428	1,784,722			
31	19,527,346	62,812	69,159	131,972	2,243,588	1,847,534			
32	19,464,534	63,035	68,937	131,972	2,312,524	1,910,569			
33	19,401,499	63,258	68,714	131,972	2,381,238	1,973,827			
34	19,338,241	63,482	68,490	131,972	2,449,728	2,037,309			
35	19,274,759	63,707	68,265	131,972	2,517,992	2,101,016			
36	19,211,052	63,933	68,039	131,972	2,586,032	2,164,949	831,187	752,473	1,583,660
37	19,147,119	64,159	67,813	131,972	2,653,844	2,229,108			
38	19,082,960	64,386	67,585	131,972	2,721,430	2,293,494			
39	19,018,574	64,614	67,357	131,972	2,788,787	2,358,108			
40	18,953,960	64,843	67,129	131,972	2,855,916	2,422,951			
41	18,889,117	65,073	66,899	131,972	2,922,815	2,488,024			
42	18,824,044	65,303	66,668	131,972	2,989,483	2,553,327			

### Exhibit C (With TIF)

# Annual Property Operating Data

	Year 1			Year 2			Year 3			Year 4			Year 5		
	Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit		Sq Ft	Per Unit	
<b>Potential Rental Income</b>	\$ 2,622,720	0.99	756.89	\$ 2,675,174	1.01	774.07	\$ 2,728,678	1.03	789.55	\$ 2,783,251	1.05	806.34	\$ 2,838,916	1.07	821.45
Less: Vacancy & Credit Losses	(393,408)	-0.15	-113.83	(133,759)	-0.05	-38.70	(136,434)	-0.05	-39.48	(139,163)	-0.05	-40.27	(141,946)	-0.05	-41.07
Other Income	309,936	0.12	89.68	309,936	0.12	89.68	309,936	0.12	89.68	309,936	0.12	89.68	309,936	0.12	89.68
<b>Effective Gross Income</b>	<u>\$ 2,539,248</u>	0.96	734.74	<u>\$ 2,851,352</u>	1.08	825.04	<u>\$ 2,902,180</u>	1.10	839.75	<u>\$ 2,954,025</u>	1.12	854.75	<u>\$ 3,006,907</u>	1.14	870.05
<b>Operating Expenses</b>															
Advertising	4,320	0.00	1.25	4,363	0.00	1.26	4,407	0.00	1.28	4,451	0.00	1.29	4,495	0.00	1.30
Insurance	103,680	0.04	30.00	104,717	0.04	30.30	105,764	0.04	30.60	106,822	0.04	30.91	107,890	0.04	31.22
Maintenance	50,000	0.02	14.47	50,500	0.02	14.61	51,005	0.02	14.76	51,515	0.02	14.91	52,030	0.02	15.06
Management Fee	87,980	0.03	25.46	89,553	0.03	25.91	91,158	0.03	26.38	92,796	0.04	26.85	94,466	0.04	27.33
Pest Control	10,368	0.00	3.00	10,472	0.00	3.03	10,576	0.00	3.06	10,682	0.00	3.09	10,789	0.00	3.12
Property Taxes	309,936	0.12	89.68	313,035	0.12	90.58	316,166	0.12	91.48	319,327	0.12	92.40	322,521	0.12	93.32
Gas	25,000	0.01	7.23	25,250	0.01	7.31	25,503	0.01	7.38	25,758	0.01	7.45	26,015	0.01	7.53
Trash Removal	19,440	0.01	5.63	19,634	0.01	5.68	19,831	0.01	5.74	20,029	0.01	5.80	20,229	0.01	5.85
Water	69,120	0.03	20.00	69,811	0.03	20.20	70,509	0.03	20.40	71,214	0.03	20.61	71,927	0.03	20.81
<b>Total Operating Expenses</b>	<u>\$ 679,844</u>	0.26	196.71	<u>\$ 687,336</u>	0.26	198.88	<u>\$ 694,919</u>	0.26	201.08	<u>\$ 702,594</u>	0.27	203.30	<u>\$ 710,362</u>	0.27	205.54
<b>Net Operating Income (NOI)</b>	<u>\$ 1,859,404</u>	0.70	538.02	<u>\$ 2,164,016</u>	0.82	626.16	<u>\$ 2,207,261</u>	0.83	638.68	<u>\$ 2,251,431</u>	0.85	651.46	<u>\$ 2,296,545</u>	0.87	664.51
Less: Annual Debt Service	(1,583,660)	-0.60	-458.23	(1,583,660)	-0.60	-458.23	(1,583,660)	-0.60	-458.23	(1,583,660)	-0.60	-458.23	(1,583,660)	-0.60	-458.23
<b>Cash Flow Before Taxes</b>	<u>\$ 275,744</u>	0.10	79.79	<u>\$ 580,356</u>	0.22	167.93	<u>\$ 623,601</u>	0.24	180.44	<u>\$ 667,771</u>	0.25	193.22	<u>\$ 712,885</u>	0.27	206.27

## Income Tax Analysis

Mark Otto  
308.390.7203

Tax Analysis - Operations	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Net Operating Income (NOI) from CFA</b>	\$ 1,859,404	\$ 2,164,016	\$ 2,207,261	\$ 2,251,431	\$ 2,296,545
Tax Depreciation	(928,367)	(968,730)	(968,730)	(968,730)	(968,730)
Interest Expense - Mortgage #1	(819,161)	(864,989)	(833,843)	(801,348)	(767,444)
<b>Operating Taxable Income (Loss)</b>	<u>\$ 111,877</u>	<u>\$ 330,297</u>	<u>\$ 404,688</u>	<u>\$ 481,353</u>	<u>\$ 560,371</u>
Federal & State Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Income Tax Benefit (Expense)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Subject to Suspended Loss Rules?	Yes				

