



# Community Redevelopment Authority (CRA)

**Wednesday, January 11, 2017**  
**Regular Meeting**

## **Item H1**

**TIF Request - Peaceful Root**

Staff Contact: Chad Nabity



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

### **Project Redeveloper Information**

Business Name: Peaceful Root, LLC

Address: 1107 W 11<sup>th</sup> Street, Grand Island, NE 68801

Telephone No.: 308-227-2647

Fax No.: NA

Contact: John Anson

Brief Description of Applicant's Business:

Peaceful Root, LLC. is a real estate developer and contractor specializing in downtown properties.

Present Ownership Proposed Project Site: Peaceful Root, LLC.

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

Peaceful Root, LLC will be redeveloping the basement, main and 2<sup>nd</sup> floor of 114 West 2<sup>nd</sup> Street. The basement will be renovated to accompany a new commercial business. The main floor will be renovated to accompany both a commercial business and a parking structure. The 2<sup>nd</sup> floor will be renovated into a commercial space in the form of a yoga studio and three residential spaces.

The current building is wood and brick and the new construction will be the same. See the attached floor plans for more details.

If Property is to be Subdivided, Show Division Planned:





## **TAX INCREMENT FINANCING REQUEST INFORMATION**

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

Peaceful Root, LLC is requesting \$263,854 in TIF. The TIF will allow the project to cash flow and therefore be a success.

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

Without TIF assistance the project will not cash flow and therefore will not be a successful business venture. See attached proforma

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:

- Amos Anson, FAmos Construction/Empire Development, 308-390-2455

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

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

## The Garage

| Use of funds         | Total              |
|----------------------|--------------------|
| Purchase of building | \$180,000          |
| Construction         | \$884,400          |
| Contingency          | \$88,440           |
| A&E                  | \$22,000           |
| Soft costs           | \$12,000           |
|                      | <b>\$1,186,840</b> |

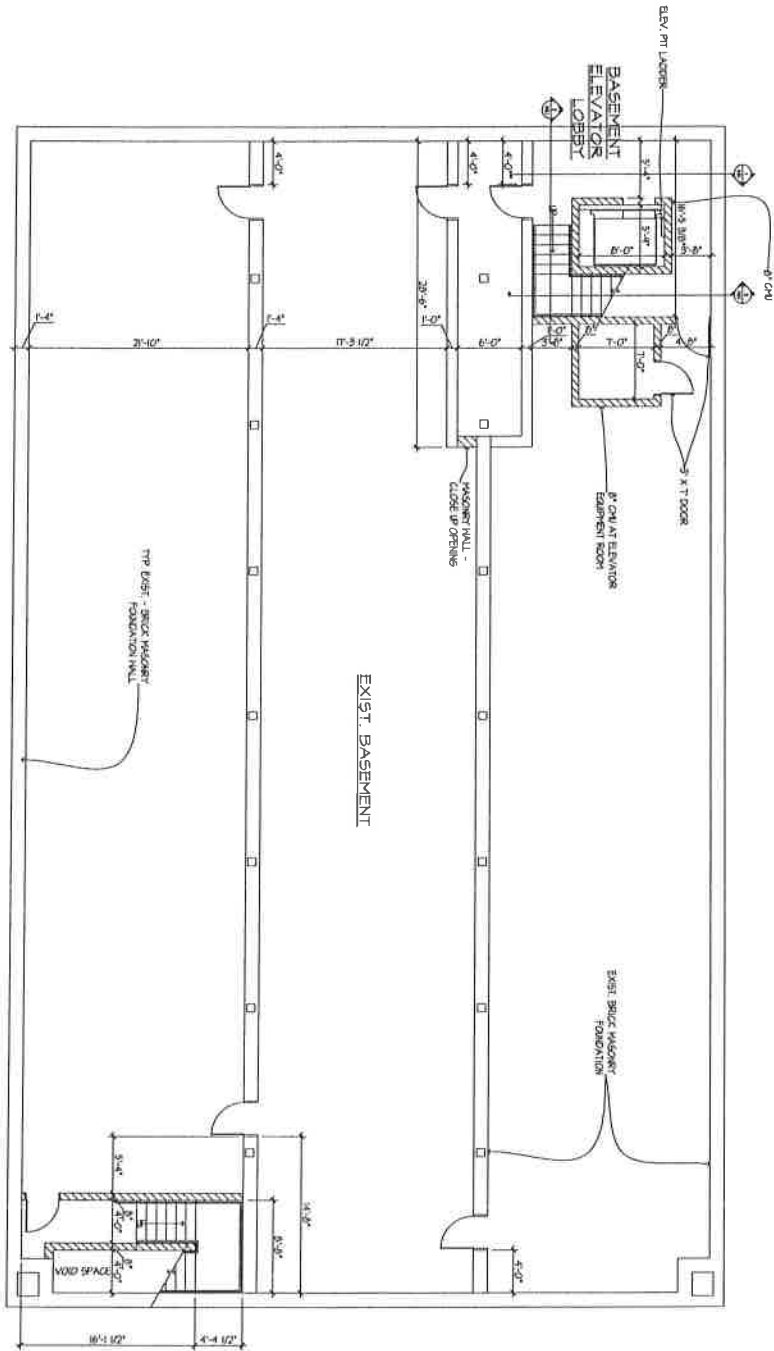
| Source of funds                        |                    |
|--|--------------------|
| Bank                                   | \$866,440          |
| TIF Loan (Owner carried)               | \$263,854          |
| Life safety grant                      | \$50,000           |
| Owner Equity (Not including TIF carry) | \$6,546            |
|  | <b>\$1,186,840</b> |

### Operating proforma

| Annual rental income | \$/s.f. | s.f. |                     |                  |
|----------------------|---------|------|---------------------|------------------|
| 1- Bed               | \$14    | 774  | \$11,146            | \$929            |
| 1- Bed               | \$14    | 774  | \$11,146            | \$929            |
| 2- Bed               | \$14    | 1447 | \$20,837            | \$1,736          |
| 2nd floor yoga       | \$14    | 3319 | \$46,466            | \$3,872          |
| 1st floor commercial | \$14    | 924  | \$12,936            | \$1,078          |
| 11 Parking stalls    | \$1,800 | 8    | \$14,400            | \$1,200          |
| Basement             | \$4     | 6572 | \$26,288            | \$2,191          |
|                      |         |      | <b>Gross Income</b> | <b>\$143,218</b> |

|          |          |
|----------|----------|
| Vacancy  | \$10,025 |
| Expenses | \$33,000 |
|          | \$43,025 |

|                     |                  |
|---------------------|------------------|
| <b>NOI</b>          | <b>\$100,193</b> |
| <b>Debt Service</b> | <b>\$82,221</b>  |
| <b>Cashflow</b>     | <b>\$17,972</b>  |




