



City of Grand Island

Tuesday, August 23, 2016

Council Session

Item E-4

Public Hearing on Redevelopment Plan Amendment for CRA Area 17 located South of Husker Highway and West of U.S. Highway 281 (currently platted as Ewoldt Subdivision) (Prataria Ventures, LLC)

Council action will take place under Resolutions item I-2.

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nability, AICP
Meeting: August 23, 2016
Subject: Site Specific Redevelopment Plan for CRA Area 17
Presenter(s): Chad Nability, AICP CRA Director

Background

In 2015, the Grand Island City Council declared property referred to as CRA Area 17 as blighted and substandard and approved a generalized redevelopment plan for the property. This site specific redevelopment plan is proposing to use Tax Increment Financing (TIF) for the redevelopment of property, site preparation and grading, demolition, installation of public utility and streets, installation of parking and private streets, and a convention center on this site.

Prataria Ventures, LLC has submitted an application for Tax Increment Financing to aid in the redevelopment of property to prepare for the construction of a Hospital, a Medical Office Building and a Hotel with attached conference space. This property is located at the southwest corner of Husker Highway and U.S. Highway 281. Staff has prepared a redevelopment plan for this property consistent with the TIF application. Also included with the redevelopment plan and application is a cost benefit analysis conducted by Professors Ron Konecny and Alan Jenkins with the University of Nebraska-Kearney.

The CRA reviewed the proposed development plan on July 27, 2016 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on August 10, 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 August 10, 2016. The Planning Commission approved Resolution 2016-09 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 redevelopment plan for CRA Area 17 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment specifies that the TIF will be used to offset allowed costs for site preparation, demolition, planning activities, public amenities, private roads, necessary utility extensions and improvements, a conference center, and fees associated with the redevelopment project. 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 undo additional costs onto the current residents of Grand Island and the impacted school districts. There are a minimum of \$28,708,000 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 and will end upon final payment of the bond principal. The proposed bond for this project will be issued for the expected TIF proceeds for the 15 year period of \$28,708,000 with 0.0% interest rate. Valuation on the finished project is expected to be at least \$95,000,000 but has been estimated by the Hall County Assessor as possibly as high as \$149,000,000. Expected payout on the \$28,708,000 would be 14.5 years at \$95,000,000 and 8.7 years at \$149,000,000.

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 17
June 2016**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 17 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 17.

Executive Summary:

Project Description

THE REDEVELOPMENT OF PROPERTY LOCATED SOUTH OF HUSKER HIGHWAY AND WEST OF U.S. HIGHWAY 281 (THE PROJECT SITE IS CURRENTLY PLATTED AS EWOLDT SUBDIVISION WHICH PLAT WILL BE VACATED AND A NEW PLAT RECORDED). THE PROJECT WILL CONSIST OF DEMOLITION OF EXISTING FARMS STRUCTURES, ALL SITE WORK AND GRADING TO PROMOTE AND ENHANCE DRAINAGE ACROSS THE SITE, INTALLATION OF ROADS, SEWER, WATER AND OTHER UTILITY INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF THE SITE. THE PROJECT SHALL ALSO INCLUDE INFRASTRUCTURE IMPROVEMENTS AND MODIFICATIONS WITHIN THE PUBLIC RIGHT-OF-WAY OF HUSKER HIGHWAY (U.S. HIGHWAY 34) AND U.S. HIGHWAY 281 TO FACILITATE THE TRAFFIC THE PROJECT WILL GENERATE. THE INTIAL PHASE OF THIS DEVELOPMENT WILL CONSIST OF THE CONSTRUCTION OF A 4 STORY 64 BED HOSPITAL, A 66,000 SQUARE FOOT MEDICAL OFFICE BUILDING AND A 103 BED HOTEL WITH 7000 SQUARE FEET OF CONFERENCE/MEETING SPACE.

The use of Tax Increment Financing to aid in demolition, site clearance, and necessary infrastructure and grading improvements to redevelop the southwest corner of Husker Highway and U.S. Highway 281 currently platted as Ewoldt Sub 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 economically feasible. The project will result in the development of lots along this section of U.S. 281 toward U.S. Interstate 80. The proposed anchors for the first phase of this development location include a private hospital, medical office building and hotel with conference space. Subsequent phases of the remainder of the site include housing, office space and retail development. The developer has indicated that this development would not be considered nor financially feasible for at this location without the use of TIF.

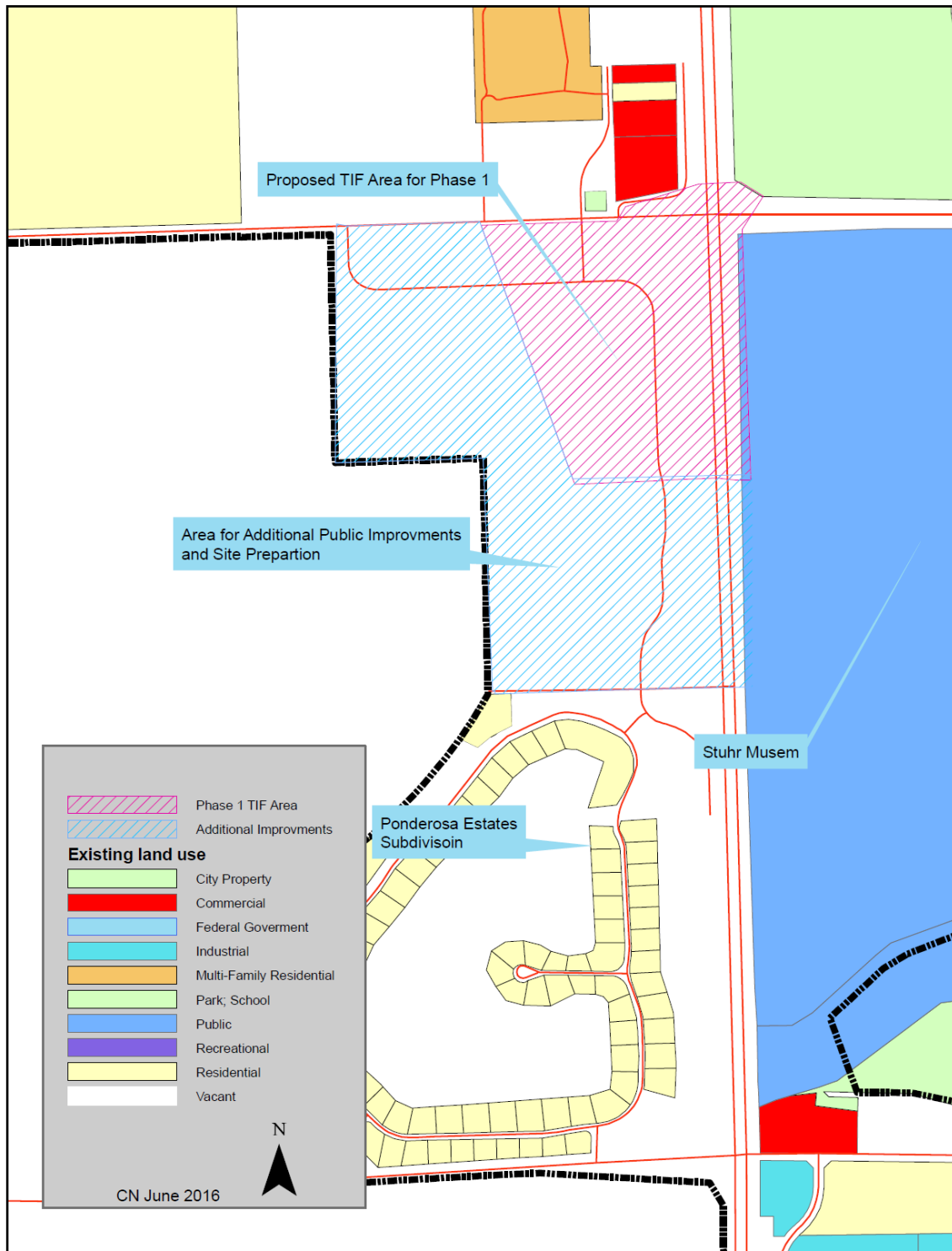
Prataria Ventures L.L.C., a wholly owned subsidiary of Chief Industries, Inc., owns the subject property. Chief Industries was founded in 1954 and is headquartered in Grand Island. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad

valorem taxes generated over the 15 year period beginning January 1, 2018 towards the allowable costs.

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: All of Ewoldt Subdivision in Grand Island, Hall County, Nebraska and the adjacent rights-of-way for Husker Highway/U.S. Highway 34, U.S. Highway 281 and Rae Road.



Existing Land Use and Subject Property

This plan amendment provides for the issuance TIF Notes, the proceeds of which will be granted to the Redeveloper. 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 incremental value for the first phase will be created by the construction of a 64 bed private hospital, medical office building and hotel/conference center. This area is planned for commercial development with the Grand Island Comprehensive Plan and will need to be rezoned to either a B2 General Commercial or CD Commercial Development zone to accommodate the planned development. In addition, the current subdivision will be vacated and a new subdivision created to create the buildable lots of record for the first phase of redevelopment.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area 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, 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 June 9, 2015.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

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

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations.