Tax Analysis - Property Sale	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Adjusted Projected Sales Price</b>	\$ 21,848,001	\$ 25,427,185	\$ 25,935,318	\$ 26,454,316	\$ 26,984,404
Original Cost of Property	(26,640,085)	(26,640,085)	(26,640,085)	(26,640,085)	(26,640,085)
Gain (Loss) on Property	<u>\$ (4,792,084)</u>	<u>\$ (1,212,900)</u>	<u>\$ (704,767)</u>	<u>\$ (185,769)</u>	<u>\$ 344,319</u>
Accumulated Depreciation/Amortization	928,367	1,897,097	2,865,827	3,834,558	4,803,288
Total Accumulated Depreciation	<u>\$ 928,367</u>	<u>\$ 1,897,097</u>	<u>\$ 2,865,827</u>	<u>\$ 3,834,558</u>	<u>\$ 4,803,288</u>
<b>Taxable Gain (Loss) on Property Sale</b>	<u>\$ (3,863,718)</u>	<u>\$ 684,197</u>	<u>\$ 2,161,060</u>	<u>\$ 3,648,789</u>	<u>\$ 5,147,607</u>
Capital Gain & State Rate on Sale	0.00%	0.00%	0.00%	0.00%	0.00%
Income Tax Benefit (Expense)	-	-	-	-	-
<b>Income Tax Benefit (Expense)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

### Exhibit C (With TIF)

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RentalSoftware.com

## Cash Flow Analysis

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308.390.7203

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Potential Rental Income</b>	<b>\$ 2,622,720</b>	<b>\$ 2,675,174</b>	<b>\$ 2,728,678</b>	<b>\$ 2,783,251</b>	<b>\$ 2,838,916</b>
Other Income	309,936	309,936	309,936	309,936	309,936
Less: Vacancy & Credit Losses	(393,408)	(133,759)	(136,434)	(139,163)	(141,946)
<b>Effective Gross Income</b>	<b>\$ 2,539,248</b>	<b>\$ 2,851,352</b>	<b>\$ 2,902,180</b>	<b>\$ 2,954,025</b>	<b>\$ 3,006,907</b>
Less: Operating Expenses	(679,844)	(687,336)	(694,919)	(702,594)	(710,362)
<b>Net Operating Income (NOI)</b>	<b>\$ 1,859,404</b>	<b>\$ 2,164,016</b>	<b>\$ 2,207,261</b>	<b>\$ 2,251,431</b>	<b>\$ 2,296,545</b>
Less: Annual Debt Service	(1,583,660)	(1,583,660)	(1,583,660)	(1,583,660)	(1,583,660)
<b>CASH FLOW Before Taxes</b>	<b>\$ 275,744</b>	<b>\$ 580,356</b>	<b>\$ 623,601</b>	<b>\$ 667,771</b>	<b>\$ 712,885</b>

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Projected Sales Price</b>	<b>\$ 23,242,554</b>	<b>\$ 27,050,197</b>	<b>\$ 27,590,764</b>	<b>\$ 28,142,890</b>	<b>\$ 28,706,813</b>
Less: Selling Expenses	(1,394,553)	(1,623,012)	(1,655,446)	(1,688,573)	(1,722,409)
<b>Adjusted Projected Sales Price</b>	<b>\$ 21,848,001</b>	<b>\$ 25,427,185</b>	<b>\$ 25,935,318</b>	<b>\$ 26,454,316</b>	<b>\$ 26,984,404</b>
Less: Mortgage(s) Balance Payoff	(20,620,809)	(19,899,592)	(19,147,119)	(18,362,036)	(17,542,930)
<b>SALE PROCEEDS Before Taxes</b>	<b>\$ 1,227,192</b>	<b>\$ 5,527,593</b>	<b>\$ 6,788,199</b>	<b>\$ 8,092,280</b>	<b>\$ 9,441,475</b>

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Generated in Current Year	\$ 230,994	\$ 448,237	\$ 461,726	\$ 475,230	\$ 488,737
Cash Generated in Previous Years	n/a	230,994	679,230	1,140,956	1,616,186
Cash Generated from Property Sale	1,227,192	5,527,593	6,788,199	8,092,280	9,441,475
Original Initial Investment	(5,328,017)	(5,328,017)	(5,328,017)	(5,328,017)	(5,328,017)
<b>Total Potential CASH Generated</b>	<b>\$ (3,869,832)</b>	<b>\$ 878,806</b>	<b>\$ 2,601,138</b>	<b>\$ 4,380,449</b>	<b>\$ 6,218,380</b>

Financial Measurements	Year 1	Year 2	Year 3	Year 4	Year 5	
Debt Coverage Ratio (DCR)	1.17	1.37	1.39	1.42	1.45	
Loan-to-Value Ratio (LVR)	88.7%	73.6%	69.4%	65.2%	61.1%	
Capitalization Rate Based on Cost	6.98%	8.12%	8.29%	8.45%	8.62%	
Capitalization Rate Based on Resale Price	8.00%	8.00%	8.00%	8.00%	8.00%	
Break-Even Ratio	77.18%	76.08%	74.99%	73.91%	72.85%	
Operating Expense Ratio	26.77%	24.11%	23.94%	23.78%	23.62%	
Net Present Value (NPV) - Before Taxes	13.50%	(4,003,844)	(343,703)	434,599	1,070,592	1,585,373
<b>Cash-on-Cash Return with Equity</b>	<b>-72.63%</b>	<b>386.95%</b>	<b>31.16%</b>	<b>26.21%</b>	<b>22.71%</b>	
<b>Cash-on-Cash Return - Before Taxes</b>	<b>5.18%</b>	<b>10.89%</b>	<b>11.70%</b>	<b>12.53%</b>	<b>13.38%</b>	
<b>Internal Rate-of-Return (IRR) - Before Taxes</b>	<b>Can't Comp.</b>	<b>9.69%</b>	<b>16.68%</b>	<b>19.32%</b>	<b>20.35%</b>	
<b>Modified Internal Rate-of-Return (MIRR) - Before Taxes</b>	<b>-71.79%</b>	<b>9.46%</b>	<b>15.77%</b>	<b>17.74%</b>	<b>18.22%</b>	

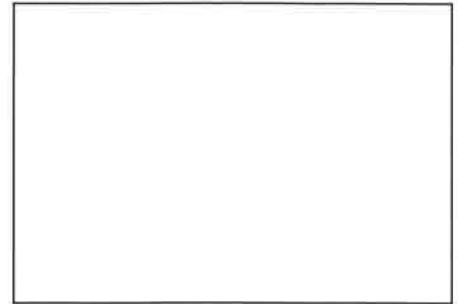
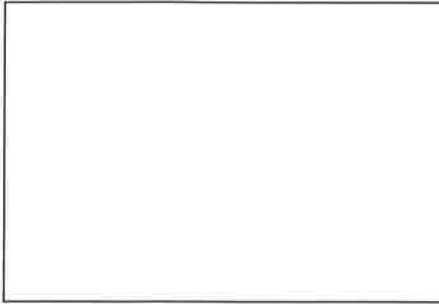
### Exhibit C (With TIF)