**BASEMENT PLAN**  
 PLAN  
 SCALE: 3/16" = 1'-0"  
 NORTH  
 TOTAL NITPA IS FIRE  
 SPRINKLERED BUILDING

**INDEX OF DRAWINGS**

|      |               |
|------|---------------|
| A10  | ARCHITECTURAL |
| A11  | MECHANICAL    |
| A12  | ELECTRICAL    |
| A13  | PLUMBING      |
| A14  | MECHANICAL    |
| A15  | ELECTRICAL    |
| A16  | PLUMBING      |
| A17  | MECHANICAL    |
| A18  | ELECTRICAL    |
| A19  | PLUMBING      |
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| A97  | PLUMBING      |
| A98  | MECHANICAL    |
| A99  | ELECTRICAL    |
| A100 | PLUMBING      |

VISIT ALL THE  
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 PROJECT

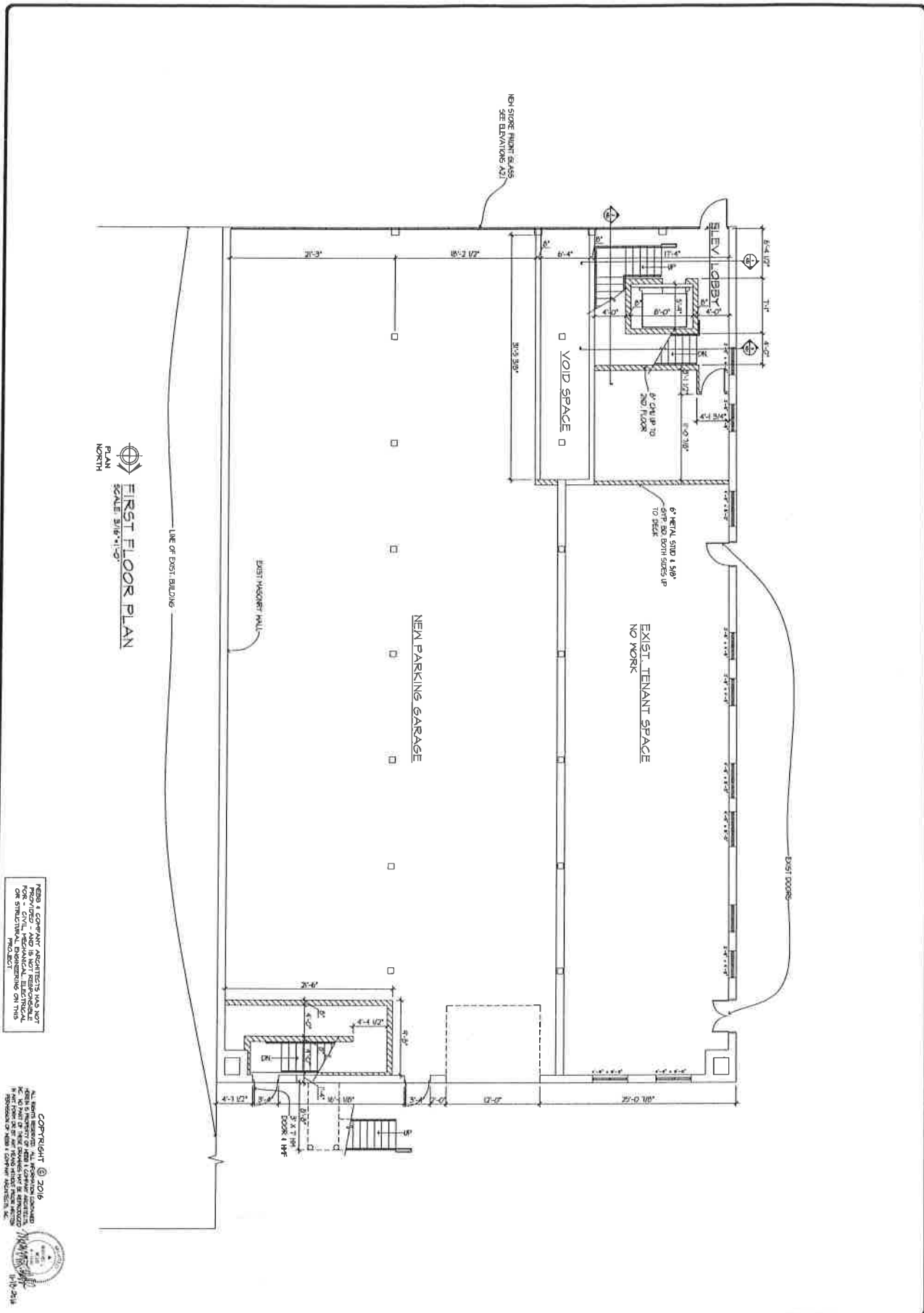
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A10  
 SHEET  
 NCA PROJ-EDT  
 12/20/16

**BUILDING REMODEL**  
 FORMER BROWN HOTEL  
 112 WEST 2ND STREET  
 GRAND ISLAND, NE

**WEBB & COMPANY**  
**A·R·C·H·I·T·E·C·T·S**  
 Grand Island, Nebraska  
 Marvin Webb, AIA Architect 308/381-8013

**BASEMENT PLAN**




**FIRST FLOOR PLAN**  
 SCALE 3/8" = 1'-0"  
 PLAN NORTH

THIS IS A GENERAL CONTRACTOR'S WORK NOT PROVIDED FOR MECHANICAL, ELECTRICAL OR STRUCTURAL PROJECT.