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

a. Land Acquisition:

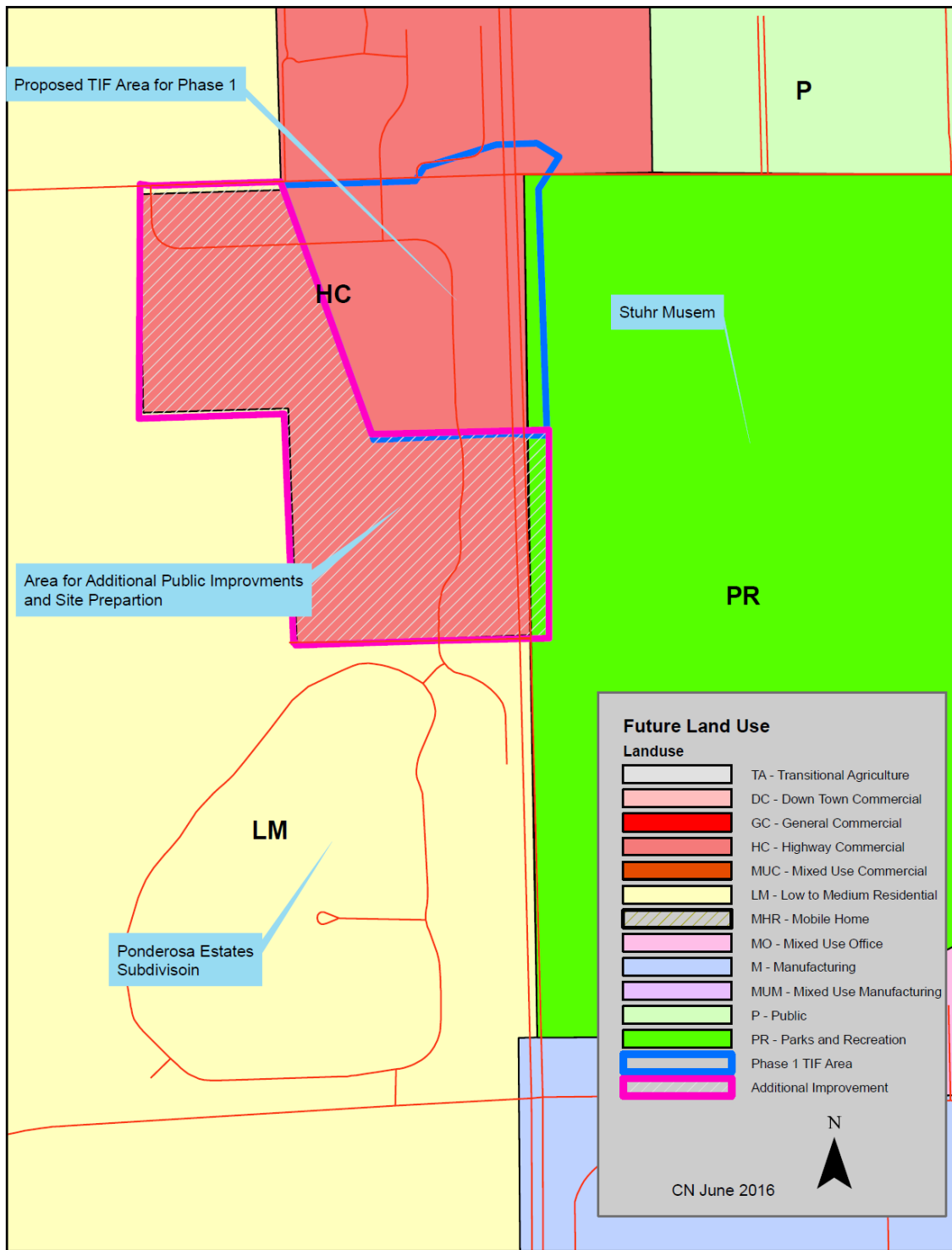
This Redevelopment Plan for Area 17 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan provides for the demolition and removal of the existing abandoned farm buildings on the property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and is planned for commercial uses [§18-2103(b) and §18-2111]. A site plan of the area after the proposed redevelopment is also attached. [§18-2111(5)]



City of Grand Island Future Land Use Map

Exhibit A



Proposed Site Plan as developed.

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

The property is currently platted as Ewoldt Subdivision. The existing Ewoldt Subdivision and all easements on the property will be vacated. The property will be replatted with a new street and lot configuration. Necessary easements will be dedicated with the new subdivision plat.

The area is zoned TA Transitional Agriculture. It is anticipated that the area for the first phase of redevelopment will be rezoned to accommodate the development to a B2 General Commercial or CD Commercial Development Zone. These zoning districts at this location are consistent with the Grand Island Comprehensive Development Plan. The westerly portions of the property may be rezoned to an RO Residential Office zone that allows apartments and office buildings and which would provide a buffer between anticipated lakefront residential development to the west. Internal streets will be platted to connect James Road on the north with the intersection of James Road (Prairie View Road) and Rae Road on the south. All properties will be graded to drain appropriately and streets will be designed based on final lot elevations. Streets, utility infrastructure and grading will be completed for the whole development during the first phase of this project. No changes are anticipated in building codes or ordinances. However, the CRA intends to require enhancements to building facades as part of a public space requirement of the redevelopment project. No other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the proposed zoning districts. The CD zoning district allows for up to 50% of the CD zone to be covered with buildings. The B2 zone would allow coverage of up to 100% of the lot less required landscaping and the RO zoning district would allow up to 75% coverage. Final zoning on the project site will have to be approved by the Grand Island City Council prior to construction. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Sufficient capacity exists within these systems to support this development at completion. Sewer, water will be extended throughout the site. The developer will be responsible for engineering and installation of all required utilities. Said utilities are expected to become part of the city infrastructure and will be accepted into the city systems after construction and inspection. Electric infrastructure will be extended throughout the site according to typical commercial installation requirements. Natural gas and communications infrastructure will be installed according to the agreements formed with the private companies that provide those services. The City of Grand Island will secure all necessary easements for utility infrastructure with the platting and development processes. Public façade easements will be acquired in all buildings constructed as part of the project. The

Redeveloper will be required to enhance the building exteriors and façades as provided in the redevelopment contract as a part of the public space development in the project over and above Commercial Development Zone building requirements. The façade improvements are required to ensure long-term durability of the buildings to prevent the recurrence of blighted conditions, with such façade improvements protected with a grant of an easement to the City by the Redeveloper.

[§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. No individuals or businesses will be relocated due to this development. [§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 has 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 owns this property. The developer has identified the following expenses shown as exhibit B as potentially eligible for TIF based on the costs for the first phase development and site preparation/grading, streets and utility infrastructure for the full 96 acre site at \$28,910,839. Additional TIF may be generated and used for complete development of the remainder of the site for site acquisition, planning, architecture, legal and other eligible activities.

Project TIF Eligible Expenses

A. <u>Project Site Preparation Expenses</u>		
1. Demolition:		\$60,000
2. Grading/ <u>Stormwater</u> Detention:		<u>\$795,000</u>
	Total:	\$855,000
B. <u>Public Improvements</u>		
1. Public Streets; Public Utilities:		\$12,820,000
(Sanitary/Storm sewer, water, traffic Improvements)		
2. Façade Enhancements:		\$1,680,000
(Hospital, Hotel & Office Building)		
3. Private Street; Parking Lots:		\$4,038,000
4. Offsite Street and Highway Improvements		<u>\$553,000</u>
	Total:	\$19,091,000
C. <u>Planning Activities</u>		
1. Design of Public Improvements:		\$7,356,000
(Engineering, Architecture, Planning)		
2. Master Planning/Housing & Hotel Studies:		<u>\$59,000</u>
	Total:	\$7,415,000
D. <u>Conference Center</u>		
1.		<u>\$1,225,000</u>
	Total:	\$1,225,000
E. <u>TIF Related Expenses</u>		
1: Legal Fees		\$100,000
2 Cost Benefit Analysis		\$20,000
3 City and CRA Fees		<u>\$2,000</u>
	Total:	<u>\$122,000</u>
	Total Expenses:	\$28,708,000

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$28,708,000 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to

repay the original debt and associated interest after January 1, 2017 through December 2031. The developer will use the TIF Note to secure debt financing in an amount not to exceed \$28,708,000 to be paid to the note holder during the term of the financing.

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 and substandard conditions within the area.

8. Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and December of 2018. Excess valuation should be available for this project for 15 years beginning with the 2017 tax year. Additional projects may be brought forward for separate consideration on parcels located outside of this initial phase.

9. Justification of Project

Demolition, extension of utilities, substantial site grading and installation of streets are necessary to facilitate redevelopment of this site. The redevelopment of this property by Prataria Ventures, LLC, will result in increased employment opportunities in the medical sector within Grand Island as well as expanded medical choices. This is a first step in extending development south along U.S. Highway 281 toward U.S. Interstate 80. The Grand Island City Council has made it clear with previous decisions that they support development toward the I-80/281 interchange.

Comment [CN]: We do need to decide which year the project begins 2017 or 2018? This will impact the amount of increment based on what improvements have been completed.

10. Cost Benefit Analysis The CRA will engage consultants to prepare a cost benefit analysis. The results of the analysis will be included as an appendix to this plan amendment.

Time Frame for Development

Development of this project is anticipated to be completed between September of 2016 and December of 2018. The base tax year should be calculated on the value of the property as of January 1, 2017. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$28,708,000 the projected amount of increment based upon the anticipated value of the project and current tax rate.]

Comment [CN]: Again we need to confirm the start date for the contract.

Appendix

Cost-Benefit Analysis

August 16, 2016

Report prepared by:

Ron Konecny, PhD
Professor of Management
University of Nebraska Kearney
Email: konecnyr@unk.edu

Allan Jenkins, PhD
Professor of Economics
University of Nebraska Kearney
Email: jenkinsa@unk.edu

DISCLAIMER

The results expressed in this report do not reflect the position of the University of Nebraska Kearney or the University of Nebraska System.

Cost/Benefit Analysis Summary Statement:

This appendix provides a cost/benefit analysis for the proposed Prataria Ventures Redevelopment Project in Grand Island, Nebraska. The report addresses all requirements for cost-benefit set forth in the Neb. Rev. Stat. §§18-2101 through 18-2150.

Summary of the Project

1. **Hospital:** 4 story, 64 patient rooms, approximately 172,000 square feet
2. **Office Building:** 3 story facility, approximately 66,000 square feet
3. **Hotel:** 110 guest rooms, approximately 81,500 square feet including 7,000 square feet of conference space

Any Cost-Benefit model used by the authority shall consider and analyze the following factors:

a) Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147

There are no tax shifts resulting from this TIF project. The base valuation is taxed at the same rate as other comparable property. Only the incremental taxes created by the Redevelopment project will be divided and captured to pay project eligible expenses for a period not to exceed 15 years.

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

Existing Public infrastructure has sufficient capacity to meet project needs. The project will have little impact on the number of students in Grand Island Public School District and will have no appreciable impact on school funding in the short run. At the end of the TIF period, the increased valuation will have a positive impact on school funding and other government funding. The City and Developer will negotiate an appropriate cost sharing for the new traffic signal and turning lane on Highway 281 at the south edge of the property. The GI Fire Department has indicated it will need to purchase \$18,000 in new equipment if the project is developed. Increased economic activity stemming from the project will increase GI sales tax revenue by \$250,000 per year.