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# Executive Summary



## Income, Expenses & Cash Flow Property Overview

Potential Rental Income	\$ 2,622,720
Other Income	
Total Vacancy and Credits	(393,408)
Operating Expenses	\$ (670,546)
<b>Net Operating Income (NOI)</b>	<b><u>\$ 1,558,766</u></b>
Debt Service:	\$(1,583,660)
<b>Cash Flow Before Taxes</b>	<b>\$ (24,894)</b>

Purchase/Asking Price	\$26,640,085
Improvements	
Other	
Closing Costs	
Finance Points	
<b>Total Acquisition Cost</b>	<b><u>\$26,640,085</u></b>
Mortgage (s)	\$21,312,068
Down Payment / Investment	<b>\$5,328,017</b>

Property Type	Apartments
No. of Units	288
Price Per Unit	\$ 92,500
Total Sq Ft	220,608
Price Per Sq Ft	\$ 121
Income per Unit	\$ 9,107
Expenses per Unit	\$ (2,328)

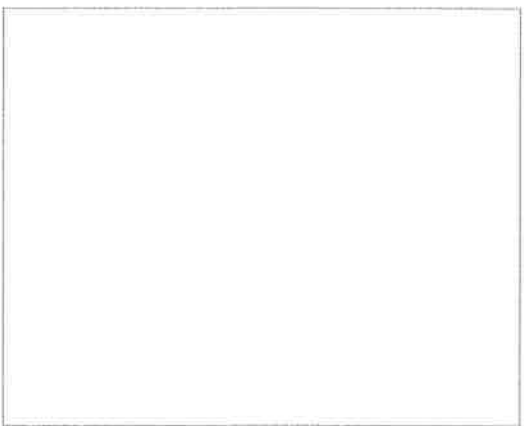
## Assumptions Loan Information

Rental Growth Rate:	2.00%
Expense Growth Rate:	1.00%
Capitalization Rate (Resale):	8.00%

		<u>% of Asking</u>	<u>% of Cost</u>
Down Payment:	\$ 5,328,017	20.00%	20.00%
Initial Loan Balance:	\$21,312,068	80.00%	80.00%
	<u>Loan Amount</u>	<u>Interest Rate</u>	<u>Term</u>
	\$ 21,312,068	4.25%	20
			<u>Payment</u>
			\$131,972

## Financial Measurements Notes / Discussion

	Year 1	Year 2	Year 3
Debt Coverage Ratio (DCR)	0.98	1.18	1.20
Loan-to-Value Ratio (LVR)	105.8%	85.4%	80.3%
Capitalization Rate Based on Cost	5.85%	6.99%	7.16%
Capitalization Rate Based on Resale Price	8.00%	8.00%	8.00%
Gross Rent Multiplier	10.16	8.71	8.73
Net Present Value (NPV) - B/ Taxes <span style="float: right;">13.50%</span>	(7,381,054)	(3,584,098)	(2,685,254)
Cash on Cash Return - Before Taxes	-0.47%	5.25%	6.06%
Internal Rate of Return - Before Taxes		-34.89%	-10.59%
Modified Internal Rate of Return - Before Taxes		-34.81%	-10.34%



**Disclaimer: All information presented is believed to be accurate.**

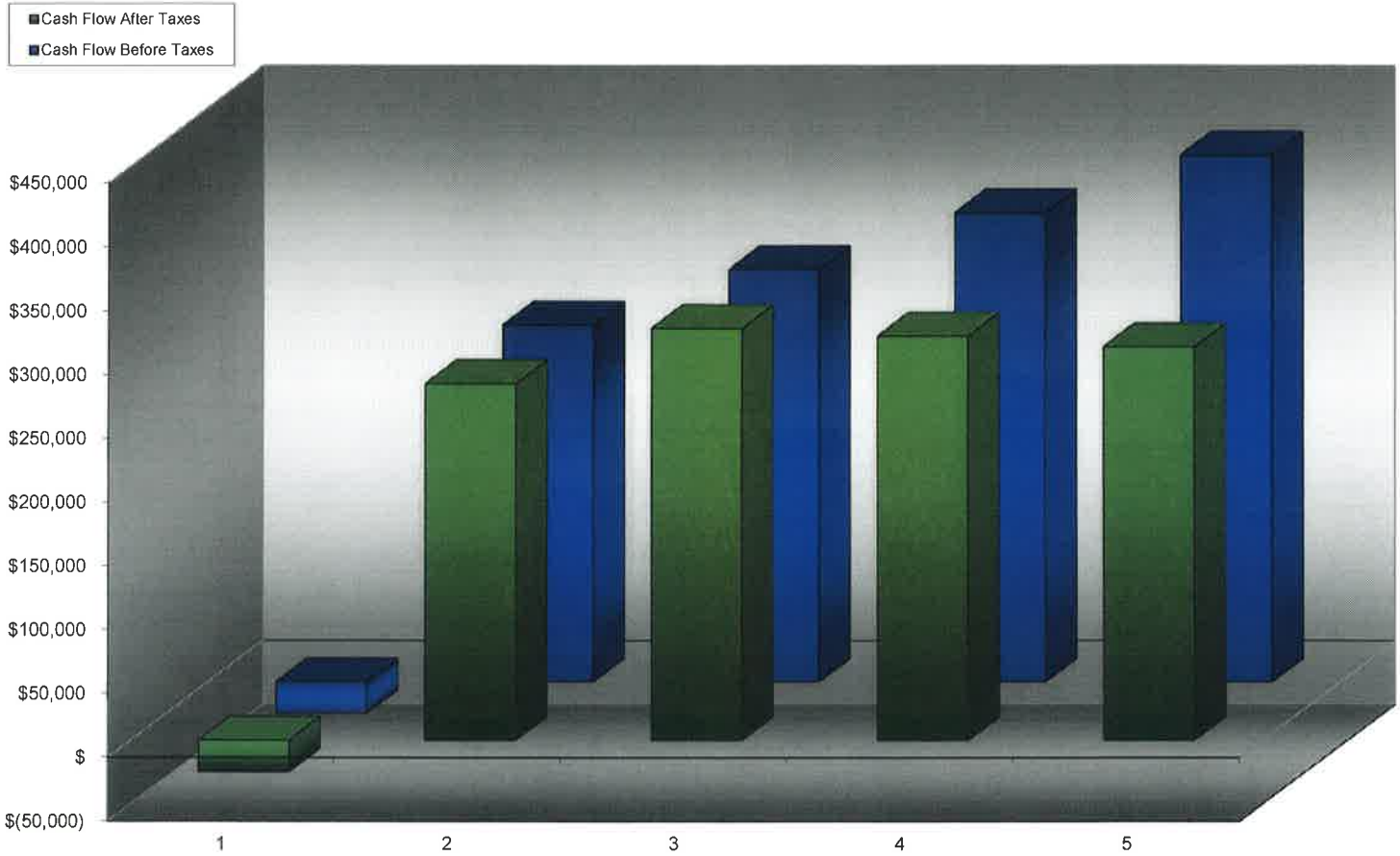
The information, calculations and data presented in this report are believed to be accurate but are not a guarantee. The information contained in this report shall not be considered as a substitution for legal, accounting or other professional advice. Please seek proper legal and tax advice as appropriate before making investments.

