



City of Grand Island

Tuesday, August 23, 2016

Council Session

Item E-5

Public Hearing on Redevelopment Plan Amendment for CRA Area 1 located at 210 N. Walnut Street (TW Ziller Properties)

Council action will take place under Resolutions item I-3.

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP
Meeting: August 23, 2016
Subject: Amendment to Redevelopment Plan for CRA Area 1
Presenter(s): Chad Nabity, AICP CRA Director

Background

In 2000, the Grand Island City Council declared property referred to as CRA Area 1 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, drainage.

T.W. Ziller Properties, LLC, the owner of the Federation of Labor Temple Building has submitted a proposed amendment to the redevelopment plan that would provide for renovation and redevelopment of this property for residential uses at 210 N. Walnut Street in Grand Island, Nebraska.

The CRA reviewed the proposed development plan on July 13, 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 2016-08 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 1 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 renovation and rehabilitation of this property for residential uses. 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 is \$1,311,000 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 and any associated interest. The proposed bond for this project will be issued for the expected TIF proceeds for the 15 year period of \$220,000

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 1
July 2016**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 1.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 210 N. WALNUT STREET FOR RESIDENTIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the Federation Labor Temple Building located at 210 N. Walnut Street into an apartment building with 4 garden level apartments and 7 upper story apartments. 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 renovating this historic telephone exchange and office building into quality market rate residential units consistent with the downtown redevelopment plan and priorities to add 50 residential units downtown by 2019. This project would not be possible without the use of TIF.

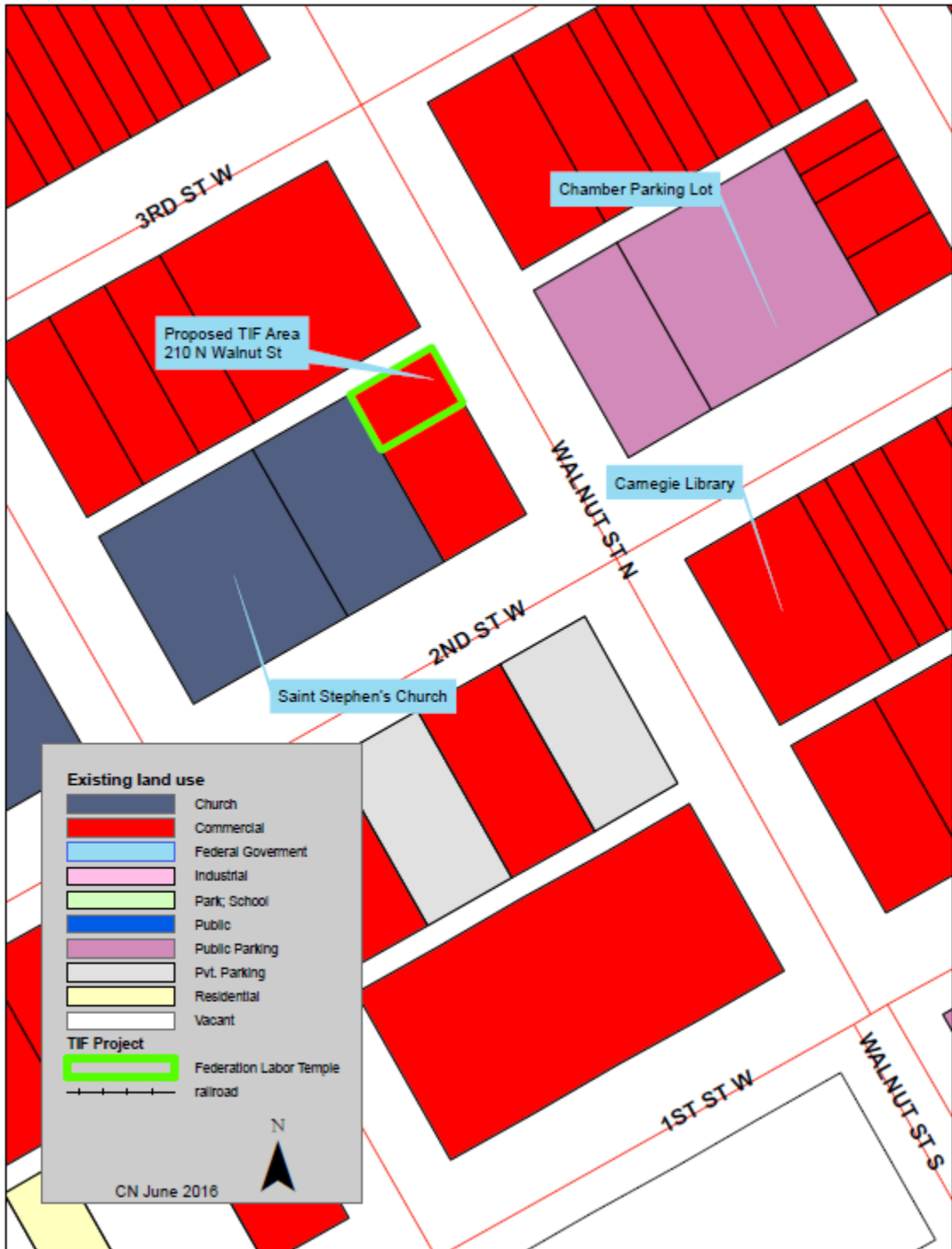
T.W. Ziller Properties, LLC is the owner of the property. T.W. Ziller Properties, LLC., purchased this property in 2014. The purchase price is not included as an eligible TIF activity. The building is currently vacant. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this building. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2017 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