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

There are no other firms locating or expanding within the redevelopment area.

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

The projected increase in Grand Island's population will provide the labor force necessary for low-skill employees at the hotel and hospital. The new medical facilities will help in the recruitment of additional healthcare providers into the MSA, which is currently underserved. There is now substantial out-migration for medical services, so the new facility should recapture some of those patients. The aging of the population will increase the demand for medical services. Hospital related employment will soften the impact of the closing of the Grand Island Veterans' Home.

Increased travel on Interstate – 80 will increase the demand for hotel rooms.

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

IMPLAN modeling estimates that the construction phase of the project will create \$153 million in economic activity in Hall County and generate \$260,000 in local sales tax during the construction phase. The on-going operation of the new facilities will add an additional \$145 million in economic activity and \$250,000 in local sales tax annually.

Researchers examined the statewide trends in TIF utilization to provide additional information for city authorities. Developers and local governments are continuing to use TIF financing, with 89 new projects in 2015. Use of TIF has varied yearly in response to changes in the national business cycle.

Each of these summary points are explained in more detail in the following sections.

Economic Impact Estimation: IMPLAN Modeling

An input/output model using IMPLAN software was used to analyze the economic impact of the Prataria Ventures project. IMPLAN, originally developed by the University of Minnesota and the USDA Forest Service in 1979, is widely used today in regional planning and impact analysis. IMPLAN provides a consistent economic framework for analysis at the regional, state, and/or county level. The model captures the cumulative impact on the economy as an initial expenditure in one industry ripples through the regional economy, creating the well-known multiplier effect in income and employment. For example, to produce more automobiles requires more steel, which requires more iron ore, which requires transportation and ore mining. Building more automobiles will increase employment and income in all industries that produce inputs for automobiles.

IMPLAN captures data down to the Zip code level, but the smaller the area of analysis the greater the economic leakage from the study area. This study uses Hall County level data. The economic characteristics of Hall County, as identified by IMPLAN, are presented in the following graphic. This IMPLAN screen identifies fundamental characteristics like the top ten industries by employment, average household income, the total number of industries in the county, and gross regional product. Behind this gateway screen is a dataset of 526 industry sectors. A change in expenditure in one sector is traced then by IMPLAN through the entire matrix for the study area.

The screenshot displays the IMPLAN software interface with the following sections:

- Model Information:**
 - Model Year: 2014
 - Gross Regional Product: \$3,295,402,748
 - Total Personal Income: \$2,475,822,000
 - Total Employment: 43,028
 - Number of Industries: 203
 - Land Area (Square Miles): 546
 - Area Count: 1
 - Population: 61,492
 - Total Households: 23,470
 - Average Household Income: \$105,488
 - Trade Flows Method: Trade Flows Model
 - Model Status: Multipliers
 - Multiplier Specification: Type SAM
- Areas in the Model:**
 - Nebraska
 - Hall County
- Gross Regional Product:**
 - Total Value Added: \$3,295,402,748
 - Total Final Demand: \$3,295,402,753
- Economic Indicators:**
 - Shannon-Weaver Diversity Index: 0.70069
- Top Ten Industries (View By: Employment):**

Sector	Description	Employment	Labor Income	Output
89	Animal, except poultry, slaughtering	3,139	\$140,134,800	\$1,854,689,000
534	* Employment and payroll of local govt, e...	2,214	\$127,115,300	\$145,375,000
395	Wholesale trade	1,791	\$119,188,000	\$377,068,500
262	Farm machinery and equipment manufac...	1,533	\$92,525,920	\$1,004,699,000
405	Retail - General merchandise stores	1,528	\$37,030,030	\$98,218,470
502	Limited-service restaurants	1,368	\$22,399,930	\$100,290,600
501	Full-service restaurants	1,146	\$19,814,860	\$45,051,930
411	Truck transportation	1,065	\$54,185,720	\$167,860,100
533	* Employment and payroll of local govt, n...	1,041	\$62,114,220	\$71,104,110
464	Employment services	841	\$24,207,700	\$45,712,350

The researchers used the latest available IMPLAN data set for Hall County to determine direct, indirect, and induced impacts created by the estimated employment and expenditure patterns of the proposed project.

- **Direct effect:** Represents the impacts (e.g. change in employment) for the expenditures and/or production values specified as direct final demand changes.
- **Indirect effect:** Represents the impacts (e.g. change in employment) caused by the iteration of industries purchasing from industries resulting from direct final demand changes.
- **Induced effect:** Represents the impacts (e.g. change in employment) on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

Each economic activity creates a different ripple effect through the county economy. The hospital construction phase will have significant impacts on wholesale trade, employment services, full-service restaurants, and trucking services. To build the \$60.8 million hospital, employment in the construction trades will obviously increase. As this employment increases, workers will spend their additional earnings on a wide variety of goods and services, thus creating more demand for consumer goods. Likewise, multiple vendors will supply inputs into the construction project, thus increasing their revenue and resulting economic activity.

Hospital Construction – Total Effects

Top Ten Industries Affected					
Sector	Description	Employment	Labor Income	Value Added	Output
52	Construction of new health care structures	373.9	\$16,495,545	\$21,491,378	\$60,796,971
395	Wholesale trade	22.7	\$1,568,480	\$2,936,943	\$4,844,274
464	Employment services	9.1	\$271,070	\$406,151	\$516,442
501	Full-service restaurants	8.7	\$156,449	\$173,154	\$357,652
411	Truck transportation	8.5	\$447,466	\$589,060	\$1,376,888
407	Retail - Nonstore retailers	8.0	\$118,106	\$398,540	\$745,401
502	Limited-service restaurants	7.0	\$118,306	\$277,163	\$532,579
403	Retail - Clothing and clothing accessories ...	6.6	\$123,167	\$264,786	\$461,586
440	Real estate	5.9	\$67,071	\$577,221	\$908,985
482	Hospitals	5.6	\$389,465	\$479,652	\$854,527

The construction phase creates a one-time injection of additional spending into the county while normal operation creates an annual stream of activity. The ongoing operation of the hospital will have a different impact than the construction phase. The following graphic lists the ten industries most affected as the hospital engages in its normal business. These identified impacts will change over time as technology and innovation alter the structural relationships between different industries.

Hospital Operation – Total Effects

Top Ten Industries Affected						
Sector	Description	Employment	Labor Income	Value Added	Output	
482	Hospitals	302.8	\$21,193,706	\$26,101,424	\$46,501,187	
464	Employment services	20.5	\$611,728	\$916,568	\$1,165,463	
501	Full-service restaurants	15.0	\$269,441	\$298,210	\$615,957	
502	Limited-service restaurants	9.1	\$154,123	\$361,074	\$693,816	
436	Other financial investment activities	9.0	\$78,837	\$87,699	\$1,024,691	
395	Wholesale trade	8.1	\$557,836	\$1,044,535	\$1,722,885	
440	Real estate	7.7	\$86,417	\$743,718	\$1,171,179	
437	Insurance carriers	7.4	\$396,636	\$1,310,703	\$2,907,329	
468	Services to buildings	6.4	\$132,417	\$148,039	\$236,407	
438	Insurance agencies, brokerages, and rela...	5.7	\$184,594	\$365,610	\$851,545	

IMPLAN has sufficient detail to capture the differences between somewhat similar activities. For example, the infrastructure matrix recognizes that paving a road uses different inputs than building a hospital.

TIF Infrastructure Construction – Total Effects

Top Ten Industries Affected						
Sector	Description	Employment	Labor Income	Value Added	Output	
56	Construction of new highways and streets	100.3	\$4,435,881	\$5,748,043	\$17,713,001	
57	Construction of new commercial structure...	13.3	\$559,586	\$719,318	\$1,680,000	
395	Wholesale trade	6.6	\$456,386	\$854,571	\$1,409,554	
411	Truck transportation	3.1	\$164,778	\$216,920	\$507,036	
501	Full-service restaurants	3.0	\$54,174	\$59,958	\$123,845	
407	Retail - Nonstore retailers	3.0	\$44,351	\$149,660	\$279,913	
403	Retail - Clothing and clothing accessories ...	2.5	\$46,402	\$99,756	\$173,899	
502	Limited-service restaurants	2.4	\$41,268	\$96,682	\$185,778	
464	Employment services	2.3	\$69,854	\$104,664	\$133,086	
445	Commercial and industrial machinery and ...	2.1	\$203,379	\$354,288	\$507,048	

Researchers modeled seven different impact scenarios. Unless noted otherwise, the modeling was based upon the amount of expenditure that was contained in project documents. This expenditure then created the unique impact tables like those just discussed. The following tables summarize the impacts. One reason that TIF is a popular development tool is that it fosters the leveraging of public and private resources.

TIF funds are combined with \$85.5 million in private construction spending for this project. The direct and multiplier impacts are presented in the following tables. Construction and operation impacts are evaluated and presented separately because construction creates a one-time injection of funding into the community while operation involves a multi-year stream. Thus, this particular project will generate seven distinct impact models, as presented in the following table. Because the model results are intended to reflect the impact on Hall County, the professional fees that are included in total TIF expenditures are not included in the analysis. Including these fees would overstate the impact on Hall County because it is likely that most of those professional fees are paid to companies outside the county. The annual revenues for the hotel and hospital are not known, but are estimated based upon the number of projected employees. According to IMPLAN, a hospital in Hall County with 296 employees (from company planning documents)

would produce \$45.5 million in annual revenue and a hotel with 45 workers would produce \$3.8 million in revenue annually.