**Exhibit C (Without TIF)**



# Cash Flow Projections

Mark Otto  
308.390.7203



Time Period	Net Operating Income	MIP Payments	Debt Service	Cash Flow Before Tax	Incomes Taxes	Cash Flow After Tax
Int Investment				\$ (5,328,017)		\$ (5,328,017)
Year 1	1,558,766	-	(1,583,660)	(24,894)	-	(24,894)
Year 2	1,863,378	-	(1,583,660)	279,718	-	279,718
Year 3	1,906,623	-	(1,583,660)	322,963	-	322,963
Year 4	1,950,793	-	(1,583,660)	367,133	(50,265)	316,868
Year 5	1,995,907	-	(1,583,660)	412,247	(103,893)	308,354

## Exhibit C (Without TIF)

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PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
205	4,453,188	116,200	15,772	131,972	10,079,113	16,975,080			
206	4,336,988	116,612	15,360	131,972	10,094,473	17,091,691			
207	4,220,377	117,025	14,947	131,972	10,109,420	17,208,716			
208	4,103,352	117,439	14,533	131,972	10,123,953	17,326,155			
209	3,985,913	117,855	14,117	131,972	10,138,069	17,444,010			
210	3,868,058	118,272	13,699	131,972	10,151,769	17,562,282			
211	3,749,786	118,691	13,280	131,972	10,165,049	17,680,973			
212	3,631,095	119,112	12,860	131,972	10,177,909	17,800,085			
213	3,511,983	119,533	12,438	131,972	10,190,348	17,919,618			
214	3,392,450	119,957	12,015	131,972	10,202,363	18,039,575			
215	3,272,493	120,382	11,590	131,972	10,213,953	18,159,956			
216	3,152,112	120,808	11,164	131,972	10,225,116	18,280,764	161,776	1,421,885	1,583,660
217	3,031,304	121,236	10,736	131,972	10,235,852	18,402,000			
218	2,910,068	121,665	10,306	131,972	10,246,159	18,523,665			
219	2,788,403	122,096	9,876	131,972	10,256,034	18,645,761			
220	2,666,307	122,529	9,443	131,972	10,265,478	18,768,290			
221	2,543,778	122,962	9,009	131,972	10,274,487	18,891,252			
222	2,420,816	123,398	8,574	131,972	10,283,060	19,014,650			
223	2,297,418	123,835	8,137	131,972	10,291,197	19,138,485			
224	2,173,583	124,274	7,698	131,972	10,298,895	19,262,759			
225	2,049,309	124,714	7,258	131,972	10,306,153	19,387,473			
226	1,924,595	125,155	6,816	131,972	10,312,970	19,512,628			
227	1,799,440	125,599	6,373	131,972	10,319,343	19,638,227			
228	1,673,841	126,043	5,928	131,972	10,325,271	19,764,270	100,154	1,483,506	1,583,660
229	1,547,798	126,490	5,482	131,972	10,330,752	19,890,760			
230	1,421,308	126,938	5,034	131,972	10,335,786	20,017,698			
231	1,294,370	127,387	4,584	131,972	10,340,371	20,145,085			
232	1,166,983	127,839	4,133	131,972	10,344,504	20,272,924			
233	1,039,144	128,291	3,680	131,972	10,348,184	20,401,215			
234	910,853	128,746	3,226	131,972	10,351,410	20,529,961			
235	782,107	129,202	2,770	131,972	10,354,180	20,659,163			
236	652,905	129,659	2,312	131,972	10,356,492	20,788,822			
237	523,246	130,119	1,853	131,972	10,358,345	20,918,940			
238	393,128	130,579	1,392	131,972	10,359,738	21,049,520			
239	262,548	131,042	930	131,972	10,360,668	21,180,562			
240	131,506	131,506	466	131,972	10,361,133	21,312,068	35,863	1,547,798	1,583,660