210 N Walnut Street in Grand Island Nebraska (Federation Labor Temple Exchange Building)

Legal Descriptions: North 44 feet of Lot 8, Block 63, Original Town of Grand Island, Hall County, Nebraska.



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2017 through 2031 inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of this vacant historic building for residential uses as permitted in the B3 Heavy Business Zoning District.

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 December 19, 2000.[§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:

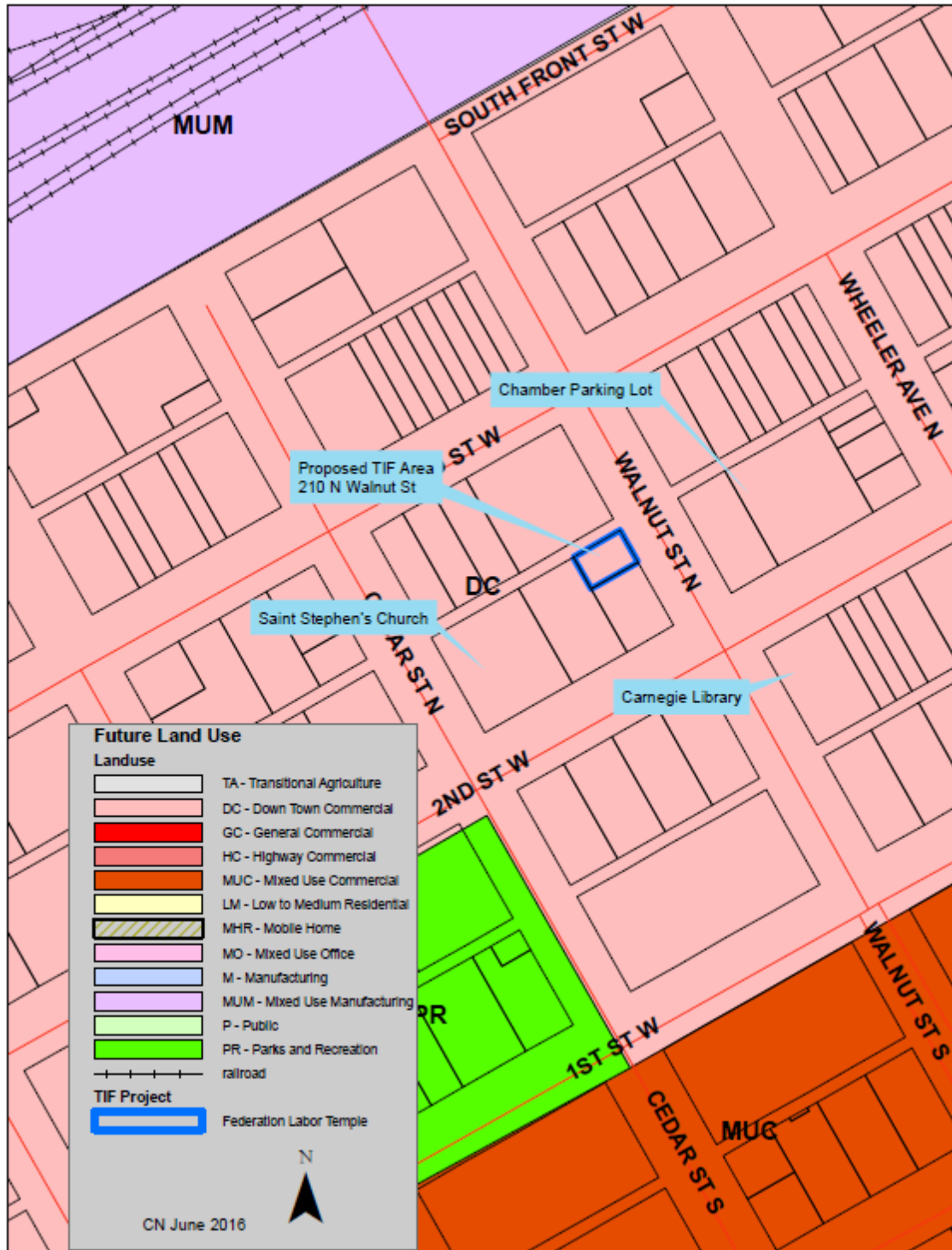
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for Downtown Commercial development; this includes housing and commercial uses within the same structure. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned B3-Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is rehabilitating the existing building. The developer is not proposing to increase the size of the building and current building meets the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. The developer will be required to extend a water line capable of providing sufficient water for the sprinkler system required to convert this building in a multifamily apartment building.

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

No other utilities would be impacted by the development.

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

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer, is vacant and has been vacant for more than 1 year; 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 owns this property and acquisition is not part of the request for tax increment financing. The estimated costs of rehabilitation of this property is \$1,145,914