Hall County Direct Impacts

Activity	Amount	FTE	Explanation	Time Frame	
TIF Infrastructure	\$19,400,000	114	Professional fees not included	One-time	
Hotel Construction	\$11,900,000	94	IMPLAN modeling with 250 employees calculates \$40.8 million.	One-time	
Hotel Operation	\$3,800,000	45		Ongoing	
MOB Construction	\$12,800,000	79		One-time	
MOB Operation	\$40,800,000	250		Ongoing	
Hospital Construction	\$60,800,000	374		IMPLAN modeling with 296 employees calculates \$45.5 million.	One-time
Hospital Operation	\$45,500,000	296			Ongoing

Hall County Indirect Impacts

Activity	Amount	Employment	
TIF	\$5,400,000	38	One-time impact
Hotel Construction	\$2,300,000	15	One-time impact
Hotel Operation	\$1,300,000	11	Ongoing, each year
MOB Construction	\$3,100,000	23	One-time impact
MOB Operation	\$8,400,000	70	Ongoing, each year
Hospital Construction	\$14,900,000	107	One-time impact
Hospital Operation	\$12,900,000	106	Ongoing, each year

Hall County Induced Impacts

Activity	Amount	Employment	
TIF	\$4,100,000	33	One-time impact
Hotel Construction	\$2,800,000	23	One-time impact
Hotel Operation	\$800,000	6	Ongoing, each year
MOB Construction	\$2,700,000	22	One-time impact
MOB Operation	\$18,600,000	151	Ongoing, each year
Hospital Construction	\$12,700,000	103	One-time impact
Hospital Operation	\$14,600,000	119	Ongoing, each year

To summarize, Direct, Indirect, and Induced Impacts are totaled. The construction activities will add more than \$150 million in economic activity to Hall County, and will support 1,023 jobs. The jobs number does not mean that total county employment will increase by 1,023 because some of the supported jobs are “retained” rather than new. Annual operations of the three facilities will add \$147 million per year to the Hall County economy and will support 1,054 jobs.

**Hall County Total Impacts
Construction**

Activity	Amount	Employment
TIF Infrastructure	\$28,900,000	185
Hotel Construction	\$17,000,000	131
MOB Construction	\$18,600,000	123
Hospital Construction	\$88,400,000	584
Total	\$152,900,000	1,023

**Hall County Total Impacts
Annual Operations**

Activity	Amount	Employment
Hotel Operation	5,900,000	62
MOB Operation	\$67,800,000	471
Hospital Operation	\$73,000,000	521
Total	\$146,700,000	1,054

Modeled Tax Receipts Impact

The increased economic activity stemming from the construction and operation of the proposed project will increase retail sales which in turn will increase sales tax receipts. The construction phase will add an estimated \$259,000 in Grand-Island sales tax receipts. The ongoing operations of the hotel, medical office building, and hospital will add approximately \$276,000 per year in city sales tax receipts.

**Construction Tax Receipts: One-time
TIF Infrastructure, Hotel, MOB, and Hospital**

	Tax Receipts
Tax on Production and Imports: Sales Tax	\$1,209,000
Nebraska State Sales Tax (5.5% rate)	\$950,000
Grand Island Sales Tax (1.5)	\$259,000
Personal Tax: Property Taxes (households)	\$20,000

**Operation Tax Receipts: Annually
Hotel, MOB, and Hospital Operation**

	Tax Receipts
Tax on Production and Imports: Sales Tax	\$1,288,000
Nebraska State Sales Tax (5.5% rate)	\$1,012,000
Grand Island Sales Tax (1.5)	\$276,000
Personal Tax: Property Taxes(households)	\$30,000

While the use of TIF influences the property tax receipts from the development, the increase in overall economic activity does increase sales tax. Further, though the property tax receipts from the development project are restrained by TIF in the short-term, some workers will upgrade to higher-value homes which means local government will see an increase in total property tax receipts.

Project Property Tax Revenue

The development site is currently assessed as farm land with a valuation of \$332,525. Before the project is undertaken the property will be reclassified as commercial property, which will increase its valuation to approximately \$1.9 million. At this time, which of these two numbers will provide the base valuation for the 15 year TIF period is unknown. After completion the assessed value is estimated by the developer to rise to \$90 million. At the conclusion of the 15 year TIF, the valuation will generate substantially more tax revenue than is currently paid on the property.

Estimated 2016 assessed value	\$332,525
Estimated value after completion	\$90,000,000
Incremental value	\$89,667,475
Levy rate	2.209761
Annual TIF generated (estimated)	\$1,981,437
TIF bond issue	\$28,708,000

Supporting Evidence Regarding Statutory Report Requirements

a) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147;

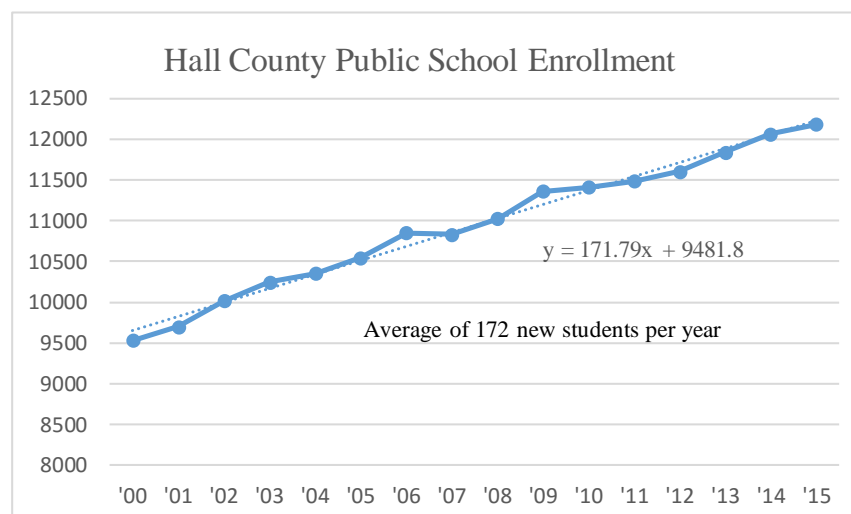
Prataria Ventures LLC, the developer for the project, is responsible for all onsite development costs. Infrastructure improvements directly benefiting the project are included in the TIF. Only the incremental taxes created by the Redevelopment project will be divided and captured to pay project eligible expenses for a period not to exceed 15 years. No direct project costs, or associated tax burdens, are shifted to local or state tax payers.

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

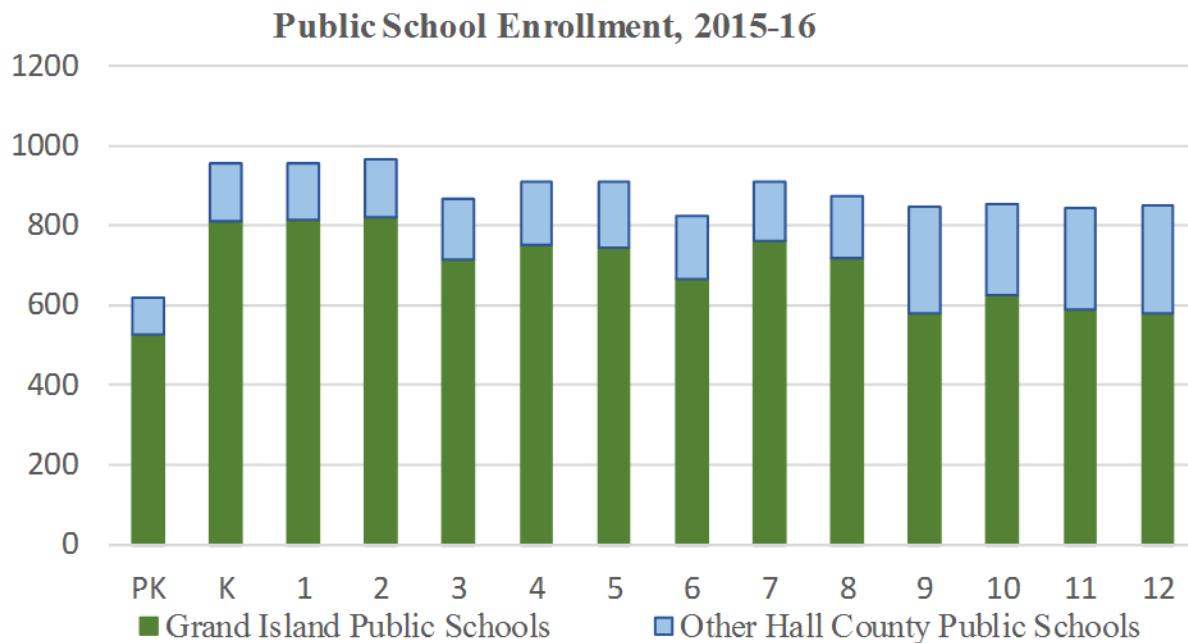
Potential Impact on the School District

Researches spoke with Mr. Virgil Harden, Executive Director of Business of the Grand Island Public Schools District, on August 8, 2016. Mr. Harden concurred with the researchers that the proposed project will have minimal impact on the total number of students in the district. He commented that the school district is currently engaged in a set of building and remodeling projects which will insure sufficient capacity for any project-related growth in student numbers.

The proposed project will have a minor impact on local population and thus will have little impact on the number of school-age children. The Grand Island Public School District is the 6th largest school district in Nebraska, with 9,698 students in the 2015-2016 school year. Some of the project employees may live outside the Grand Island Public School District boundaries, or may choose to send their children to a private school. The following graph illustrates enrollment trends for the entire county. Hall County Public Schools have added an average of 172 students per year for the last fifteen years. Enrollment growth from year to year has shown little variability. Any project related school enrollment would entail a fractional increase in the total number of Hall County students.



The distribution of students by grade is illustrated by the following graph. The student enrollment by grade indicates that there is an existing variability in the school age cohort moving through the school system. We estimate that the children associated with the development should not increase the current variation. It is impossible to predict the exact distribution of new students across grades and by specific school. The impact on public school districts is further moderated by the availability of private school options in Grand Island.



Source: Nebraska Department of Education

Using data from the Nebraska Department of Education, Grand Island Public Schools enrollment characteristics are compared with other similar sized districts. Staffing is an important cost factor for school districts. Grand Island Public Schools teacher Full Time Equivalent (FTE) and Pupil/Teacher ratios (PT) are close to other similarly sized districts and to the state averages. The existing PT ratios indicate that there is adequate staff to accommodate a minor increase in the total number of students.