### Exhibit C (Without TIF)

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
151	10,155,292	96,005	35,967	131,972	8,674,941	11,252,781			
152	10,059,287	96,345	35,627	131,972	8,710,568	11,349,126			
153	9,962,942	96,686	35,285	131,972	8,745,853	11,445,812			
154	9,866,256	97,029	34,943	131,972	8,780,796	11,542,841			
155	9,769,227	97,372	34,599	131,972	8,815,395	11,640,213			
156	9,671,855	97,717	34,254	131,972	8,849,650	11,737,931	433,549	1,150,111	1,583,660
157	9,574,137	98,063	33,908	131,972	8,883,558	11,835,994			
158	9,476,074	98,411	33,561	131,972	8,917,119	11,934,404			
159	9,377,664	98,759	33,213	131,972	8,950,332	12,033,164			
160	9,278,904	99,109	32,863	131,972	8,983,195	12,132,272			
161	9,179,796	99,460	32,512	131,972	9,015,707	12,231,732			
162	9,080,336	99,812	32,160	131,972	9,047,866	12,331,545			
163	8,980,524	100,166	31,806	131,972	9,079,672	12,431,710			
164	8,880,358	100,520	31,451	131,972	9,111,123	12,532,231			
165	8,779,837	100,876	31,095	131,972	9,142,219	12,633,107			
166	8,678,961	101,234	30,738	131,972	9,172,957	12,734,341			
167	8,577,727	101,592	30,379	131,972	9,203,336	12,835,933			
168	8,476,135	101,952	30,020	131,972	9,233,356	12,937,885	383,706	1,199,954	1,583,660
169	8,374,183	102,313	29,659	131,972	9,263,014	13,040,198			
170	8,271,870	102,675	29,296	131,972	9,292,310	13,142,873			
171	8,169,195	103,039	28,933	131,972	9,321,243	13,245,913			
172	8,066,155	103,404	28,568	131,972	9,349,811	13,349,317			
173	7,962,751	103,770	28,201	131,972	9,378,012	13,453,087			
174	7,858,981	104,138	27,834	131,972	9,405,846	13,557,225			
175	7,754,843	104,507	27,465	131,972	9,433,311	13,661,731			
176	7,650,337	104,877	27,095	131,972	9,460,406	13,766,608			
177	7,545,460	105,248	26,724	131,972	9,487,129	13,871,856			
178	7,440,212	105,621	26,351	131,972	9,513,480	13,977,477			
179	7,334,591	105,995	25,977	131,972	9,539,457	14,083,472			
180	7,228,596	106,370	25,601	131,972	9,565,058	14,189,842	331,702	1,251,958	1,583,660
181	7,122,226	106,747	25,225	131,972	9,590,283	14,296,590			
182	7,015,478	107,125	24,846	131,972	9,615,129	14,403,715			
183	6,908,353	107,505	24,467	131,972	9,639,596	14,511,219			
184	6,800,849	107,885	24,086	131,972	9,663,683	14,619,105			
185	6,692,963	108,267	23,704	131,972	9,687,387	14,727,372			
186	6,584,696	108,651	23,321	131,972	9,710,708	14,836,023			
187	6,476,045	109,036	22,936	131,972	9,733,644	14,945,059			
188	6,367,009	109,422	22,550	131,972	9,756,193	15,054,480			
189	6,257,588	109,809	22,162	131,972	9,778,356	15,164,290			
190	6,147,778	110,198	21,773	131,972	9,800,129	15,274,488			
191	6,037,580	110,589	21,383	131,972	9,821,512	15,385,077			
192	5,926,991	110,980	20,991	131,972	9,842,504	15,496,057	277,446	1,306,215	1,583,660
193	5,816,011	111,373	20,598	131,972	9,863,102	15,607,430			
194	5,704,638	111,768	20,204	131,972	9,883,306	15,719,198			
195	5,592,870	112,164	19,808	131,972	9,903,114	15,831,362			
196	5,480,706	112,561	19,411	131,972	9,922,525	15,943,922			
197	5,368,146	112,959	19,012	131,972	9,941,537	16,056,882			
198	5,255,186	113,360	18,612	131,972	9,960,149	16,170,241			
199	5,141,827	113,761	18,211	131,972	9,978,360	16,284,002			
200	5,028,066	114,164	17,808	131,972	9,996,168	16,398,166			
201	4,913,902	114,568	17,403	131,972	10,013,571	16,512,735			
202	4,799,333	114,974	16,998	131,972	10,030,569	16,627,709			
203	4,684,359	115,381	16,590	131,972	10,047,159	16,743,090			
204	4,568,978	115,790	16,182	131,972	10,063,341	16,858,880	220,837	1,362,823	1,583,660

### Exhibit C (Without TIF)

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
97	14,866,400	79,320	52,652	131,972	6,276,264	6,524,988			
98	14,787,080	79,601	52,371	131,972	6,328,635	6,604,589			
99	14,707,479	79,883	52,089	131,972	6,380,724	6,684,472			
100	14,627,596	80,166	51,806	131,972	6,432,530	6,764,637			
101	14,547,431	80,450	51,522	131,972	6,484,052	6,845,087			
102	14,466,981	80,734	51,237	131,972	6,535,289	6,925,821			
103	14,386,247	81,020	50,951	131,972	6,586,240	7,006,842			
104	14,305,226	81,307	50,664	131,972	6,636,905	7,088,149			
105	14,223,919	81,595	50,376	131,972	6,687,281	7,169,744			
106	14,142,324	81,884	50,087	131,972	6,737,368	7,251,629			
107	14,060,439	82,174	49,797	131,972	6,787,166	7,333,803			
108	13,978,265	82,465	49,506	131,972	6,836,672	7,416,268	613,060	970,600	1,583,660
109	13,895,800	82,757	49,214	131,972	6,885,886	7,499,026			
110	13,813,042	83,050	48,921	131,972	6,934,808	7,582,076			
111	13,729,992	83,345	48,627	131,972	6,983,435	7,665,421			
112	13,646,647	83,640	48,332	131,972	7,031,767	7,749,060			
113	13,563,008	83,936	48,036	131,972	7,079,802	7,832,996			
114	13,479,072	84,233	47,738	131,972	7,127,541	7,917,230			
115	13,394,838	84,532	47,440	131,972	7,174,981	8,001,761			
116	13,310,307	84,831	47,141	131,972	7,222,121	8,086,592			
117	13,225,476	85,131	46,840	131,972	7,268,962	8,171,724			
118	13,140,344	85,433	46,539	131,972	7,315,500	8,257,157			
119	13,054,911	85,736	46,236	131,972	7,361,736	8,342,892			
120	12,969,176	86,039	45,933	131,972	7,407,669	8,428,931	570,997	1,012,663	1,583,660
121	12,883,137	86,344	45,628	131,972	7,453,297	8,515,275			
122	12,796,793	86,650	45,322	131,972	7,498,619	8,601,925			
123	12,710,143	86,957	45,015	131,972	7,543,634	8,688,882			
124	12,623,186	87,265	44,707	131,972	7,588,341	8,776,146			
125	12,535,922	87,574	44,398	131,972	7,632,739	8,863,720			
126	12,448,348	87,884	44,088	131,972	7,676,827	8,951,604			
127	12,360,464	88,195	43,777	131,972	7,720,603	9,039,799			
128	12,272,269	88,507	43,464	131,972	7,764,068	9,128,306			
129	12,183,762	88,821	43,151	131,972	7,807,219	9,217,127			
130	12,094,941	89,135	42,836	131,972	7,850,055	9,306,262			
131	12,005,806	89,451	42,521	131,972	7,892,575	9,395,713			
132	11,916,355	89,768	42,204	131,972	7,934,779	9,485,481	527,110	1,056,550	1,583,660
133	11,826,587	90,086	41,886	131,972	7,976,665	9,575,567			
134	11,736,501	90,405	41,567	131,972	8,018,232	9,665,972			
135	11,646,096	90,725	41,247	131,972	8,059,478	9,756,697			
136	11,555,371	91,046	40,925	131,972	8,100,404	9,847,744			
137	11,464,324	91,369	40,603	131,972	8,141,006	9,939,112			
138	11,372,956	91,692	40,279	131,972	8,181,286	10,030,805			
139	11,281,263	92,017	39,954	131,972	8,221,240	10,122,822			
140	11,189,246	92,343	39,629	131,972	8,260,869	10,215,165			
141	11,096,903	92,670	39,302	131,972	8,300,170	10,307,835			
142	11,004,233	92,998	38,973	131,972	8,339,144	10,400,834			
143	10,911,234	93,328	38,644	131,972	8,377,788	10,494,161			
144	10,817,907	93,658	38,313	131,972	8,416,101	10,587,820	481,322	1,102,338	1,583,660
145	10,724,248	93,990	37,982	131,972	8,454,083	10,681,810			
146	10,630,258	94,323	37,649	131,972	8,491,731	10,776,132			
147	10,535,936	94,657	37,315	131,972	8,529,046	10,870,789			
148	10,441,279	94,992	36,980	131,972	8,566,026	10,965,781			
149	10,346,287	95,329	36,643	131,972	8,602,669	11,061,110			
150	10,250,958	95,666	36,305	131,972	8,638,974	11,156,776			