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SHEET  
**A.11**

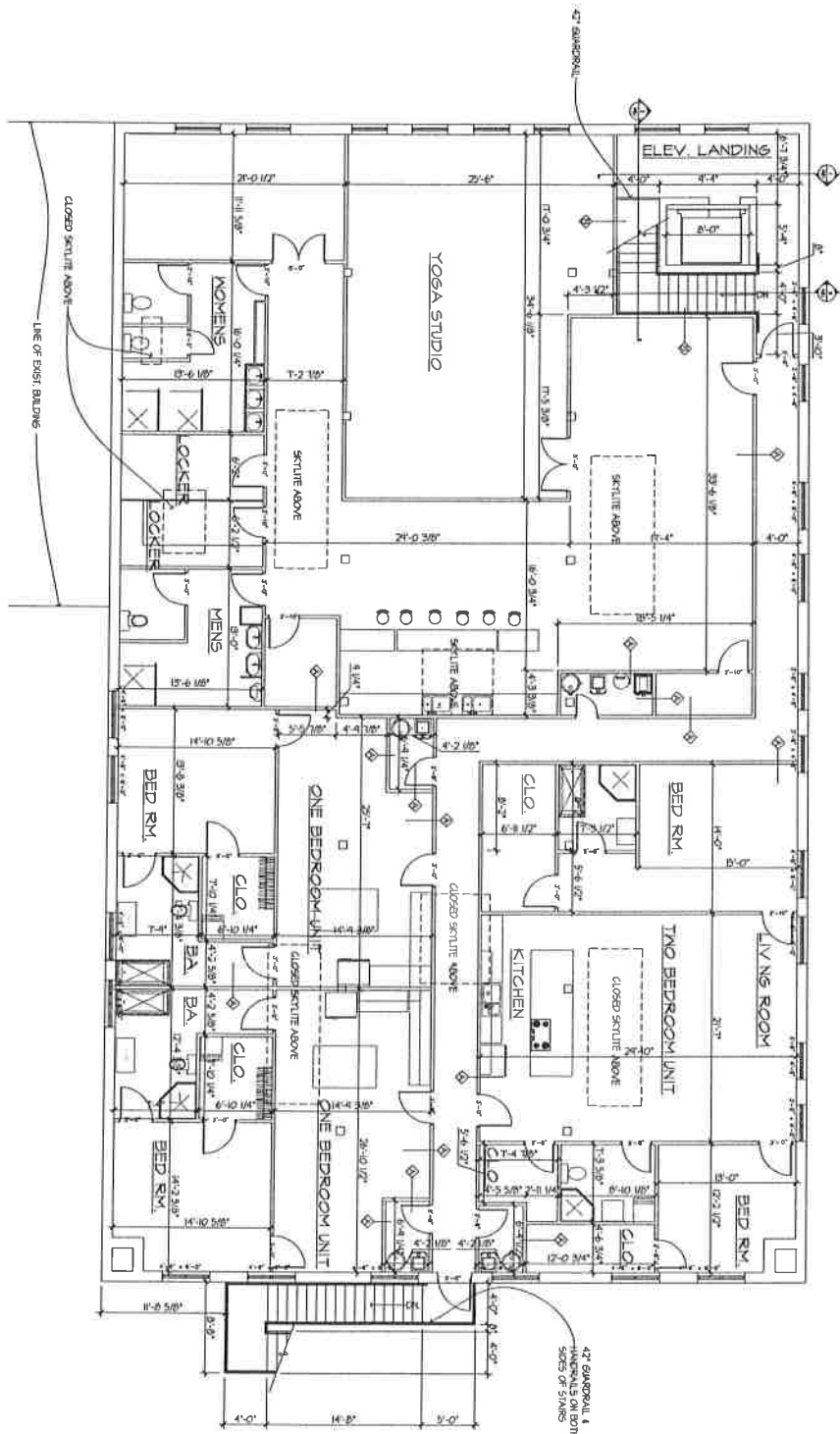
DATE  
 NOV. 8, 2016  
 PLAN  
 PCA PROJECT  
 K2016-02

**BUILDING REMODEL**  
**FORMER BROWN HOTEL**  
**112 WEST 2ND STREET**  
**GRAND ISLAND, NE**

**WEBB & COMPANY**  
**A·R·C·H·I·T·E·C·T·S**  
 Grand Island, Nebraska  
 Marvin Webb, AIA, Architect 308/361-8073

**FIRST FLOOR PLAN**






**SECOND FLOOR PLAN**  
 SCALE: 3/16" = 1'-0"  
 PLAN NORTH  
 ALL DOORS IN ONE HOUR FIRE RATED CORRIDOR WALLS SHALL BE 45 MIN. FIRE RATED SOLID CORE FLOOR DOORS WITH DOOR CLOSERS & SMOKE SEALS.

WEBB & COMPANY ARCHITECTS HAS NOT BEEN ADVISED BY THE OWNER OF ANY CHANGES TO THE ORIGINAL CONTRACT OR STRUCTURAL REQUIREMENTS ON THIS PROJECT.

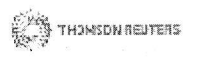
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|                      |  |   |                          |
|----------------------|--|---|--------------------------|
| SHEET<br><b>A1.2</b> | <b>BUILDING REMODEL</b><br>FORMER BROWN HOTEL<br>112 WEST 2ND STREET<br>GRAND ISLAND, NE | <b>WEBB &amp; COMPANY</b><br><b>ARCHITECTS</b><br><i>Grand Island, Nebraska</i><br><small>Marvin Webb, AIA Architect 308/381-8019</small> | <b>SECOND FLOOR PLAN</b> |
|----------------------|--|---|--------------------------|

*Amos Anson*  
112 W 2nd

**HALL COUNTY ASSESSOR'S OFFICE**

*Current*



Real Property Record Card

Data Provided By: JANET L. PELLAND County Assessor. Printed on 12/09/2016 at 02:30:23P

| Parcel Information |   | Ownership Information |                        |
|--------------------|---|-----------------------|------------------------|
| Parcel Number      | 400005700                                       | Current Owner         | PEACEFUL ROOT LLC      |
| Map Number         | 3315-00-0-10001-066-0010                        | Address               | 1107 W 11TH ST         |
| Situs              | 112 W 2ND                                       | City ST. Zip          | GRAND ISLAND NE 68801- |
| Legal              | ORIGINAL TOWN E 2/3 LT 6 & W 1/3 LT<br>7 BLK 66 | Cadastral #           | 0001-0050-0072A        |