planning related expenses for Architectural and Engineering services of \$46,100 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$33,690 are included as TIF eligible expense. The total of eligible expenses for this project is \$1,225,604. The CRA has granted \$175,000 to this project to offset the cost of life safety improvements and will consider a façade application for \$53,200. The total eligible expenses for this project less other grant funds by the CRA is \$997,404.

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 \$220,000 from the proceeds of the TIF Indebtedness issued by the Authority based on projections from the lender this will result in a loan for the TIF proceeds of \$159,000. 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 2032.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of both the Downtown Business

Improvement District and the Grand Island City Council of increasing the number of residential units available in the Downtown area.

8. Time Frame for Development

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

9. Justification of Project

This is an historic building in downtown Grand Island that will be preserved with this project. The addition of a new upper story residential unit is consistent with goals to build 50 new residential units in downtown Grand Island by 2019 and with the goals of the 2014 Grand Island housing study and Grow Grand Island. Since this is a split entry building with garden level and upper story floors it is not practical to include commercial space at the ground level. The use of this entire building for residential is appropriate.

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 \$220,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This property has requests façade improvement funding of \$53,200 and received a life/safety grant of \$175,000. This investment by the Authority will leverage \$777,000 in private sector financing; a private investment of \$1.73 for every TIF and grant dollar investment.