	Rank					Staff FTE		Pupil Teacher	
		PK-6	7-8	9-12	Total	Elem	Sec	Elem	Sec
Papillion-La Vista Public Schools	4	6,315	1,763	3,436	11,514	430	331	14.7	15.7
Bellevue Public Schools	5	5,411	1,496	3,175	10,082	371	314	14.6	14.9
Grand Island Public Schools	6	5,850	1,477	2,371	9,698	533	139	13.7	17.1
Elkhorn Public Schools	7	4,770	1,216	2,093	8,079	389	126	15.4	16.6
Westside Community Schools	8	3,187	961	1,975	6,123	227	204	14.0	14.4
Kearney Public Schools	9	3,307	750	1,441	5,498	268	85	15.1	17.0

Source: Nebraska Department of Education, STATISTICS AND FACTS ABOUT NEBRASKA SCHOOLS 2015-2016

Given the existing staffing pattern and PT ratios, the Grand Island Public Schools, combined with the various private school options, are capable of absorbing the anticipated minimal increase in new students. Comparing Grand Island Public Schools with similarly sized districts provides evidence that GIPS is operating at an efficient scale. Average Daily Attendance (ADA)

and Average Daily Membership (ADM) both show GIPS cost per student similar to other like-sized districts.

District Name	By ADA	By ADM
Papillion-La Vista Public Schools	10,155	9,707
Bellevue Public Schools	10,790	10,244
Grand Island Public Schools	11,015	10,398
Elkhorn Public Schools	10,275	9,902
Westside Community Schools	12,430	11,921
Kearney Public Schools	10,650	10,144

Source: Nebraska Department of Education

Potential Impact on Fire and EMS Services

In Grand Island, the ambulance services are operated by the Fire Department. According to Russ Blackburn, there is an expected new equipment expense of \$18,000 if the second hospital is built.

Additional EMS Project Related Expenses

New equipment expenses	\$18,000
Additional training expenses	\$0
Net additional EMS transportation services expenses	\$0

Source: Russ Blackburn, Division Chief of Emergency Medical Services
Grand Island Fire Department

Potential Impact on Water

Grand Island relies on groundwater for its municipal supply. The city has adequate current capacity to accommodate any increase in demand from the proposed project.

Water Statistics

Number of wells at well field	21
Number of high pressure wells within city	6
Average depth of wells	120 feet
Capacity of water plant	43,800,000 gallons/day
Average consumption	12,900,000 gallons/day
Peak consumption	26,300,000 gallons/day
Storage capacity	9,700,000 gallons/day
Hardness (ppm)	255 (average)
Treated	Chlorinated only

Source: <http://www.grand-island.com/your-government/utilities/water-division/supply-information>

The existing capacity will meet any additional water demand stemming from the proposed project. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Sanitation/Wastewater

Upgrades to the Waste Water Treatment Plant beginning in 2003 give the plant capacity to deal with wastewater typically seen in a community of up to 100,000 people. The existing capacity will meet any additional wastewater stemming from the proposed project. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Natural Gas

NorthWestern Energy, the retail supplier of natural gas in Grand Island, is a regional diversified utility services company with approximately 400,000 electric customers in South Dakota and Montana, and 269,600 natural gas customers in South Dakota, Nebraska and Montana. NorthWestern Energy has the capacity to respond to large volume users through customized services tailored to specific projects. The existing network includes seven compressor stations capable of moving more than 335,000 dekatherms per day. Maximum aggregate daily gas deliverability is 195,000 dekatherms per day (northwesternenergy.com). Thus, the existing capacity will meet any additional natural gas demand stemming from the proposed project. The developer is responsible for all on-site utility infrastructure costs. No additional costs are shifted onto existing consumers as a result of the project.

Potential Impact on Electric Services

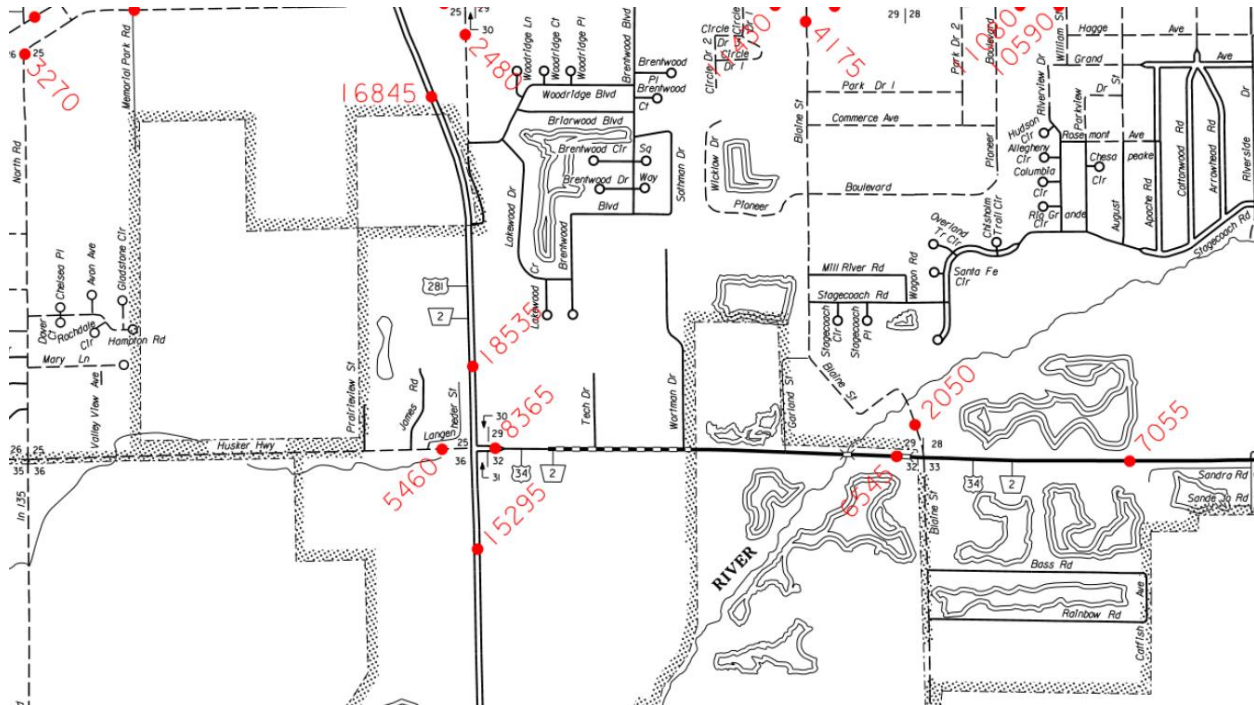
The Grand Island Utilities Department generates and distributes electricity and water to homes, businesses, and industries in and near Grand Island Nebraska. Within the boundaries of its service area the Utilities Department supplies 22,600 customers with electrical service. The Utilities Department is owned by the customers it serves and is governed by the Grand Island City Council as a financially self-supporting entity of the City of Grand Island. No taxes are used for the operation of the Utilities Department as all departmental operations are financed through electric and water revenue.

The Platte Generating Station has the capacity to produce 100 megawatts of electrical power. Generally, this provides sufficient power to satisfy consumer demand in Grand Island. During peak demand periods additional power is generated at the Burdick Power Station or purchased from other power producers. The existing electric grid has sufficient capacity to meet any increase in demand stemming from the proposed project.

Potential Impact on Transportation

The project site is located at the southwest corner of Highway 281 and Highway 34, approximately 4.5 miles north of Exit 312 on I-80. The existing roads have sufficient capacity to meet traffic flows into the development. The city planner anticipates the installation of a new traffic signal at the intersection of Highway 281 and the access road on the south side of the development. This installed traffic signal is compatible with the city's existing development plan for this area, will improve public safety, and by creating smoother access, will improve the economic viability of the project. At this time, the city and developer are working on a cost-

sharing proposal for the new traffic signal. Because this improvement is tied to the development of the area, not just the proposed project, it is reasonable that the city cover some of the cost. Thus, no project costs are pushed on to the wider community.



Statutory Report Requirements

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

There are no other firms located or expanding in the boundaries of the redevelopment district.

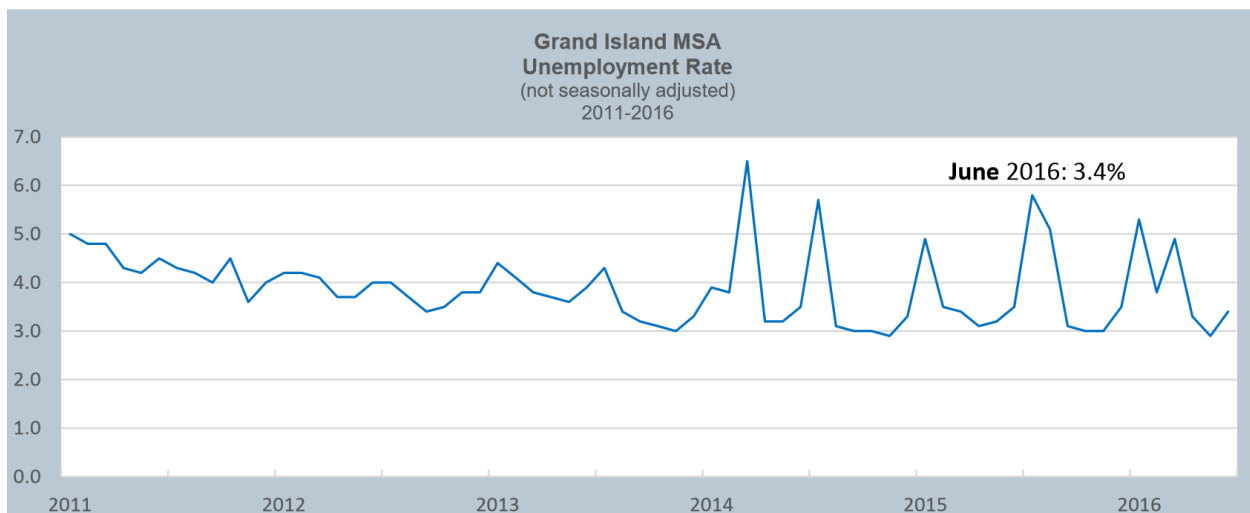
d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project;

There are two existing healthcare facilities that may be impacted by the new hospital, CHI St. Francis Medical Center and the Grand Island Veterans' Hospital. There are approximately 50 medical clinics of various types and twelve nursing homes that may be impacted. There will likely be some migration of workers from existing facilities. Opening the new facility may provide needed employment for the 350 workers displaced by the closure of the Grand Island Veterans' Home. There are four existing hotels at the US 281 – Interstate 80 exchange and 18 other motels in Grand Island that may be impacted by the new hotel.