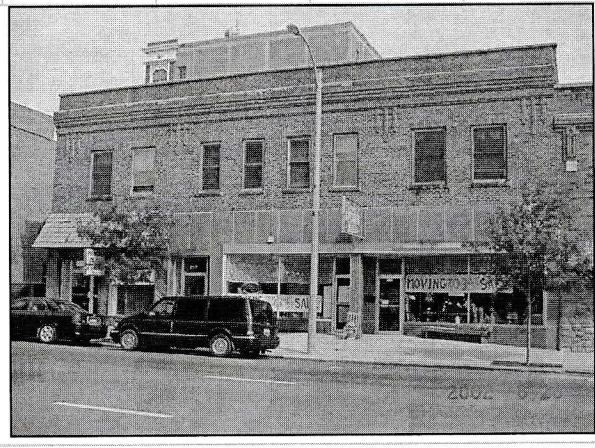
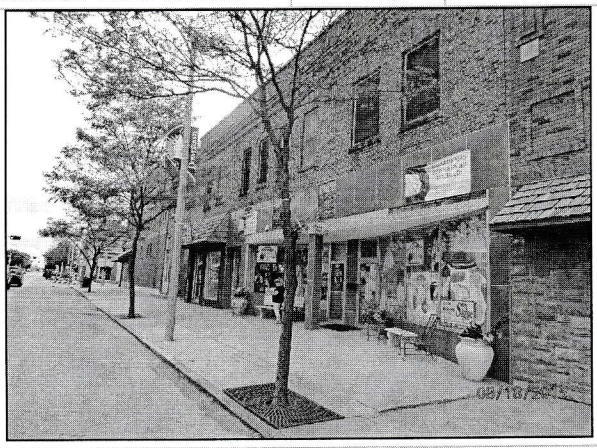
| Current Valuation |         | Assessment Data   |                    | Property Classification |                    |
|-------------------|---------|-------------------|--------------------|-------------------------|--------------------|
| Land Value        | 23,341  | District/TIF Fund | 12                 | Status                  | 01 Improved        |
| Impr. Value       | 181,745 | School Base       | 40-0002 GRAND ISLA | Use                     | 03 Commercial      |
| Outbuildings      |         | Affiliated Code   |                    | Zoning                  | 03 Commercial      |
| Total Value       | 205,086 | Neighborhood      | 105                | Location                | 01 Urban           |
| Exemptions        |         | Greenbelt Area    |                    | City Size               | 03 12,001-100,000  |
| Taxable Value     | 205,086 | Greenbelt Loss    |                    | Lot Size                | 01 <10,000 sq. ft. |

| Sales History |           |                            |         | Multiple Owner Information |              |
|---------------|-----------|----------------------------|---------|----------------------------|--------------|
| Date          | Book/Page | Grantor                    | Price   | Ownrshp. %                 | Owner's Name |
| 11/10/2015    | 2015-7762 | BARTENBACH REAL ESTATE, ~L | 506,000 |                            |              |
| 08/23/2005    | 2005-8301 | FREDDA P BARTENBACH        |         |                            |              |

| Boe Appeal History |      |                     |              | Building Permits |            |                  |        |
|--------------------|------|---------------------|--------------|------------------|------------|------------------|--------|
| Appeal #           | Year | Appealed By         | Status       | Permit #         | Date       | Description      | Amount |
| 162                | 2006 | BARTENBACH/FREDDA   | APPEAL REJEC |                  | 01/01/2017 | 2ND FLOOR DEMO   |        |
| 643                | 2000 | FREDDA P BARTENBACH | APPEAL~REJEC |                  | 01/01/2016 | COMMERCIAL REVIE |        |
|                    |      |                     |              |                  | 01/01/2015 | 10% MARKET UPDAT |        |
|                    |      |                     |              |                  | 01/01/2006 | COMMERCIAL UPDAT |        |
|                    |      |                     |              |                  | 01/01/2005 | COMMERCIAL UPDAT |        |

| Assessment Milestones |             |       |         |        |       |          |        |         |
|-----------------------|-------------|-------|---------|--------|-------|----------|--------|---------|
| Year                  | Description | Class | Ex Code | Land   | Impr. | Outbldg. | Total  | Taxable |
| 2007                  | TAX ROLL    | 2000  |         | 23,341 |       | 67,967   | 91,308 | 91,308  |
| 2004                  | 2004 CTL    | 2000  |         | 23,337 |       | 53,811   | 77,148 | 77,148  |
| 2003                  | 2003 CTL    | 2000  |         | 23,337 |       | 53,811   | 77,148 | 77,148  |
| 2002                  | 2002 CTL    | 2000  |         | 23,337 |       | 53,811   | 77,148 | 77,148  |
| 2001                  | TAXROLL     | 2000  |         | 21,780 |       | 50,220   | 72,000 | 72,000  |

| Historical Valuation Information |                        |        |         |          |         |        |         |          |
|----------------------------------|------------------------|--------|---------|----------|---------|--------|---------|----------|
| Year                             | Billed Owner           | Land   | Impr.   | Outbldg. | Total   | Exempt | Taxable | Taxes    |
| 2016                             | PEACEFUL ROOT LLC      | 23,341 | 181,745 |          | 205,086 |        | 205,086 | 4,303.26 |
| 2014                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 2,021.76 |
| 2013                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,967.18 |
| 2012                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,985.46 |
| 2011                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,950.88 |
| 2010                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,884.04 |
| 2009                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,865.62 |
| 2008                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,841.30 |
| 2007                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,839.58 |
| 2006                             | BARTENBACH REAL ESTATE | 23,341 |         | 67,967   | 91,308  |        | 91,308  | 1,896.84 |



# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 12/09/2016 at 02:30:29P

### Parcel Information

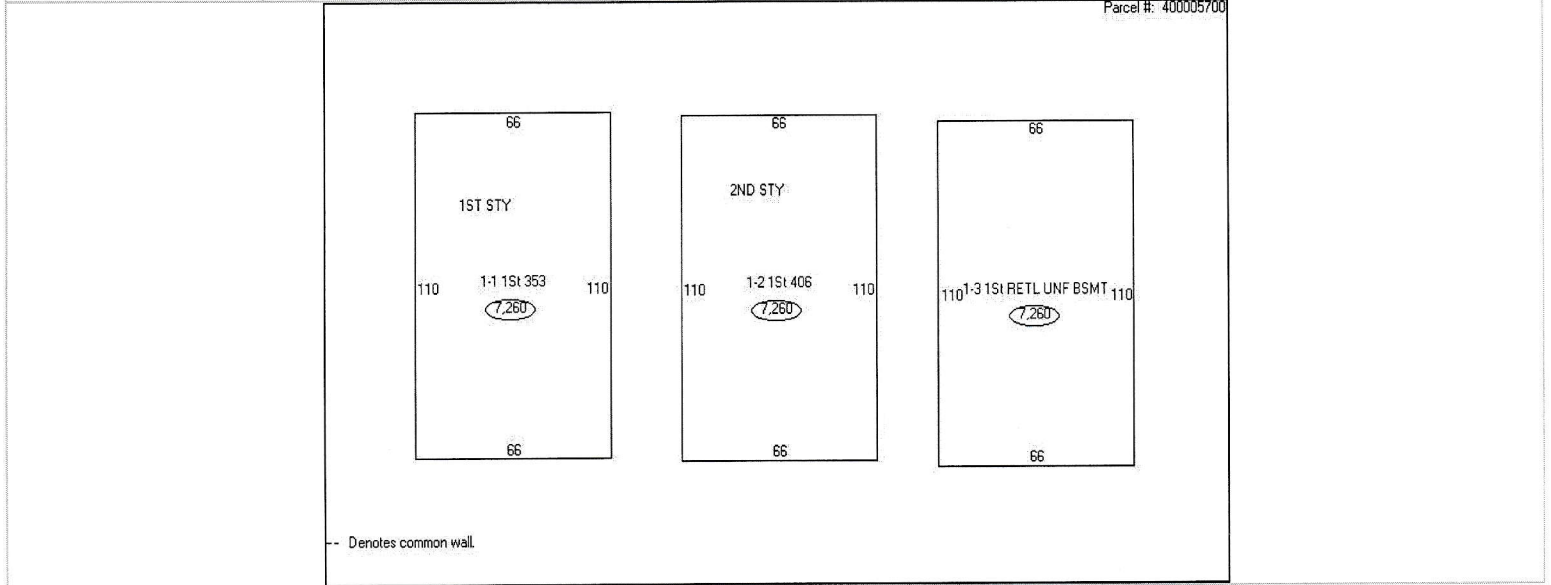
|                      |   |
|----------------------|---|
| <b>Parcel Number</b> | 400005700                                       |
| <b>Map Number</b>    | 3315-00-0-10001-066-0010                        |
| <b>Situs</b>         | 112 W 2ND                                       |
| <b>Legal</b>         | ORIGINAL TOWN E 2/3 LT 6 & W 1/3 LT<br>7 BLK 66 |

### Ownership Information

|                      |                        |
|----------------------|------------------------|
| <b>Current Owner</b> | PEACEFUL ROOT LLC      |
| <b>Address</b>       | 1107 W 11TH ST         |
| <b>City St. Zip</b>  | GRAND ISLAND NE 68801- |
| <b>Cadastral #</b>   | 0001-0050-0072A        |

### Property Data

|                        |      |                    |  |                        |        |
|------------------------|------|--------------------|--|------------------------|--------|
| <b>Neighborhood</b>    | 105  | <b>Topography</b>  |  | <b>Number of Units</b> | 8712   |
| <b>Lot Width</b>       | 66   | <b>Street</b>      |  | <b>Unit Value</b>      | 2.68   |
| <b>Lot Depth</b>       | 132  | <b>Utilities</b>   |  | <b>Adjustment</b>      |        |
| <b>Units Buildable</b> | 8712 | <b>Amenities 1</b> |  | <b>Lot Value</b>       | 23,341 |
| <b>Value Method</b>    | SF   | <b>Amenities 2</b> |  |                        |        |



### Building Data

| Bldg. | Sec. | Code | Description        | Year | Cls. | Qual. | Cond. | Area  | Perm. | Stor. | Hght. | Sec. RCN | Phys. | Func. | RCNLD  |
|-------|------|------|--------------------|------|------|-------|-------|-------|-------|-------|-------|----------|-------|-------|--------|
| 1     | 1    | 353  | RETAIL STORE       | 1911 | C    | 200   | 20    | 7,260 | 352   | 1     | 14    | 434,366  | 80%   |       | 86,873 |
| 1     | 2    | 406  | WAREHOUSE, STORAGE | 1911 | C    | 200   | 20    | 7,260 | 352   | 1     | 14    | 232,901  | 80%   |       | 46,580 |
| 1     | 3    | 612  | RETAIL UNFIN BSMT  | 1911 | C    | 200   | 10    | 7,260 | 352   | 1     | 8     | 158,849  | 80%   |       | 31,770 |

### Cost Approach From Marshall & Swift

### Potential Gross Income

|   |           |                                      |  |               |         |
|---|-----------|--------------------------------------|--|---------------|---------|
| <b>Total Building Area</b>                  | 21,780    | <b>Contract</b>                      |  | <b>Market</b> |         |
| <b>Total Building RCN</b>                   | 826,116   | <b>Vacancy &amp; Collection Loss</b> |  | 10.00%        | 1,815   |
| <b>Total Refinements</b>                    |           | <b>Effective Income</b>              |  |               | 16,335  |
| <b>Total Replacement Cost New</b>           | 826,116   | <b>Total Expenses</b>                |  | 25.00%        | 4,084   |
| <b>Total Phys. &amp; Func. Depreciation</b> | (660,893) | <b>Net Operating Income</b>          |  |               | 12,251  |
| <b>RCN Less Phys. &amp; Func.</b>           | 165,223   | <b>Capitalization Rate</b>           |  |               | 13.00%  |
| <b>Economic Depreciation</b>                | -10%      | <b>Income Approach</b>               |  |               | 94,238  |
| <b>Accrued Economic depreciation</b>        | 16,522    | <b>Final Value Reconciliation</b>    |  |               | 205,086 |
| <b>Total RCN Less Depreciation</b>          | 181,745   |                                      |  |               |         |
| <b>Additional Lump Sums</b>                 |           |                                      |  |               |         |
| <b>Land Value</b>                           | 23,341    |                                      |  |               |         |
| <b>Total Cost Value</b>                     | 205,086   |                                      |  |               |         |
| <b>Value Per Res Unit</b>                   |           |                                      |  |               |         |
| <b>Value Per Sq. Ft.</b>                    | 9.42      |                                      |  |               |         |

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

HALL COUNTY ASSESSOR'S OFFICE  
COMMERCIAL DATA SHEET

*What If*

Date of Print: 12/09/2016

Record: 1 of: 1

Inspected By: Inspection Date:

Parcel ID # : 999999980 Map # :

Error 8 Business Name : INDOOR PARKING/RETAIL/YOGA  
Error 8 Situs : 00112 WEST 2ND ST  
Legal : WHAT IF FOR AMOS ANSON/112 W  
2ND ST/OLD BROWN HOTEL BLDG