Description	Use of Funds.			Total
	TIF Funds	Other Grants	Private Funds	
Site Acquisition			\$2,500	\$2,500
Legal and Plan*			\$33,690	\$33,690
Engineering/Arch			\$46,100	\$46,100
Renovation	\$220,000	\$228,200	\$697,714	\$1,145,914
Financing Fees			\$8,735	\$8,735
Contingency			\$74,154	\$74,154
TOTALS	\$220,000	\$228,200	\$862,893	\$1,311,093

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2016, valuation of approximately \$64,628. Based on the 2015 levy this would result in a real

property tax of approximately \$1,235. It is anticipated that the assessed value will increase by \$656,843 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$14,515 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be 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:	\$ 64,628
Estimated value after completion	\$ 721,471
Increment value	\$ 656,843
Annual TIF generated (estimated)	\$ 14,515
TIF bond issue	\$ 220,000

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

The redevelopment project area currently has an estimated valuation of \$64,628. The proposed redevelopment will create additional valuation of \$656,843. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers and a second exit actually reduce the chances of negative impacts to the fire department.

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

This will provide additional housing options in the downtown area consistent with the planned development in Downtown Grand Island.

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

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. This will

provide housing options for employees of Downtown businesses that wish to live Downtown.

(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 is consistent the goals of the Council, the Downtown BID, the CRA, and Grow Grand Island to create additional housing units in downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed during between April of 2016 and December 31 of 2017. The base tax year should be calculated on the value of the property as of January 1, 2016. Excess valuation should be available for this project for 15 years beginning in 2017 with taxes due in 2018. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$220,000 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 at least \$997,000 on TIF eligible activities in excess of other grants given. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.

BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: **T.W. ZILLER PROPERTIES, LLC**

Address: **324 W. 18th St. Grand Island, NE. 68801**

Telephone No.: **308-380-0579**

Contact: **Thomas Ziller**

Brief Description of Applicant's Business: **The Federation of Labor Temple building will be gutted on the interior and converted into 11 apartments, which includes 9 one bedroom units and 2 two bedroom units. All new electrical, plumbing, HVAC, sprinkler system and finishes will be installed. The exterior will be rehabbed to include, new windows, roof, doors, and brick cleaning and tuckpointing.**

Present Ownership Proposed Project Site: **T.W. Ziller Properties, LLC**

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

Building Square Footage:	8,841 sqft
Size of Property:	2,904 sqft
Description of Buildings:	3 story, brick and stone veneer
Materials:	Wood framed

Site Plan-See Exhibit A.

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

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$0
B. Building	\$2,500

Construction Costs:

A. Renovation or Building Costs:	\$1,145,914
B. On-Site Improvements:	Included in the Renovation amount.

Soft Costs:

A. Architectural & Engineering Fees:	\$46,100
B. Financing Fees:	\$8,735
C. Legal/Developer/Audit Fees:	\$33,690
D. Contingency Reserves:	\$74,154
E. Other (Please Specify)	\$0
TOTAL	\$1,311,093

Total Estimated Market Value at Completion: \$721,471
(Per Janet Pelland-See Exhibit B)

Source of Financing:

A. Developer Equity:	\$278,691
B. Commercial Bank Loan:	\$645,202

C. Tax Credits:

1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance (Loan):	\$159,000
F. Life Safety & Façade Grants	\$228,200

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

Architect: **Alley Poyner Macchietto Architecture**
Contact: **Jay Palu**
Address: **1516 Cuming St. Omaha, NE 68102**
Phone: **402-341-1544**
Email: **jpalu@alleypoyner.com**

Engineer: **Olsson Associates**
Contact: **Mike Spilinek**
Address: **1515 West 2nd Street, Grand Island, NE 68801**
Phone: **308-384-8750**
Email: **mspilinek@oaconsulting.com**