According to information provided by Blue Cross Blue Shield of Nebraska, approximately 50% of Hall County healthcare inpatient dollars are now being spend outside the county. Further, evidence indicates that it is the more complex cases that are going to Lincoln, Omaha, or Denver. This conclusion stems from the recognition that 35% of hospital admissions occur outside the county but 50% of the inpatient dollars are spent elsewhere.

The proposed project will create employment in both the healthcare and hospitality sectors. According to the Nebraska Department of Labor, the Grand Island MSA (Hall, Hamilton, Howard, and Merrick Counties) had an unemployment rate of 3.4% in June 2016. This was above the state unemployment rate of 3.0%. Further, the Grand Island MSA has seen considerable variation in the unemployment rate.

GRAND ISLAND MSA (NOT SEASONALLY ADJUSTED)



Demographics and Labor Force

The demographic and labor force characteristics of the Grand Island MSA will mitigate the project impact on existing businesses. Between 1984 and 2015, the MSA population increased by 14.3%. The MSA population is aging -- from 2000-2013, the population aged 45-64 increased by 25.4%, while the population in 44 or under age groups increased by 3% or less. These two trends have important consequences for the local economy. The increasing population will provide the low-skilled workers needed for many of the hotel and hospital auxiliary functions like housekeeping. The growing population of older residents will increase the demand for medical services, which will spur growth in the healthcare sector and increase demand for healthcare workers.

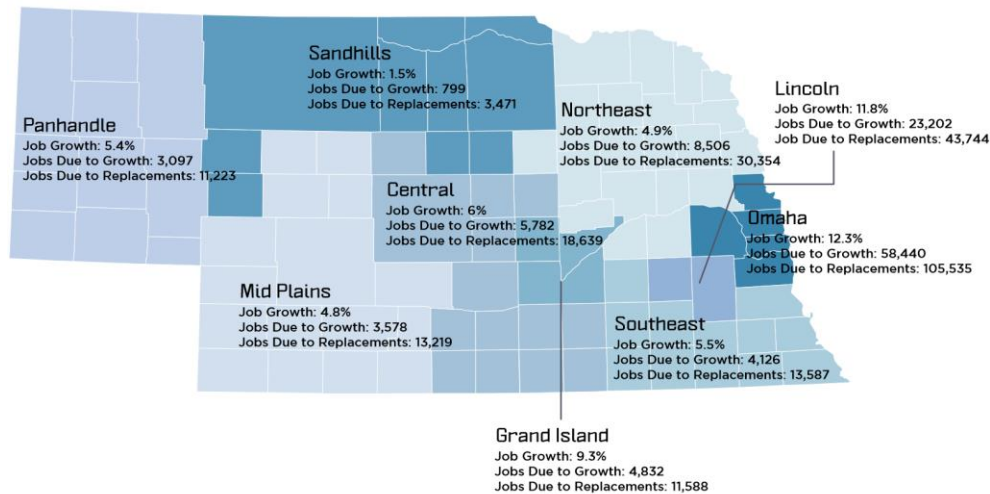
The Grand Island MSA has a low rate of postsecondary education compared to state and national residents. MSA residents were 3-7 percentage points less likely than Nebraska and US residents

to possess bachelor's or graduate degrees. As the healthcare sector grows, pulling in better educated workers, it will also pull better-educated trailing spouses into the local economy.

In 2014, the Grand Island MSA's labor force was approximately 45,200. Since 2010, the MSA's unemployment rate has declined from 4.5% to 3.7%. At 71.8%, the MSA's labor force participation rate (population 16 years and over in the labor force) was slightly higher than the statewide rate of 70.6%. The low unemployment rate makes it likely that many of the permanent workers at the hotel and hospital will migrate from an existing job. This will create some upward pressure on wages for workers with in-demand skills.

Each work day, thousands of people commute in or out of Grand Island. Ten thousand commute outside the MSA and 11,100 commute into the city. Project related employment should reduce the out migration of workers currently living in the MSA. According to the Nebraska Department of Labor, Grand Island should see substantial increased employment in the immediate future.

2012-2022 Long-Term Occupational Projections



Source: Nebraska Department of Labor

New hospital facilities will attract providers to Grand Island, which will benefit the entire labor market. As shown by the two following tables, healthcare workers tend to be well paid. Further, there is a wide range of occupations associated with the healthcare sector

Nebraska Healthcare Occupations and Wages - 2015

Code	Occupation title	Employ	Median hourly wage	Mean hourly wage	Annual mean wage	Percent of Health Care Total
29-0000	Healthcare Practitioners and Technical Occupations	57,130	\$26.66	\$32.60	\$67,800	100.0%
29-1031	Dietitians and Nutritionists	520	\$25.59	\$25.59	\$53,220	0.9%
29-1051	Pharmacists	2,240	\$52.67	\$48.43	\$100,740	3.9%
29-1061	Anesthesiologists	150	>\$90.00	>\$90.00	>\$187,200	0.3%
29-1062	Family and General Practitioners	1,100	>\$90.00	\$103.94	\$216,200	1.9%
29-1063	Internists, General	140	>\$90.00	\$100.07	\$208,150	0.2%
29-1064	Obstetricians and Gynecologists	180	>\$90.00	\$121.47	\$252,660	0.3%
29-1065	Pediatricians, General	180	>\$90.00	\$101.44	\$211,000	0.3%
29-1067	Surgeons	270	>\$90.00	\$135.01	\$280,830	0.5%
29-1069	Physicians and Surgeons, All Other	1,630	\$64.16	\$77.42	\$161,040	2.9%
29-1071	Physician Assistants	780	\$44.41	\$45.84	\$95,340	1.4%
29-1123	Physical Therapists	1,540	\$35.36	\$35.79	\$74,440	2.7%
29-1124	Radiation Therapists	120	\$36.11	\$40.99	\$85,260	0.2%
29-1126	Respiratory Therapists	1,010	\$24.25	\$24.66	\$51,300	1.8%
29-1141	Registered Nurses	20,600	\$27.87	\$28.35	\$58,970	36.1%
29-1151	Nurse Anesthetists	240	\$76.38	\$74.59	\$155,140	0.4%
29-1171	Nurse Practitioners	1,070	\$43.46	\$43.80	\$91,100	1.9%
29-2011	Med and Clinical Lab Technologists	1,360	\$26.46	\$26.78	\$55,700	2.4%
29-2012	Med and Clinical Lab Technicians	1,310	\$18.33	\$18.61	\$38,710	2.3%
29-2031	Cardiovascular Technologists and Technicians	570	\$24.36	\$24.64	\$51,240	1.0%
29-2032	Diagnostic Medical Sonographers	460	\$30.51	\$30.95	\$64,380	0.8%
29-2033	Nuclear Medicine Technologists	120	\$32.02	\$31.99	\$66,540	0.2%
29-2034	Radiologic Technologists	1,570	\$25.25	\$25.25	\$52,520	2.7%
29-2035	Magnetic Resonance Imaging Technologists	120	\$29.82	\$30.45	\$63,340	0.2%
29-2051	Dietetic Technicians	150	\$14.15	\$15.05	\$31,310	0.3%
29-2052	Pharmacy Technicians	2,320	\$13.77	\$14.17	\$29,480	4.1%
29-2055	Surgical Technologists	790	\$19.71	\$20.13	\$41,860	1.4%
29-2061	Licensed Practical and Licensed Vocational Nurses	5,300	\$18.77	\$19.09	\$39,710	9.3%
29-2071	Medical Records and Health Info Technicians	1,590	\$17.87	\$18.86	\$39,230	2.8%
31-0000	Healthcare Support Occupations	24,790	\$12.68	\$13.59	\$28,270	100.0%
31-1014	Nursing Assistants	13,020	\$11.60	\$12.18	\$25,330	52.5%
31-1015	Orderlies	150	\$11.22	\$11.66	\$24,260	0.6%
31-2021	Physical Therapist Assistants	630	\$23.99	\$23.92	\$49,750	2.5%
31-2022	Physical Therapist Aides	610	\$10.69	\$11.03	\$22,950	2.5%
31-9093	Medical Equipment Preparers	350	\$15.98	\$16.10	\$33,480	1.4%
31-9094	Medical Transcriptionists	640	\$16.65	\$17.00	\$35,350	2.6%
31-9095	Pharmacy Aides	140	\$11.43	\$12.16	\$25,290	0.6%
31-9097	Phlebotomists	600	\$13.83	\$14.66	\$30,500	2.4%

Source: Bureau of Labor Statistics, United States Department of Labor, Occupational Employment and Wages, May 2015

Grand Island MSA Healthcare Occupations and Wages - 2015

Code	Occupation title	Employ	Median hourly wage	Mean hourly wage	Annual mean wage
29-0000	Healthcare Practitioners and Technical Occupations	n/a	n/a	n/a	n/a
29-1062	Family and General Practitioners	50	>\$90.00	\$120.83	\$251,330
29-1069	Physicians and Surgeons, All Other	n/a	>\$90.00	\$116.51	\$242,350
29-1123	Physical Therapists	80	\$34.80	\$35.12	\$73,050
29-1126	Respiratory Therapists	30	\$23.93	\$23.93	\$49,760
29-1141	Registered Nurses	780	\$26.89	\$27.49	\$57,170
29-1171	Nurse Practitioners	40	\$33.65	\$35.59	\$74,020
29-2011	Medical and Clinical Laboratory Technologists	60	\$25.87	\$26.01	\$54,110
29-2012	Medical and Clinical Laboratory Technicians	30	\$16.49	\$16.60	\$34,530
29-2034	Radiologic Technologists	70	\$22.86	\$23.16	\$48,180
29-2052	Pharmacy Technicians	120	\$13.80	\$14.80	\$30,790
29-2061	Licensed Practical and Licensed Vocational Nurses	310	\$18.06	\$18.36	\$38,190
29-2071	Medical Records and Health Information Technicians	90	\$14.89	\$16.55	\$34,410
31-0000	Healthcare Support Occupations	1,330	\$11.95	\$13.01	\$27,050
31-1014	Nursing Assistants	740	\$11.35	\$11.84	\$24,620
31-2021	Physical Therapist Assistants	60	\$24.15	\$23.95	\$49,820
31-2022	Physical Therapist Aides	80	\$9.56	\$10.33	\$21,490