LOT INFORMATION

Neighborhood : 105 Value Method : SF  
Lot Width : 66 # of Units : 8712  
Lot Depth : 132 Unit Value : 2.68  
Topography : Amenities Adjustments :  
Street Access : LAND VALUE Factor : Lot Value : 23,341  
Utilities :

COST APPROACH DATA - Values By Marshall & Swift

Appraisal Zone : 2000 Manual Date : 06/14 Cost Factor : 0.75

Total Number of Buildings : 3 Total Number of Sections : 5  
Total Area..... 22,986  
Total Building Replacement Cost New..... \$1,302,512  
Total Refinement Replacement Cost New..... \$156,709  
Total Replacement Cost New..... \$1,459,221  
Total Accrued Depreciation..... 32% (\$468,024)  
Total Replacement Cost New Less Physical and Functional Depreciation..... \$991,197  
Economic Depreciation for Neighborhood 105 .....  
Total Replacement Cost New Less Depreciation..... \$991,197  
Total Lump Sums..... \$0  
Total Land Value..... \$23,341  
FINAL ESTIMATE OF VALUE USING THE COST APPROACH..... \$1,014,538  
Value per Unit..... \$338,179.33  
Value per Square Foot..... \$44.14

VALUATION SUMMARY

Estimate of Value (Using Cost Approach) ..... \$1,014,538  
Estimate of Value (Using Income Approach) .....

FINAL ESTIMATE

Improvement Value ..... \$991,197  
Land Value ..... \$23,341  
FINAL ESTIMATE OF VALUE ..... \$1,014,538

Current Total Assessed Value for Parcel # 999999980 ..... \$0

DATA USED FOR CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all rights herin.



HALL COUNTY ASSESSOR'S OFFICE  
 COMMERCIAL DATA SHEET - REFINEMENTS COST DATA  
 Date of Print: 12/09/2016

Parcel ID # : 999999980

Map # :

Error 8 Business Name : INDOOR PARKING/RETAIL/YOGA  
 Error 8 Situs : 00112 WEST 2ND ST  
 Legal : WHAT IF FOR AMOS ANSON/112 W  
 2ND ST/OLD BROWN HOTEL BLDG

Appraisal Zone: 2000 Manual Date: 06/14 Cost Factor: 0.75

| Bldg # | Code | Description               | Year | # Units | \$/Unit   | RCN     | Depr % | Value   |
|--------|------|---------------------------|------|---------|-----------|---------|--------|---------|
|        | ELP  | ELLEV, ELEC, PASSNGR      | 2017 | 1       | 110100.00 | 110,100 |        | 110,100 |
|        | SKD  | SPRINK/DRY PIPE           | 2017 | 15,180  | 2.99      | 45,388  |        | 45,388  |
|        | OUT  | OUTSIDE ENTRANCE (2ND FLR | 2017 | 1       | 1221.47   | 1,221   |        | 1,221   |

# HALL COUNTY ASSESSOR'S OFFICE

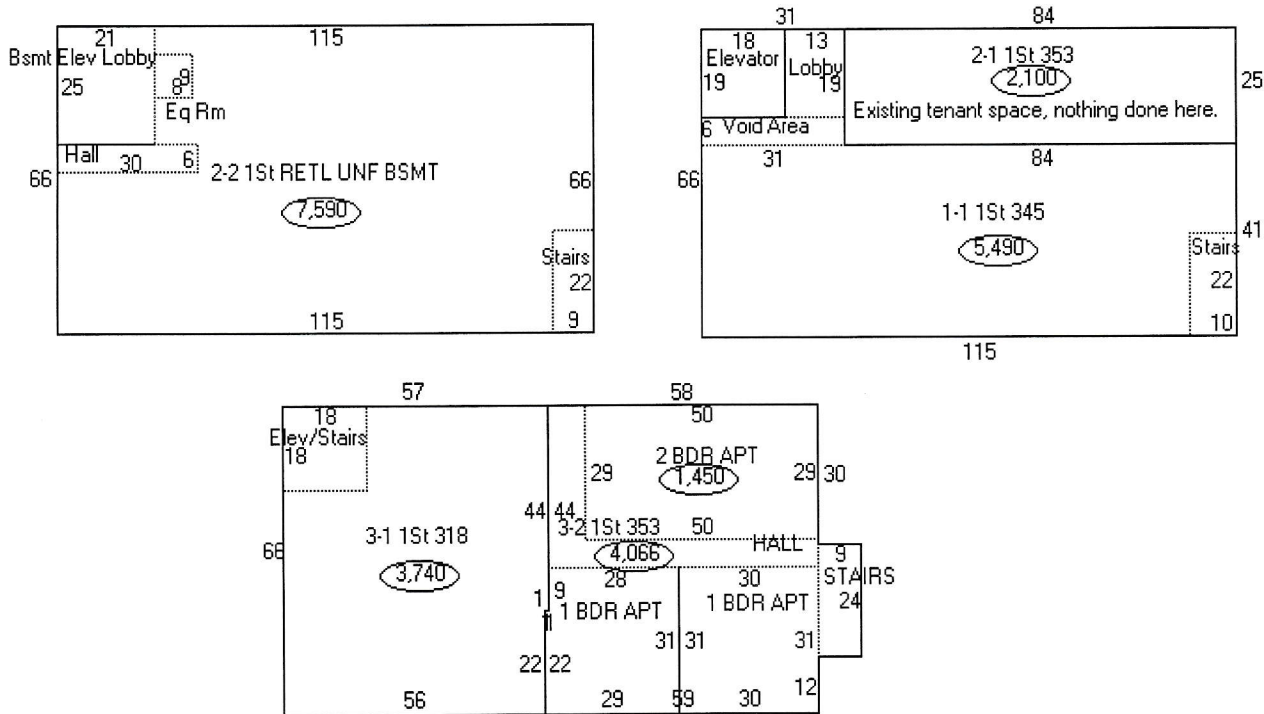
TerraScan Sketch Form



Data Provided By: JANET L. PELLAND County Assessor. Printed on 12/09/2016 at 02:43:54P

|                 |           |              |  |
|-----------------|-----------|--------------|--|
| <b>Parcel #</b> | 999999980 | <b>Map #</b> | 00112 WEST 2ND ST  |
| <b>Owner</b>    | Situs     | <b>Legal</b> | WHAT IF FOR AMOS ANSON/112 W 2ND ST/OLD BROWN HOTEL BLDG |
| <b>Address</b>  |           |              |  |

Parcel #: 999999980



-- Denotes common wall.