General Contractor: **Thomas W. Ziller**
Contact: **Thomas W. Ziller**
Address: **324 W. 18th Grand Island, NE 68801**
Phone: **308-380-0579**
Email: **twzill@yahoo.com**

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

See Exhibit B from Janet Pelland-Assessor

Project Construction Schedule:

Construction Start Date: **Sept. 15, 2016**

Construction Completion Date: **June 15, 2017**

If Phased Project:

<u>N/A</u>	Year	<u>N/A</u>	% Complete
<u>N/A</u>	Year	<u>N/A</u>	% Complete

XII. Please Attach Construction Pro Forma **See Attached Exhibit C.**

XIII. Please Attach Annual Income & Expense Pro Forma **See Attached Exhibit D.**
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:
Tax Increment Financing in the amount of \$220,000, resulting in a \$159,000 TIF loan, is requested to be used for renovations.

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

A large financial gap exists on this project after conventional financing is utilized. A combination of additional owner equity, grants and TIF are needed to make the return sufficient. The owner is contributing \$278,691 and there are grants of \$228,200. TIF will fill the remaining gap, making this project feasible. The project is asking for \$220,000 in TIF, resulting in \$159,000 TIF loan amortized over 15 years.

Without the availability of TIF funding for the project, it would not be feasible for the developer to proceed with this redevelopment. Please see Exhibit "D", it shows a negative cash flow and return without the use of TIF.

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:

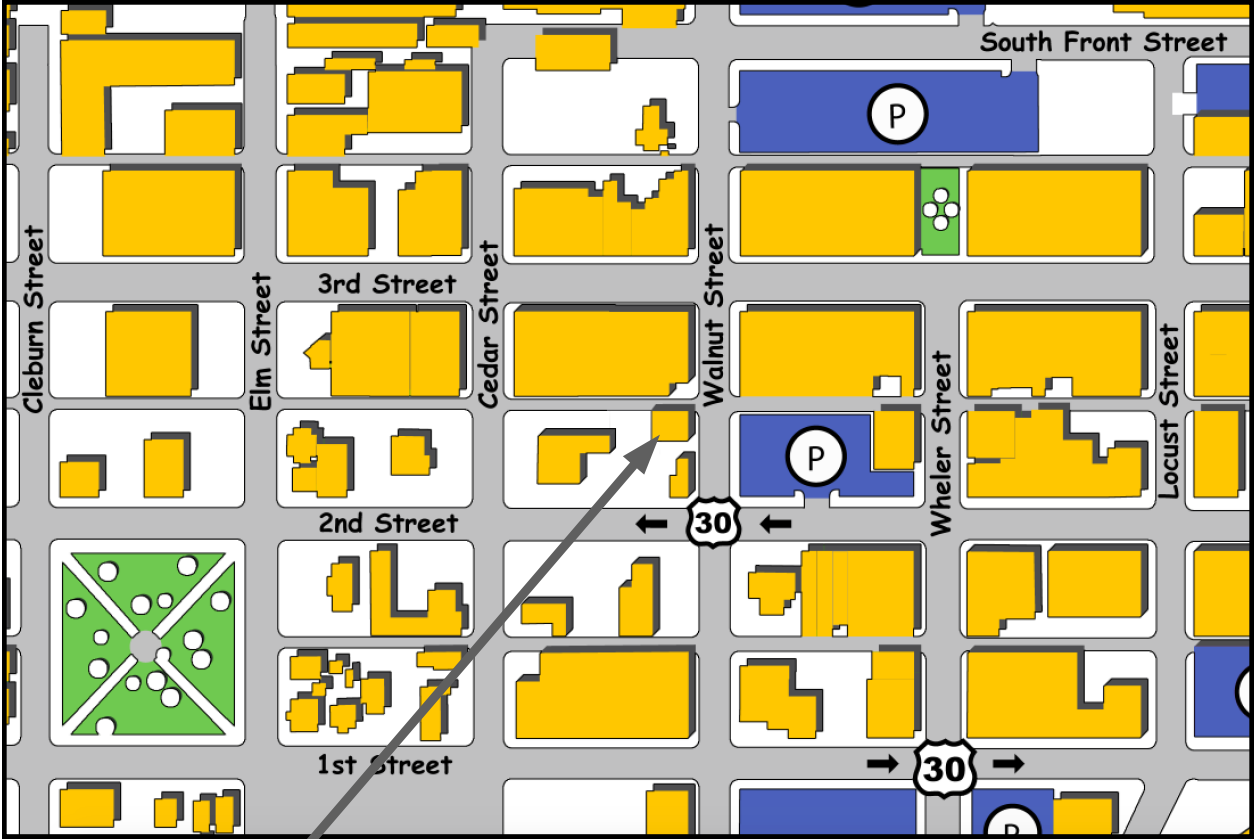
Grand Theatre Renovations
Craig Hand, President of the Grand Theatre
308-380-0612
Craig-rita@hotmail.com