### Exhibit C (Without TIF)

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
43	18,758,741	65,534	66,437	131,972	3,055,920	2,618,861			
44	18,693,207	65,767	66,205	131,972	3,122,126	2,684,628			
45	18,627,440	65,999	65,972	131,972	3,188,098	2,750,627			
46	18,561,441	66,233	65,738	131,972	3,253,836	2,816,861			
47	18,495,207	66,468	65,504	131,972	3,319,340	2,883,328			
48	18,428,740	66,703	65,268	131,972	3,384,609	2,950,032	798,577	785,083	1,583,660
49	18,362,036	66,939	65,032	131,972	3,449,641	3,016,971			
50	18,295,097	67,177	64,795	131,972	3,514,436	3,084,148			
51	18,227,920	67,414	64,557	131,972	3,578,993	3,151,562			
52	18,160,506	67,653	64,318	131,972	3,643,312	3,219,215			
53	18,092,853	67,893	64,079	131,972	3,707,390	3,287,108			
54	18,024,960	68,133	63,838	131,972	3,771,229	3,355,241			
55	17,956,827	68,375	63,597	131,972	3,834,826	3,423,616			
56	17,888,452	68,617	63,355	131,972	3,898,181	3,492,233			
57	17,819,835	68,860	63,112	131,972	3,961,293	3,561,092			
58	17,750,976	69,104	62,868	131,972	4,024,161	3,630,196			
59	17,681,872	69,348	62,623	131,972	4,086,784	3,699,544			
60	17,612,524	69,594	62,378	131,972	4,149,162	3,769,138	764,553	819,107	1,583,660
61	17,542,930	69,840	62,131	131,972	4,211,293	3,838,979			
62	17,473,089	70,088	61,884	131,972	4,273,177	3,909,067			
63	17,403,001	70,336	61,636	131,972	4,334,812	3,979,403			
64	17,332,665	70,585	61,387	131,972	4,396,199	4,049,988			
65	17,262,080	70,835	61,137	131,972	4,457,335	4,120,823			
66	17,191,245	71,086	60,886	131,972	4,518,221	4,191,909			
67	17,120,159	71,338	60,634	131,972	4,578,855	4,263,247			
68	17,048,821	71,590	60,381	131,972	4,639,236	4,334,837			
69	16,977,231	71,844	60,128	131,972	4,699,364	4,406,681			
70	16,905,387	72,098	59,873	131,972	4,759,237	4,478,780			
71	16,833,288	72,354	59,618	131,972	4,818,855	4,551,133			
72	16,760,935	72,610	59,362	131,972	4,878,217	4,623,743	729,055	854,605	1,583,660
73	16,688,325	72,867	59,104	131,972	4,937,321	4,696,611			
74	16,615,457	73,125	58,846	131,972	4,996,168	4,769,736			
75	16,542,332	73,384	58,587	131,972	5,054,755	4,843,120			
76	16,468,948	73,644	58,328	131,972	5,113,083	4,916,764			
77	16,395,304	73,905	58,067	131,972	5,171,149	4,990,669			
78	16,321,399	74,167	57,805	131,972	5,228,954	5,064,836			
79	16,247,232	74,429	57,542	131,972	5,286,497	5,139,265			
80	16,172,803	74,693	57,279	131,972	5,343,775	5,213,958			
81	16,098,110	74,958	57,014	131,972	5,400,789	5,288,916			
82	16,023,152	75,223	56,749	131,972	5,457,538	5,364,139			
83	15,947,929	75,489	56,482	131,972	5,514,020	5,439,628			
84	15,872,440	75,757	56,215	131,972	5,570,235	5,515,385	692,018	891,642	1,583,660
85	15,796,683	76,025	55,947	131,972	5,626,182	5,591,410			
86	15,720,658	76,294	55,677	131,972	5,681,859	5,667,705			
87	15,644,363	76,565	55,407	131,972	5,737,266	5,744,269			
88	15,567,799	76,836	55,136	131,972	5,792,402	5,821,105			
89	15,490,963	77,108	54,864	131,972	5,847,266	5,898,213			
90	15,413,855	77,381	54,591	131,972	5,901,857	5,975,594			
91	15,336,474	77,655	54,317	131,972	5,956,173	6,053,249			
92	15,258,819	77,930	54,042	131,972	6,010,215	6,131,179			
93	15,180,889	78,206	53,766	131,972	6,063,981	6,209,385			
94	15,102,683	78,483	53,489	131,972	6,117,469	6,287,868			
95	15,024,200	78,761	53,211	131,972	6,170,680	6,366,629			
96	14,945,439	79,040	52,932	131,972	6,223,612	6,445,668	653,377	930,283	1,583,660

### Exhibit C (Without TIF)

# AMORTIZATION SCHEDULE

## Mortgage 1

Mortgage Amount	\$21,312,068	Monthly Payment	131,972
Annual Interest Rate	4.25%	Annual Payment	1,583,660
Amortization Period	20 Years		