| Description              | Base Area | Total Area |
|--------------------------|-----------|------------|
|                          | 220       | 220        |
|                          | 342       | 342        |
|                          | 186       | 186        |
|                          | 247       | 247        |
|                          | 525       | 525        |
|                          | 180       | 180        |
|                          | 72        | 72         |
|                          | 198       | 198        |
|                          | 324       | 324        |
|                          | 1,450     | 1,450      |
|                          | 890       | 890        |
|                          | 930       | 930        |
|                          | 216       | 216        |
| <b>Parking Structure</b> | 5,490     | 5,490      |
| <b>Retail Store</b>      | 2,100     | 2,100      |
|                          | 7,590     | 7,590      |
| <b>Health Club</b>       | 3,740     | 3,740      |
| Area Summary             |           |            |
| <b>Base Area</b>         |           | 15,396     |
| <b>Total Area</b>        |           | 15,396     |
| <b>Basement Area</b>     |           | 0          |
| <b>Garage Area</b>       |           | 0          |
| <b>Porches/Other</b>     |           | 13,370     |

Scale : 1" = 40'      ----- Denotes Upper Floor      Page 1 of 1      SKETCH-html-2001

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

**RESOLUTION NO. 233**

**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 11th day of January, 2017.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

Peaceful Root, LLC – 112 W. Second St.



EXHIBIT 1  
REDEVELOPMENT PLAN AMENDMENT

Peaceful Root, LLC – 112 W. Second St.

**Redevelopment Plan Amendment  
Grand Island CRA Area 1  
December 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 112 W 2<sup>nd</sup> STREET FOR COMMERCIAL AND RESIDENTIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

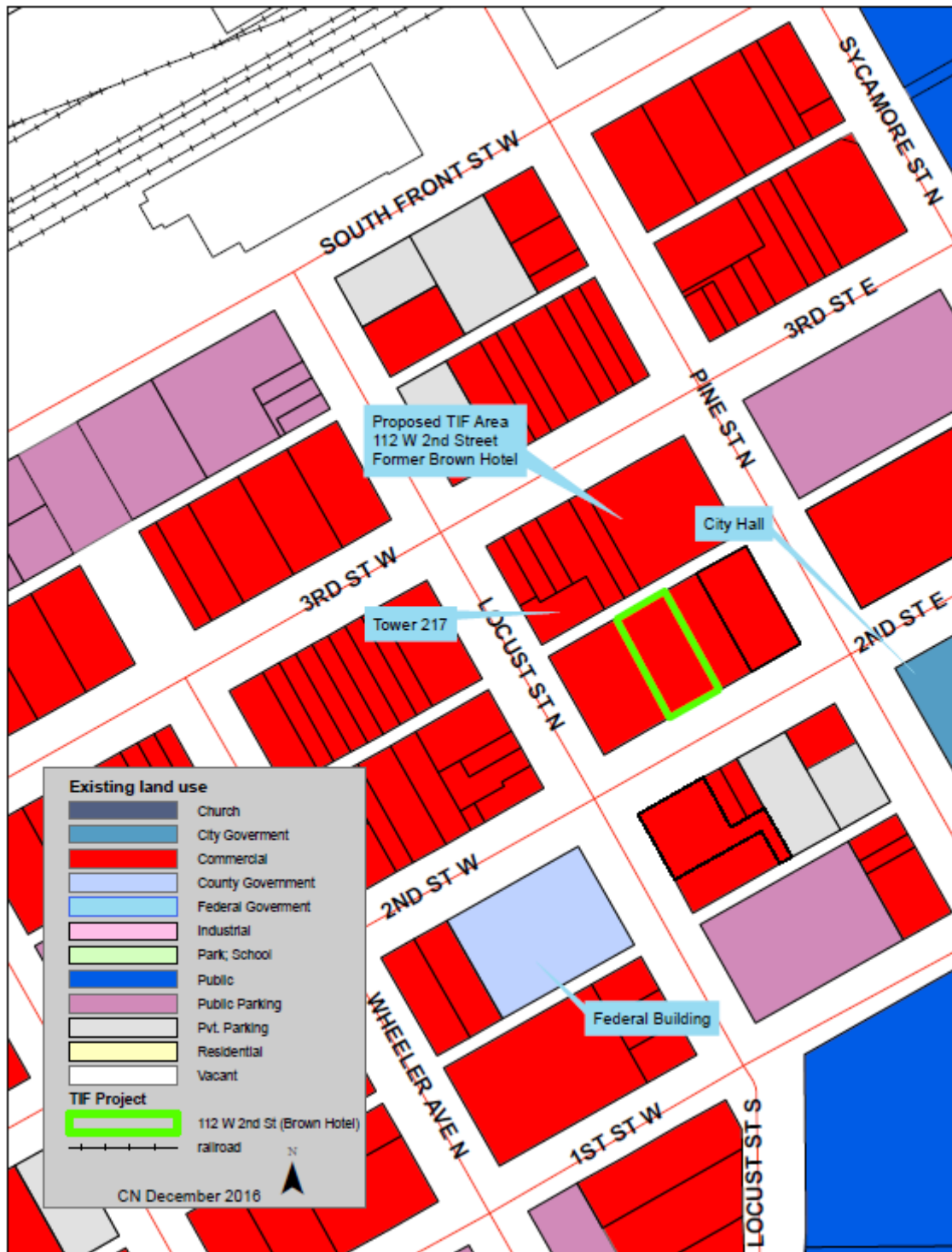
The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the Former Brown Hotel Building located at 112 W. 2nd Street into a mixed use building containing three apartments, two tenant spaces, indoor covered parking and additional space in the basement. The 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 building into a combination of commercial space and market rate residential units along with providing dedicated parking stalls for these and nearby residential units. The addition of the residential units is 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.