Central Nebraska Regional Airport Terminal Construction
Ziller Tile Inc.
Tom Ziller
308-382-0671

Michelson Building Renovation (Ongoing)
TW Ziller Properties
Tom Ziller
308-380-0579

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

Exhibit A



TEMPLE LOFT APARTMENTS
210 N. WALNUT ST.
GRAND ISLAND, NE 68801



HALL COUNTY ASSESSOR'S OFFICE

Exhibit B



Commercial Property Record Card -Inactive Record

TH0KSDHREJTE15

Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/02/2016 at 10:35:59A

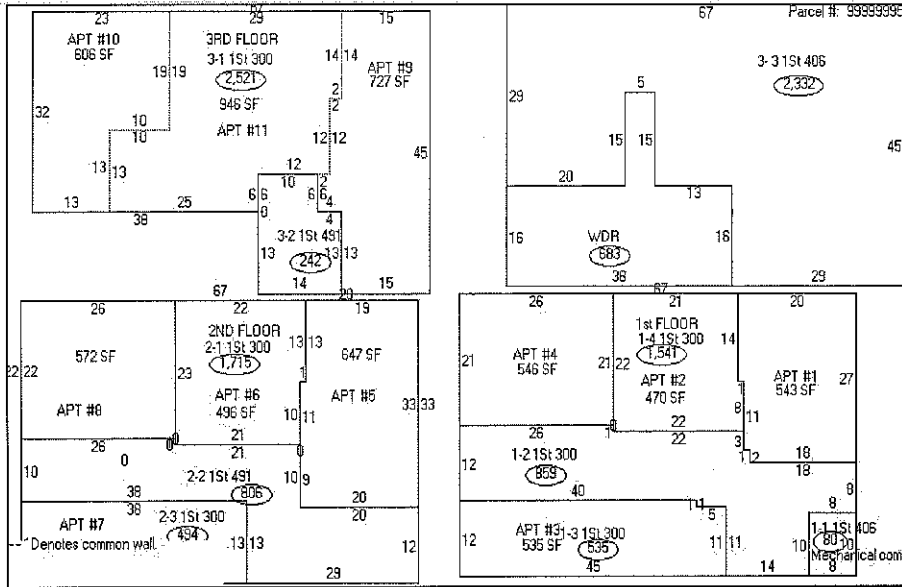
Parcel Information

Ownership Information

Parcel Number	999999954	Current Owner	
Map Number		Address	
Situs	210 N WALNUT	City St. Zip	
Legal	WHAT IF FOR ZILLER (TEMPLE APTS)	Cadastral #	

Property Data

Neighborhood	105	Topography		Number of Units	
Lot Width		Street		Unit Value	
Lot Depth		Utilities		Adjustment	
Units Buildable		Amenities 1		Lot Value	
Value Method		Amenities 2			