PMT	Balance	Principal	Interest	Payment	Cumulative		Year-to-Date		
					Interest	Principal	Interest	Principal	Payment
1	21,312,068	56,491	75,480	131,972	75,480	56,491			
2	21,255,577	56,692	75,280	131,972	150,760	113,183			
3	21,198,885	56,892	75,079	131,972	225,840	170,075			
4	21,141,993	57,094	74,878	131,972	300,718	227,169			
5	21,084,899	57,296	74,676	131,972	375,393	284,465			
6	21,027,603	57,499	74,473	131,972	449,866	341,964			
7	20,970,104	57,703	74,269	131,972	524,135	399,666			
8	20,912,402	57,907	74,065	131,972	598,200	457,573			
9	20,854,495	58,112	73,860	131,972	672,060	515,685			
10	20,796,383	58,318	73,654	131,972	745,714	574,003			
11	20,738,065	58,524	73,447	131,972	819,161	632,528			
12	20,679,540	58,732	73,240	131,972	892,401	691,259	892,401	691,259	1,583,660
13	20,620,809	58,940	73,032	131,972	965,433	750,199			
14	20,561,869	59,148	72,823	131,972	1,038,256	809,347			
15	20,502,721	59,358	72,614	131,972	1,110,870	868,705			
16	20,443,363	59,568	72,404	131,972	1,183,274	928,273			
17	20,383,795	59,779	72,193	131,972	1,255,466	988,052			
18	20,324,016	59,991	71,981	131,972	1,327,447	1,048,043			
19	20,264,025	60,203	71,768	131,972	1,399,216	1,108,246			
20	20,203,822	60,416	71,555	131,972	1,470,771	1,168,663			
21	20,143,405	60,630	71,341	131,972	1,542,112	1,229,293			
22	20,082,775	60,845	71,126	131,972	1,613,238	1,290,138			
23	20,021,930	61,061	70,911	131,972	1,684,149	1,351,199			
24	19,960,869	61,277	70,695	131,972	1,754,844	1,412,476	862,443	721,217	1,583,660
25	19,899,592	61,494	70,478	131,972	1,825,322	1,473,970			
26	19,838,098	61,712	70,260	131,972	1,895,582	1,535,682			
27	19,776,386	61,930	70,041	131,972	1,965,623	1,597,612			
28	19,714,456	62,150	69,822	131,972	2,035,445	1,659,762			
29	19,652,306	62,370	69,602	131,972	2,105,047	1,722,131			
30	19,589,937	62,591	69,381	131,972	2,174,428	1,784,722			
31	19,527,346	62,812	69,159	131,972	2,243,588	1,847,534			
32	19,464,534	63,035	68,937	131,972	2,312,524	1,910,569			
33	19,401,499	63,258	68,714	131,972	2,381,238	1,973,827			
34	19,338,241	63,482	68,490	131,972	2,449,728	2,037,309			
35	19,274,759	63,707	68,265	131,972	2,517,992	2,101,016			
36	19,211,052	63,933	68,039	131,972	2,586,032	2,164,949	831,187	752,473	1,583,660
37	19,147,119	64,159	67,813	131,972	2,653,844	2,229,108			
38	19,082,960	64,386	67,585	131,972	2,721,430	2,293,494			
39	19,018,574	64,614	67,357	131,972	2,788,787	2,358,108			
40	18,953,960	64,843	67,129	131,972	2,855,916	2,422,951			
41	18,889,117	65,073	66,899	131,972	2,922,815	2,488,024			
42	18,824,044	65,303	66,668	131,972	2,989,483	2,553,327			

### Exhibit C (Without TIF)

# Annual Property Operating Data

Mark Otto  
308.390.7203

	Year 1		Year 2		Year 3		Year 4		Year 5	
	Sq Ft	Per Unit	Sq Ft	Per Unit	Sq Ft	Per Unit	Sq Ft	Per Unit	Sq Ft	Per Unit
<b>Potential Rental Income</b>	\$ 2,622,720	0.99	\$ 2,675,174	1.01	\$ 2,728,678	1.03	\$ 2,783,251	1.05	\$ 2,838,916	1.07
Less: Vacancy & Credit Losses	(393,408)	-0.15	(133,759)	-0.05	(136,434)	-0.05	(139,163)	-0.05	(141,946)	-0.05
Other Income										
<b>Effective Gross Income</b>	<u>\$ 2,229,312</u>	0.84	<u>\$ 2,541,416</u>	0.96	<u>\$ 2,592,244</u>	0.98	<u>\$ 2,644,089</u>	1.00	<u>\$ 2,696,971</u>	1.02
<b>Operating Expenses</b>										
Advertising	4,320	1.25	4,363	1.26	4,407	1.28	4,451	1.29	4,495	1.30
Insurance	103,680	30.00	104,717	30.30	105,764	30.60	106,822	30.91	107,890	31.22
Maintenance	50,000	14.47	50,500	14.61	51,005	14.76	51,515	14.91	52,030	15.06
Management Fee	78,682	22.77	80,255	23.22	81,860	23.69	83,498	24.16	85,167	24.64
Pest Control	10,368	3.00	10,472	3.03	10,576	3.06	10,682	3.09	10,789	3.12
Property Taxes	309,936	89.68	313,035	90.88	316,166	91.48	319,327	92.40	322,521	93.32
Gas	25,000	7.23	25,250	7.31	25,503	7.38	25,758	7.45	26,015	7.53
Trash Removal	19,440	5.63	19,634	5.68	19,831	5.74	20,029	5.80	20,229	5.85
Water	69,120	20.00	69,811	20.20	70,509	20.40	71,214	20.61	71,927	20.81
<b>Total Operating Expenses</b>	<u>\$ 670,546</u>	0.25	<u>\$ 678,038</u>	0.26	<u>\$ 685,621</u>	0.26	<u>\$ 693,296</u>	0.26	<u>\$ 701,064</u>	0.26
<b>Net Operating Income (NOI)</b>	<u>\$ 1,558,766</u>	0.59	<u>\$ 1,863,378</u>	0.70	<u>\$ 1,906,623</u>	0.72	<u>\$ 1,950,793</u>	0.74	<u>\$ 1,995,907</u>	0.75
Less: Annual Debt Service	(1,583,660)	-0.60	(1,583,660)	-0.60	(1,583,660)	-0.60	(1,583,660)	-0.60	(1,583,660)	-0.60
<b>Cash Flow Before Taxes</b>	<u>\$ (24,894)</u>	-0.01	<u>\$ 279,718</u>	0.11	<u>\$ 322,963</u>	0.12	<u>\$ 367,133</u>	0.14	<u>\$ 412,247</u>	0.16