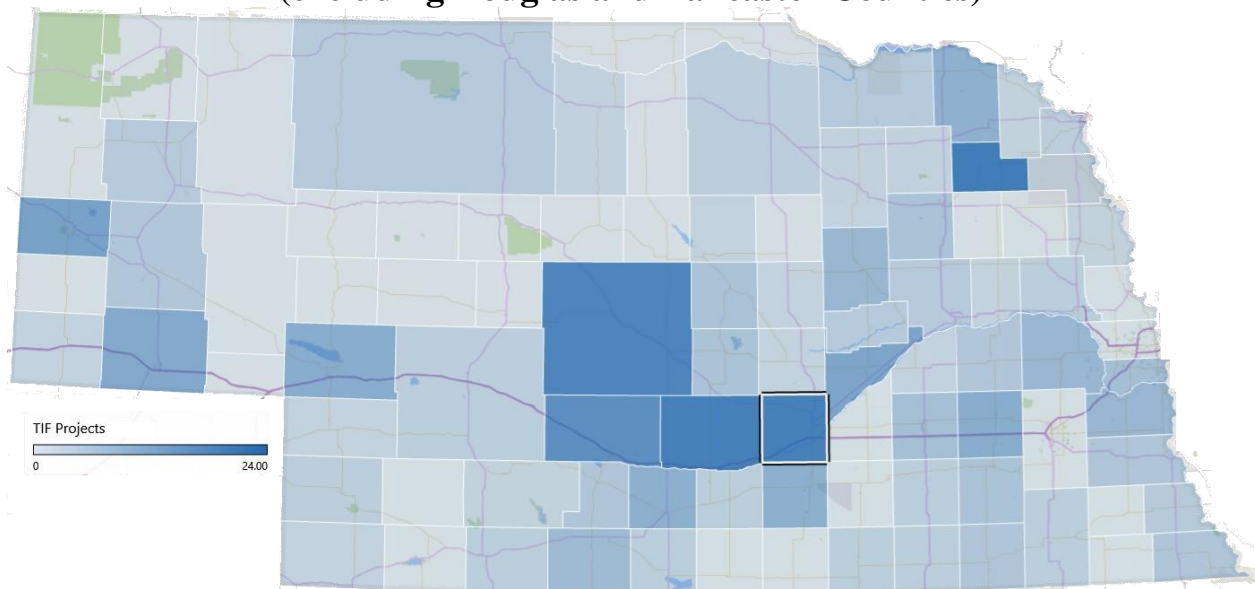
Source: Bureau of Labor Statistics, United States Department of Labor, Occupational Employment and Wages, May 2015

Statutory Report Requirements

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

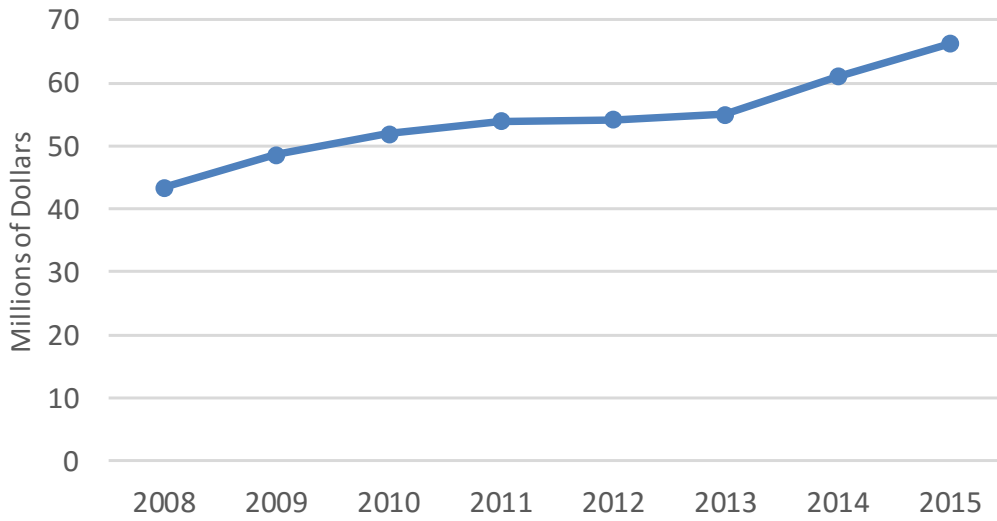
Nebraska cities, like cities nationwide, are using TIF financing with increasing frequency. Each year the Nebraska Department of Revenue produces a report to submit to the Unicameral. This report finds a general increase in TIF activity over time. Some cities and counties have been more active in TIF than others, with most activity occurring along the I-80 corridor

Cumulative Number of TIF Projects by County, 2008- 2015 (excluding Douglas and Lancaster Counties)



Data Source: Nebraska Department of Revenue, PAT Annual TIF Reports , map by authors

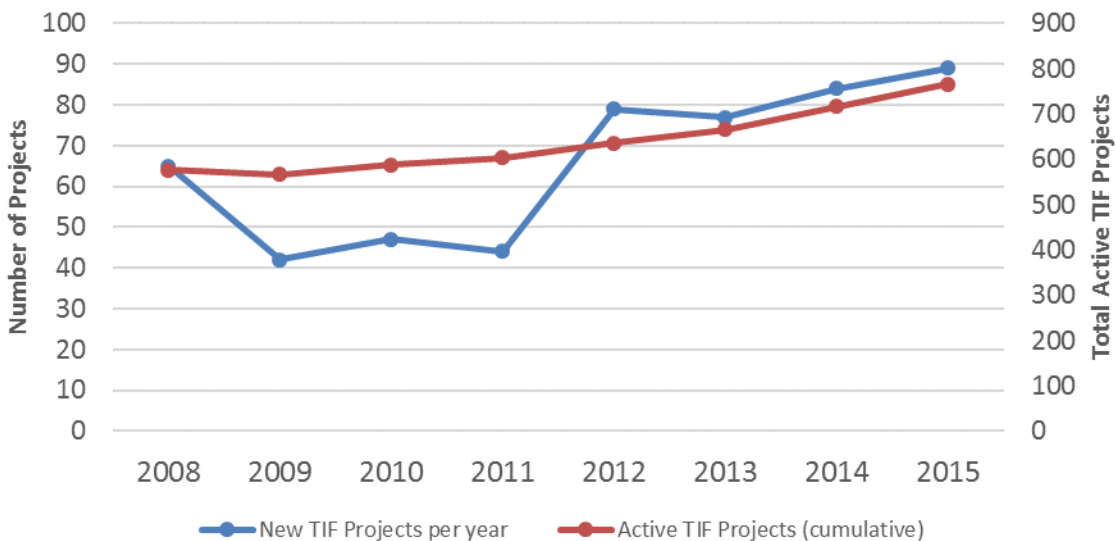
New Excess Taxes From New TIF Projects



Data Source: Nebraska Department of Revenue, PAT Annual TIF Reports

Projects are influenced by local, regional, and national economic circumstances, as reflected by the cyclical pattern of new TIF projects by year. The following graph shows the number of new TIF projects by year in Nebraska on the left axis and the total number of active TIF projects by year on the right axis.

New and Active TIF Projects



Source: Nebraska Department of Revenue, PAT Annual TIF Reports

CLINE WILLIAMS
WRIGHT JOHNSON & OLDFATHER, L.L.P.

ATTORNEYS AT LAW
ESTABLISHED 1857

233 SOUTH 13TH STREET
1900 U.S. BANK BUILDING
LINCOLN, NEBRASKA 68508-2095
(402) 474-6900 • FAX (402) 474-5393

www.clinewilliams.com

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TRENT R. SIDDEERS

ANDRE R. BARRY
DAVID J. ROUTH
JASON R. YUNGTUM
MEGAN S. WRIGHT
THERESA D. KOLLER
AUSTIN L. MCKILLIP
KEITH T. PETERS
ANDREW R. WILLIS
TARA A. STINGLEY
SEAN D. WHITE
MICHELLE L. STORNIUS
JONATHAN J. PAPIK
RENEE A. EVELAND
HENRY L. WIEDRICH
ADAM W. BARNEY
GREGORY S. FRAYSER
KARA J. RONNAU
TRAVIS W. TETTENBORN
HEATHER A. CARVER
SHANNON E. FALLON
KATHERINE M. KOCK
KATIE A. JOSEPH
LILY A. CARR
MARK A. GRIMES

FREDRIC H. KAUFFMAN
DONALD E. BURT
STEPHEN E. GEHRING

VIA EMAIL: chadn@grand-island.com

Chad Nabity
Regional Planning Director
City of Grand Island
100 East First Street
P.O. Box 1968
Grand Island, NE 68802-1968

VIA EMAIL: mbacon@bacon-vinton.com

Michael L. Bacon
Bacon & Vinton, L.L.C.
416 10th Street
P.O. Box 208
Gothenburg, NE 69138

Re: Prairie Commons Redevelopment Project in Grand Island
Our File No.: 16346.101

Dear Chad and Mike:

Based upon our conversations, I prepared and attach:

1. The revised version of the Amendment to Redevelopment Plan to which I have made some comments. Please let me know if these comments cause you any concern; and
2. A revised Exhibit for the "Project TIF Eligible Expenses" to be substituted for the version that was attached to the Application from Prataria Ventures, LLC.

Please let me know if you have any questions.

Sincerely,



Thomas C. Huston
For the Firm

Enclosure

cc: Dave Ostdiek (via email)
Roger Bullington (via email)

4830-3993-1957, v. 1

STERLING RIDGE
12910 PIERCE STREET, SUITE 200
OMAHA, NE 68144-1105
(402) 397-1700

1207 M STREET
P.O. BOX 510
AURORA, NE 68818
(402) 694-6314

NORTHERN HEIGHTS PROFESSIONAL PLAZA
416 VALLEY VIEW DRIVE, SUITE 304
SCOTT'S BLUFF, NE 69361
(308) 635-1020

330 SOUTH COLLEGE AVENUE
SUITE 300
FORT COLLINS, CO 80524-7162
(970) 221-2637



Community Redevelopment Authority (CRA)

BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

JUNE 8, 2016

PROJECT REDEVELOPER INFORMATION

Business Name: Prataria Ventures, LLC

A wholly owned limited liability company of Chief Industries, Inc.