Building Data

Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
			SPRINK SYS WET PIP	2016				11,125				26,255		26,255
1	1	406	WAREHOUSE, STORAGE	1911	C	200	40	80	36	1	8	4,144	15%	3,522
			WOOD DECK W/ROOF	2016				683				7,021		7,021
1	2	491	COMMUNITY SERVICE-BUILD	1911	C	200	40	859	182	1	8	76,726	15%	65,217
1	3	300	APARTMENT	1911	C	200	40	535	114	1	8	46,192	15%	39,263
1	4	300	APARTMENT	1911	C	200	40	1,541	188	1	8	113,448	15%	96,431
2	1	300	APARTMENT	1911	C	200	40	1,715	200	1	12	137,131	15%	116,561
2	2	491	COMMUNITY SERVICE-BUILD	1911	C	200	40	806	180	1	12	78,875	15%	67,044
2	3	300	APARTMENT	1911	C	200	40	494	102	1	12	46,184	15%	39,256
3	1	300	APARTMENT	1911	C	200	40	2,521	236	1	12	192,125	15%	163,306
3	2	491	COMMUNITY SERVICE-BUILD	1911	C	200	40	242	62	1	12	23,682	15%	20,130
3	3	406	WAREHOUSE, STORAGE	1911	C	200	40	2,332	239	1	4	91,135	15%	77,465

Cost Approach From Marshall & Swift

Potential Gross Income

Total Building Area	11,125	Contract		Market	
Total Building RCN	809,642	Vacancy & Collection Loss			
Total Refinements	33,276	Effective Income			
Total Replacement Cost New	842,918	Total Expenses			
Total Phys. & Func. Depreciation	(121,447)	Net Operating Income			
RCN Less Phys. & Func.	721,471	Capitalization Rate			
Economic Depreciation		Income Approach			
Accrued Economic depreciation		Final Value Reconciliation			721,471
Total RCN Less Depreciation	721,471				
Additional Lump Sums					
Land Value					
Total Cost Value	721,471				
Value Per Res Unit					
Value Per Sq. Ft.	64.85				

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

Exhibit C

LABOR TEMPLE CONSTRUCTION ESTIMATE
CONSTRUCTION ESTIMATE

DESCRIPTION	QUANTITY	UNIT	TOTAL
SITE PREPERATION, IMPROVEMENTS, UTILITIES			
Water Main			\$53,638
TOTAL SITE PREPERATION, IMPROVEMENTS, UTILITIES			\$53,638
SUPERSTRUCTURE			
Basement Fill & Concrete		SF	\$34,420
Roof Deck Structures	150	SF	\$6,200
Steel Spiral Staircase	12	RS	\$6,000
TOTAL SUPERSTRUCTURE			\$46,620
EXTERIOR ENCLOSURE			
Masonry Restoration	8,000	SF	\$10,000
Fiber Cement Siding, incl. paint	800	SF	\$0
Storefront Doors	0	SF	\$0
Aluminum Window	966	SF	\$82,900
HM Door, Frame & Hardware	2	EA	\$1,500
Joint Sealants		SF	\$0
Balcony Railing	28	LF	\$3,500
Bldg. Insulation	5,100	SF	\$10,500
TOTAL EXTERIOR ENCLOSURE			\$108,400
ROOFING			
EPDM, Flashing, Roof Edge and gutters	520	SF	\$6,886
Walkable Roof Deck	520	SF	\$6,300
TOTAL ROOFING			\$13,186
INTERIOR FINISH			
Framing & GWB Assemblies	16,208	SF	\$229,000
GWB Ceiling	1,000	SF	\$4,000
Carpet	547	SY	\$14,222
Tile		SF	\$24,143
Cabinets & Casework	252	LF	\$43,291
Solid Surface Countertops	702	SF	\$29,239
Painting	33,416	SF	\$57,210
Bath Accessories	12	EA	\$500
Doors, Frames & Hardware	60	EA	\$33,000
Finish Carpentry & Trim	8,000	SF	\$0
Mirrors	12	EA	\$1,161
Shelving	200	LF	\$2,500
Shower Curtains	12	EA	\$200
TOTAL INTERIOR CONSTRUCTION			\$438,466
PLUMBING			
Distribution & Fixtures	8,000	SF	\$106,000
TOTAL PLUMBING			\$106,000
HVAC			
HVAC	8,000	SF	\$82,500
TOTAL HVAC			\$82,500
FIRE PROTECTION			
Fire Sprinkler	8,000	SF	\$13,980
TOTAL FIRE PROTECTION			\$13,980
ELECTRICAL			
Electrical, Service, Lighting, Controls	8,000	SF	\$96,210
TOTAL ELECTRICAL			\$96,210
EQUIPMENT			
Intercom System	11	UNIT	\$2,500
TOTAL EQUIPMENT			\$2,500
FURNISHINGS			
Refurbish Exterior Cornice & Signage	1	AL	\$6,400
Appliances	8,000	SF	\$46,447
Window Blinds	8,000	SF	\$4,000
TOTAL FURNISHINGS			\$56,847
DEMOLITION			
DEMO			\$32,500
TOTAL SELECTIVE BUILDING DEMOLITION			\$32,500
GENERAL REQUIREMENTS			
General Conditions	1,050,847	%	\$35,000
Building Permit	1	EA	\$5,500
Bond	1,050,847	%	\$0
TOTAL GENERAL REQUIREMENTS			\$40,500
TOTAL CONSTRUCTION			\$1,091,347
CONTRACTOR OVERHEAD & PROFIT			\$54,567
TOTAL			\$1,145,914