Peaceful Root LLC is the owner of the property. Peaceful Root LLC purchased this property in 2015. 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, 2018 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”)

112 W. 2nd Street in Grand Island Nebraska (Former Brown Hotel)

**Legal Descriptions:** Easterly Two - thirds of Lot Six (6) and the Westerly One -third of Lot Seven (7), in Block Sixty -Six (66) in the Original Town, now City 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 2019 through 2032 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 commercial and 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. **The Hall County Regional Planning Commission held a public hearing at their meeting on February 1, 2014 and passed resolution \_\_\_\_\_ confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.**

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

***a. Land Acquisition:***

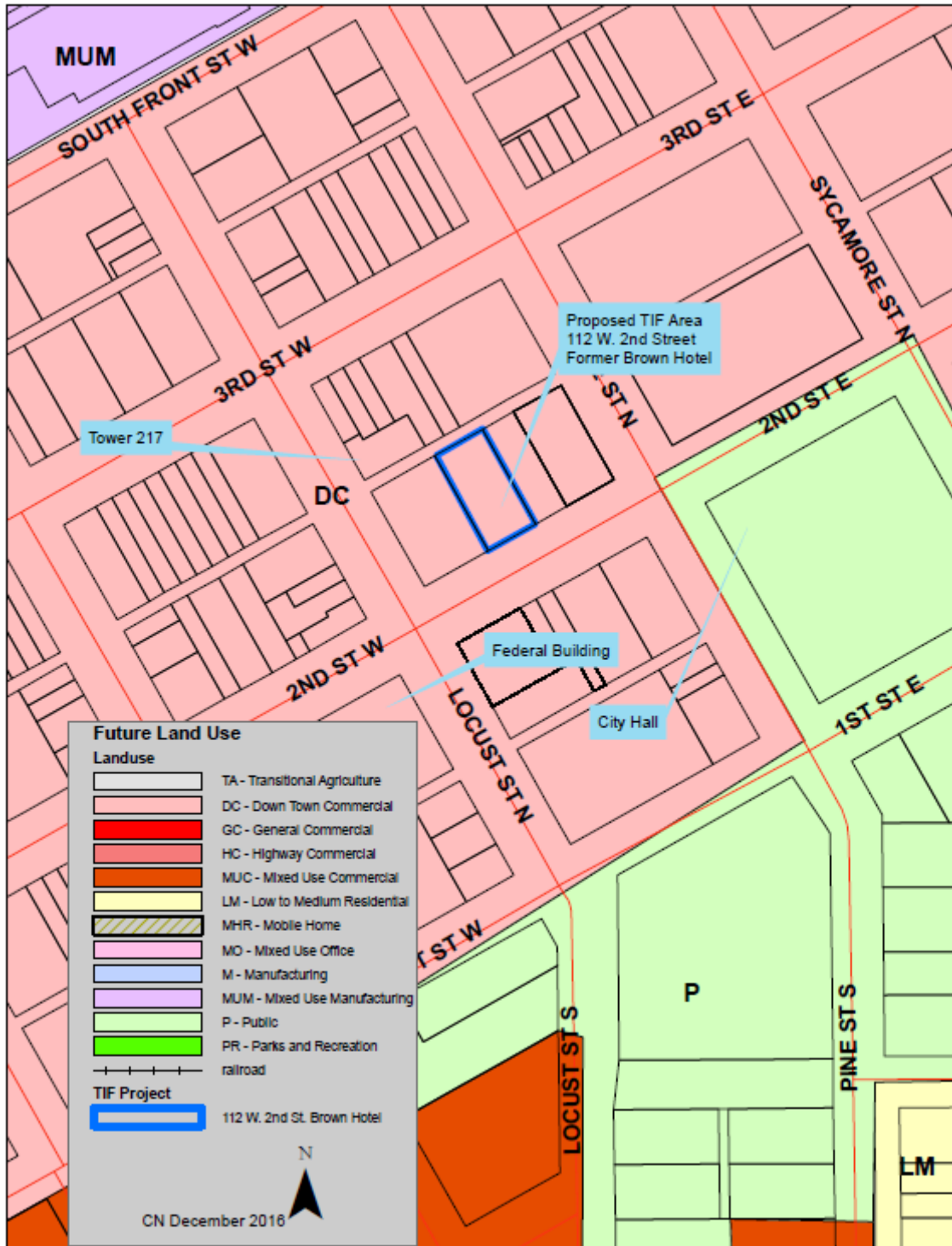
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

***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 \$884,400

planning related expenses for Architectural and Engineering services of \$22,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$12,000 are included as TIF eligible expense. The total of eligible expenses for this project is \$918,400. The CRA has been asked to grant \$50,000 to this project to offset the cost of life safety improvements. The total eligible expenses for this project less other grant funds by the CRA is \$868,400.

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 \$263,000 from the proceeds of the TIF. 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, 2018 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. This specific plan also increases the



availability of parking by providing private reserved spaces for residents in this and nearby buildings.

**8. Time Frame for Development**

Development of this project is anticipated to be completed between April 2017 and December of 2017. Excess valuation should be available for this project for 15 years beginning with the 2018 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. The main floor will be used for both tenant space and indoor reserved parking.

**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 \$263,000 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 requested a life/safety grant of \$50,000. This investment by the Authority will leverage \$873,840 in private sector financing; a private investment of \$2.79 for every TIF and grant dollar investment.

| Description      | Use of Funds. |              |               |             |
|------------------|---------------|--------------|---------------|-------------|
|                  | TIF Funds     | Other Grants | Private Funds | Total       |
| Site Acquisition |               |              | \$180,000     | \$180,000   |
| Legal and Plan*  |               |              | \$12,000      | \$12,000    |
| Engineering/Arch |               |              | \$22,000      | \$22,000    |
| Renovation       | \$263,000     | \$50,000     | \$571,400     | \$884,400   |
| Financing Fees   |               |              | \$            | \$          |
| Contingency      |               |              | \$88,440      | \$88,440    |
| TOTALS           | \$263,000     | \$50,000     | \$873,840     | \$1,186,840 |

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2017, valuation of approximately \$205,086. Based on the 2016 levy this would result in a real property tax of approximately \$4,457. It is anticipated that the assessed value will increase by \$809,452 upon full completion, as a result of the site redevelopment. This

development will result in an estimated tax increase of over \$17,590 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:   | \$ 205,086   |
| Estimated value after completion | \$ 1,014,538 |
| Increment value                  | \$ 809,452   |
| Annual TIF generated (estimated) | \$ 17,590    |
| TIF bond issue                   | \$ 263,000   |

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

The redevelopment project area currently has an estimated valuation of \$205,086. The proposed redevelopment will create additional valuation of \$809,452. 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 in any significant way. 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 2017 and December 31 of 2017. 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 2018 with taxes due in 2019. 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 \$263,000 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 \$918,400 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.

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

**RESOLUTION NO. 234**

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 Peaceful Root LLC, (The "Developer") for redevelopment of 112 W. Second St., 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 11th day of January, 2017.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

Peaceful Root, LLC-112 W. Second St.