Address: 3942 W Old Highway 30
Grand Island, NE 68803

P.O. Box 2078
Grand Island, NE 68802

Telephone Number: 308-389-7200

Fax Number: 308-389-7352

Contact: Roger Bullington, P. E.
308-389-7288
roger.bullington@chiefind.com

Brief Description of Applicant's Business:

Prataria Ventures is the development business unit of Chief Industries. This entity provides development services for projects. Prataria holds the real estate holding for potential real estate and development investments, and is a premier real estate developer in the Midwest providing innovative and progressive developments through public and private partnerships. Our development portfolio includes projects for private and public/private institutions as well as for our own use. Our projects range from small properties to expansive developments throughout diverse communities from small towns to metropolitan communities.

Chief Industries, Inc. is a diverse company headquartered in Grand Island. Founded in 1954, Chief has been a community leader in Grand Island and Central Nebraska and is a privately owned entity.

Present Ownership Proposed Project Site:

Prataria Ventures, LLC
c/o Chief Industries, Inc.
P.O. Box 2078
Grand Island, NE 68802

Proposed Project: Building square footage, size of property, description of buildings - materials, etc. Attach site plan, if available.

Building square footage: Total 319,865

Size of property: Phase 1, 35 Acres

Description of buildings:

Prataria owns a 96 acre parcel of land that includes a farm homestead, farmland and pasture land. This is a generational development opportunity which sits at the front door of Grand Island. Prataria proposes to develop this parcel in four separate phases. The first phase will be on 35 acres that will include a hospital, medical office building and a hotel.

The hospital is approximately 172,000 square feet and will be designed for potential future expansion horizontally and vertically. The initial 4 story bed tower will be comprised of 64 patient rooms and will be designed for two additional floors for future growth. The structure is designed utilizing conventional steel framing, with the exterior being a combination of precast panels, metal panels, curtainwall and storefront glass features.

The Medical Office Building will be a three story structure totaling 66,000 square feet. It will also be a conventional steel framed structure with the same exterior materials and features as the hospital. Thus, creating a campus feel with complimentary architectural design features. It will be attached to the hospital structure, allowing patient and visitors ease of accessing both facilities.

The hotel is also planned to be attached to the medical office building and the hospital. The hotel will be a select-service hotel that includes approximately 103 beds and will be about 81,500 square feet. The select service hotels offer a selection of services and amenities characterized by a full-service hotel property at a value-added price point. The hotel will offer about 7,000 square feet of conference/meeting space.

Additional phases will be forthcoming.

If Property is to be Subdivided, Show Division Planned:

See conceptual plan submitted. Actual preliminary plat to be determined in near future.
See Exhibit A

VI. Estimated Project Cost

Acquisition Costs:

A. Land

\$ 2,070,000

B. Building

\$0

Construction Costs:

A. Renovation or Building Costs

\$91,175,000

B. On-Site Improvements

\$13,456,849

Soft Costs:

A. Architectural & Engineering Fees:

~~\$ 6,600,444~~ 7,356,000

B. Financing Fees:

\$4,430,000

C. Legal/Developer/Audit Fees:

\$3,394,641

D. Contingency Reserves:

\$4,896,256

E. Other (Please Specify)

\$0

Total: \$126,022,857

Total Estimated Value at Completion:

\$95,710,857

Source of Financing:

A. Developer Equity

\$21,509,143

B. Commercial Bank Loan:

\$75,613,714

Tax Credits:

1. N.I.F.A

\$0

2. Historic Tax Credits

\$0

D. Industrial Revenue Bonds:

\$0

E. Tax Increment Assistance:

\$28,900,000 *28,708,000 per letter from Tom Muston 7-20-14*

F. Other:

\$0

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

Architect

Name: HDR
Phone: 402-399-1000
Fax Number: 402-392-6713
Address: 8404 Indian Hills Drive
Omaha, NE 68114

Engineer

Name: Olsson Associates
Phone: 308-384-8750
Fax Number: 308-384-8752
Address: 201 E. 2nd Street
Grand Island, NE 68801

General Contractor

Name: Chief Construction
Phone: 308-389-7222
Fax Number: 308-389-7393
Address: 2107 S. North Road
Grand Island, NE 68803

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

(Please Show Calculations)

Please See Exhibit B

Project Construction Schedule:

Construction Start Date

Phase 1: September 2016

Construction Completion Date

Phase 1: Fall 2018

If Phased Project:

Year Complete	%
Year Complete	%

This will be a phased project with phase one comprised of a healthcare/hospitality component and the site/utility work necessary for the development project. Three additional phases are planned and the times and sequencing of each respective phase will be dependent on market conditions. These phases may include a substantial retail component, multi-family/senior housing and an office component.

XII. Please Attach Construction Pro Forma

Due to confidential nature of the projects, construction proforma available for discussion.

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

Due to confidential nature of the projects, proforma available for discussion.

PROJECT REDEVELOPER INFORMATION

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

28,900,000 dollars of tax increment financing is being requested to assist in the site preparation, demolition, utilities, construction costs and other necessary site preparation and development expenditures. This is a green field site that will need complete site work done before it is ready for any construction to commence. The TIF funds will enable project completion of phase 1, which will result in a vast improvement to the economic condition of the land and become a tax generating entity for the city of Grand Island. The opportunity to continue development in south Grand Island down corridor 281 towards the interstate has been a key objective for the city. This development will kick off this growth and be the catalyst for future developments. Between the hospital, MOB and hotel, significant personal property tax and sales tax will be generated due to extensive equipment purchases. This site will not only generate additional taxes for the city, but it will provide ample employment opportunities, healthcare alternatives and quality of life features. This site has significant elevation and utility challenges, which take a substantial investment to overcome. Without TIF assistance, this location will not be developed in this manner and the healthcare and hospitality projects will not be built.

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

The proposed site work and construction costs will result in an overall improvement to the area and allow for additional medical goods and services, employment opportunities, medical office space and a hospitality/conference area. Tax increment financing is an integral and essential component to the project completion which is contingent upon receipt of the expected tax increment assistance. Feasibility is dependent upon TIF funds that will enable the creation of adequate economics to make the necessary site improvements, utility extensions and new construction costs at a competitive rate in the area.

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

Green Line Redevelopment

Current site of the Chief Construction Campus and Christensen Concrete.

Contact:

David Ostdiek
Chief Industries
Phone: 308-389-7246
Fax: 308-389-7352

Aurora Co-Op Redevelopment

Current site of Goodwill Industries Warehouse and Chief Fabrication.

Contact:

David Ostdiek
Chief Industries
Phone: 308-389-7246
Fax: 308-389-7352

Contact:

Chad Nabity
Regional Planning Department
Phone: 308-385-5444 ext. 210

Lincoln West Haymarket Phase 1 & Phase 2

Includes Canopy Lofts, The Railyard, The Hobson Place and the Hyatt hotel.

Contact:

Hallie Salem
Lincoln NE Urban Development
Department
Phone: 402-441-7864
Fax: 402-441-8711

Contact:

David Landis
Lincoln NE Urban Development
Department
Phone: 402-441-7864
Fax: 402-441-8711

Contact:

Mayor Chris Beutler
Mayor of Lincoln, NE
Phone: 402-441-7511
Fax: 402-441-7120

Hastings City Block Development

Includes conference link, hotel, student housing, medical office space, office space and mixed use.

Contact:

Dave Rippe
Hastings Economic Development
Corporation
Phone: 402-461-8403
Fax: 402-461-4400

Contact:

Mayor Vern Powers
Mayor of Hastings, NE
Phone: 402-461-2317
Fax: 402-461-2323

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

To be provided.

Exhibit A



Exhibit B

Chief Industries, Inc.
Tax Increment Financing Request
Estimated Real Estate on Project Site

Existing Assessed Value and Real Estate Tax on Project Site

Total Investment:	\$112,601,008
Property Tax Basis:	\$339,997
Total Increment Created (Investment- Current Value) :	\$112,261,011
Assessed Tax Base	85.00%
Total Value :	\$95,421,859
Tax Rate	2.1123338%
Number of Payments (Years)	15
Increased Property Tax Revenue	\$2,015,628
Current Property Tax Revenue	\$7,182
Total Estimated Tax Bill	\$2,022,810
Allowable TIF Assistance	\$30,234,423
Requested TIF Assistance	\$28,900,000

Project TIF Eligible Expenses

A.	<u>Project Site Preparation Expenses</u>	
	1. Demolition:	\$60,000
	2. Grading/Stormwater Detention:	<u>\$795,000</u>
	Total:	\$855,000
B.	<u>Public Improvements</u>	
	1. Public Streets; Public Utilities: (Sanitary/Storm sewer, water, traffic Improvements)	\$12,820,000
	2. Façade Enhancements: (Hospital, Hotel & Office Building)	\$1,680,000
	3. Private Street; Parking Lots:	\$4,038,000
	4. Offsite Street and Highway Improvements	<u>\$553,000</u>
	Total:	\$19,091,000
C.	<u>Planning Activities</u>	
	1. Design of Public Improvements: (Engineering, Architecture, Planning)	\$7,356,000
	2. Master Planning/Housing & Hotel Studies:	<u>\$59,000</u>
	Total:	\$7,415,000
D.	<u>Conference Center</u>	
	1.	<u>\$1,225,000</u>
	Total:	\$1,225,000
E.	<u>TIF Related Expenses</u>	
	1: Legal Fees	\$100,000
	2 Cost Benefit Analysis	\$20,000
	3 City and CRA Fees	<u>\$2,000</u>
	Total:	<u>\$122,000</u>
	Total Expenses:	\$28,708,000

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

RESOLUTION NO. 220

**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 27th day of July, 2016.

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

By 
Chairperson

ATTEST:


Secretary

Prataria Ventures, LLC

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

RESOLUTION NO. 221

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 17, from Prataria Ventures, LLC, (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 17;


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 27th day of July, 2016.

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

By 
Chairperson

ATTEST:


Secretary

Prataria Ventures, LLC

Resolution Number 2016-07

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: August 10, 2016.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: [Signature] Chair

By: [Signature] Secretary

Prataria Ventures, LLC