Exhibit D

Stabilized Proforma Operating Statement

	<u>With TIF</u>	<u>W/O TIF</u>
Gross Residential Rent	+ \$ 98,287	\$ 98,287
Residential Vacancy	- \$ 4,914	\$ 4,914
Residential Income	<u>= \$ 93,373</u>	<u>\$ 93,373</u>
TIF Rebate	+ \$ 14,779	\$ -
Effective Gross Income	<u>= \$ 108,152</u>	<u>\$ 93,373</u>
Total Operating Expenses	- \$ 30,869	\$ 30,869
Net Operating Income	<u>= \$ 77,283</u>	<u>\$ 62,504</u>
Debt Service (P+I) Bank	- \$ 48,982	\$ 48,982
TIF Debt Service (P+I)	- \$ 14,353	\$ -
*Other Debt Service (P+I)	- \$ -	\$ 21,665
Cash Flow Available for Distribution	<u>= \$ 13,948</u>	<u>\$ (8,143) *</u>
Cash on Cash Return	5.00%	-2.92%

(*) Assumes the \$159,000 shortfall in TIF Financing would be made up by a 2nd mortgage with a 10 year amortization at a 6.5% interest rate. The annual payment on such a loan is included as "Other Debt Service".

Without TIF financing for the proposed project, the cash-on-cash return to the Owner is projected at a negative amount, which is not sufficient to attract equity investors to the project.

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

RESOLUTION NO. 222

**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 13th day of July, 2016.

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

By Tom Aboul
Chairperson

ATTEST:

Chad A
Secretary

TW Ziller Properties, LLC

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

RESOLUTION NO. 223

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 1, from TW Ziller Properties, 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 1;


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.

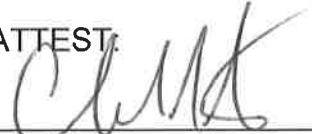
Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this 13th day of July, 2016.

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

By 
Chairperson

ATTEST:


Secretary

TW Ziller Properties, LLC

Resolution Number 2016-08

HALL COUNTY REGIONAL PLANNING COMMISSION

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

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

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

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

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

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

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

DATED: August 10, 2016.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: 
Chair

By: 
Secretary

TW Ziller Properties, LLC