## Income Tax Analysis

Mark Otto  
308.390.7203

Tax Analysis - Operations	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Net Operating Income (NOI) from CFA</b>	\$ 1,558,766	\$ 1,863,378	\$ 1,906,623	\$ 1,950,793	\$ 1,995,907
Tax Depreciation	(928,367)	(968,730)	(968,730)	(968,730)	(968,730)
Interest Expense - Mortgage #1	(819,161)	(864,989)	(833,843)	(801,348)	(767,444)
<b>Operating Taxable Income (Loss)</b>	<u>\$ (188,761)</u>	<u>\$ 29,659</u>	<u>\$ 104,050</u>	<u>\$ 180,715</u>	<u>\$ 259,733</u>
Federal & State Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Income Tax Benefit (Expense)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Subject to Suspended Loss Rules?	<span style="border: 1px solid black; padding: 2px;">Yes</span>				

Tax Analysis - Property Sale	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Adjusted Projected Sales Price</b>	\$ 18,315,505	\$ 21,894,689	\$ 22,402,822	\$ 22,921,821	\$ 23,451,908
Original Cost of Property	(26,640,085)	(26,640,085)	(26,640,085)	(26,640,085)	(26,640,085)
Gain (Loss) on Property	<u>\$ (8,324,580)</u>	<u>\$ (4,745,396)</u>	<u>\$ (4,237,263)</u>	<u>\$ (3,718,264)</u>	<u>\$ (3,188,177)</u>
Accumulated Depreciation/Amortization	928,367	1,897,097	2,865,827	3,834,558	4,803,288
Total Accumulated Depreciation	<u>\$ 928,367</u>	<u>\$ 1,897,097</u>	<u>\$ 2,865,827</u>	<u>\$ 3,834,558</u>	<u>\$ 4,803,288</u>
<b>Taxable Gain (Loss) on Property Sale</b>	<u>\$ (7,396,213)</u>	<u>\$ (2,848,299)</u>	<u>\$ (1,371,435)</u>	<u>\$ 116,293</u>	<u>\$ 1,615,112</u>
Capital Gain & State Rate on Sale	0.00%	0.00%	0.00%	0.00%	0.00%
Income Tax Benefit (Expense)	-	-	-	-	-
<b>Income Tax Benefit (Expense)</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

### Exhibit C (Without TIF)

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## Cash Flow Analysis

Mark Otto  
308.390.7203

Rental Activity Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Potential Rental Income</b>	\$ 2,622,720	\$ 2,675,174	\$ 2,728,678	\$ 2,783,251	\$ 2,838,916
Other Income					
Less: Vacancy & Credit Losses	(393,408)	(133,759)	(136,434)	(139,163)	(141,946)
<b>Effective Gross Income</b>	\$ 2,229,312	\$ 2,541,416	\$ 2,592,244	\$ 2,644,089	\$ 2,696,971
Less: Operating Expenses	(670,546)	(678,038)	(685,621)	(693,296)	(701,064)
<b>Net Operating Income (NOI)</b>	\$ 1,558,766	\$ 1,863,378	\$ 1,906,623	\$ 1,950,793	\$ 1,995,907
Less: Annual Debt Service	(1,583,660)	(1,583,660)	(1,583,660)	(1,583,660)	(1,583,660)
<b>CASH FLOW Before Taxes</b>	\$ (24,894)	\$ 279,718	\$ 322,963	\$ 367,133	\$ 412,247

Property Resale Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Projected Sales Price</b>	\$ 19,484,580	\$ 23,292,223	\$ 23,832,790	\$ 24,384,916	\$ 24,948,839
Less: Selling Expenses	(1,169,075)	(1,397,533)	(1,429,967)	(1,463,095)	(1,496,930)
<b>Adjusted Projected Sales Price</b>	\$ 18,315,505	\$ 21,894,689	\$ 22,402,822	\$ 22,921,821	\$ 23,451,908
Less: Mortgage(s) Balance Payoff	(20,620,809)	(19,899,592)	(19,147,119)	(18,362,036)	(17,542,930)
<b>SALE PROCEEDS Before Taxes</b>	\$ (2,305,304)	\$ 1,995,097	\$ 3,255,703	\$ 4,559,784	\$ 5,908,979

Cash Position	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Generated in Current Year	\$ (24,894)	\$ 279,718	\$ 322,963	\$ 316,868	\$ 308,354
Cash Generated in Previous Years	n/a	(24,894)	254,824	577,787	894,655
Cash Generated from Property Sale	(2,229,799)	2,058,738	3,277,724	4,559,784	5,908,979
Original Initial Investment	(5,328,017)	(5,328,017)	(5,328,017)	(5,328,017)	(5,328,017)
<b>Total Potential CASH Generated</b>	\$ (7,582,710)	\$ (3,014,455)	\$ (1,472,506)	\$ 126,423	\$ 1,783,971

Financial Measurements	Year 1	Year 2	Year 3	Year 4	Year 5	
Debt Coverage Ratio (DCR)	0.98	1.18	1.20	1.23	1.26	
Loan-to-Value Ratio (LVR)	105.8%	85.4%	80.3%	75.3%	70.3%	
Capitalization Rate Based on Cost	5.85%	6.99%	7.16%	7.32%	7.49%	
Capitalization Rate Based on Resale Price	8.00%	8.00%	8.00%	8.00%	8.00%	
Break-Even Ratio	85.95%	84.54%	83.16%	81.81%	80.48%	
Operating Expense Ratio	30.08%	26.68%	26.45%	26.22%	25.99%	
Net Present Value (NPV) - Before Taxes	13.50%	(7,381,054)	(3,584,098)	(2,685,254)	(1,943,056)	(1,334,702)
Cash-on-Cash Return with Equity	-142.32%	0.00%	74.90%	48.78%	36.35%	
Cash-on-Cash Return - Before Taxes	-0.47%	5.25%	6.06%	6.89%	7.74%	
Internal Rate-of-Return (IRR) - Before Taxes	Can't Comp.	-34.89%	-10.59%	0.85%	6.76%	
Modified Internal Rate-of-Return (MIRR) - Before Taxes	-100.00%	-34.81%	-10.34%	0.82%	6.38%	

### Exhibit C (Without TIF)

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

**RESOLUTION NO. 213**

**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 11 day of May, 2016.

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

By Tom Colborn  
Chairperson

ATTEST:

Chad A. [Signature]  
Secretary

Talon Apartments

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 214

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 19, from Talon Apartments, (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 19;


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 11 day of May, 2016.

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

By   
Chairperson

ATTEST:

  
Secretary

Talon Apartments

Resolution Number 2016-04

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: June 1, 2016.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: [Signature]  
Chair

By: [Signature]  
Secretary

Talon Apartments