



# **Community Redevelopment Authority (CRA)**

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

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## **Board Members:**

**Tom Gdowski - Chairman**

**Glen Murray – Vice Chairman**

**Sue Pirnie**

**Glenn Wilson**

**Krae Dutoit**

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**4:00 PM  
City Hall**

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## **Call to Order**

## **Roll Call**

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### **A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS**

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

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### **B - RESERVE TIME TO SPEAK ON AGENDA ITEMS**

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.

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### **DIRECTOR COMMUNICATION**

This is an opportunity for the Director to comment on current events, activities, and issues of interest to the commission.



# Community Redevelopment Authority (CRA)

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

## **Item -1**

### **Audit**

Staff Contact: Chad Nabity

To the Board of Directors  
Community Redevelopment Authority of Grand Island  
Grand Island, Nebraska

We have audited the financial statements of the governmental activities of the Community Redevelopment Authority of Grand Island for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2016. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Community Redevelopment Authority of Grand Island are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2016. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the accruals for estimated TIF receivables and payables.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C.  
and offers wealth management and investment advisory services.

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### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Four audit adjustments decreased the net position of the Authority by \$111,505. The following misstatements detected as a result of audit procedures were corrected by management:

- 1) Property tax revenue was decreased \$11,938 to adjust equity to prior year audit.
- 2) Accounts payable and redeveloper bond principal expenses were increased \$29,387 to record amounts due to redevelopers for TIF proceeds held as county treasurer cash.
- 3) Property tax revenue was decreased \$68,348 to adjust property tax receivable and deferred property tax revenue to actual.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 16, 2016.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all of the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and budgetary comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of General Fund expenditures, which accompany the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Community Redevelopment Authority of Grand Island and is not intended to be and should not be used by anyone other than these specified parties.

*Amquist, Malthahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
December 16, 2016

To the Board of Directors  
Community Redevelopment Authority of Grand Island  
Grand Island, Nebraska

In planning and performing our audit of the financial statements of the Community Redevelopment Authority of Grand Island as of and for the year ended September 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Authority's internal control to be a significant deficiency:

The size of the Authority's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This lack of segregation of duties creates an opportunity for employees to commit fraud that may go undetected. This situation suggests that the Board of Directors remain involved in the financial affairs of the Authority to provide oversight and independent review functions.

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This communication is intended solely for the information and use of management, the Board of Directors, and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

Amquist, Malthalm -  
Galloway & Luth, P.C.

Grand Island, Nebraska  
December 16, 2016



**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**September 30, 2016**

## TABLE OF CONTENTS

|   | Page |
|---|------|
| INDEPENDENT AUDITOR’S REPORT  | 2    |
| MANAGEMENT’S DISCUSSION AND ANALYSIS  | 5    |
| BASIC FINANCIAL STATEMENTS  |      |
| Government-wide Financial Statements  |      |
| Statement of Net Position   | 11   |
| Statement of Activities   | 12   |
| Fund Financial Statements   |      |
| Balance Sheet - Governmental Fund   | 13   |
| Reconciliation of the Balance Sheet - Governmental Fund<br>to the Statement of Net Position   | 14   |
| Statement of Revenues, Expenditures, and Changes in Fund Balance -<br>Governmental Fund   | 15   |
| Reconciliation of the Statement of Revenues, Expenditures, and<br>Changes in Fund Balance - Governmental Fund to the<br>Statement of Activities   | 16   |
| Notes to Financial Statements   | 17   |
| REQUIRED SUPPLEMENTARY INFORMATION  |      |
| Budgetary Comparison Schedule   | 39   |
| Note to Required Supplementary Information  | 40   |
| SUPPLEMENTARY INFORMATION   |      |
| Schedule of Expenditures - General Fund   | 41   |
| Independent Auditor’s Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance With <i>Government Auditing Standards</i> | 43   |



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Community Redevelopment Authority  
of Grand Island, Nebraska  
Grand Island, Nebraska

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Community Redevelopment Authority of Grand Island, Nebraska, a component unit of the City of Grand Island, Nebraska, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Community Redevelopment Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

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no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of September 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

The financial statements present only the Community Redevelopment Authority of Grand Island, Nebraska component unit and do not purport to, and do not, present fairly the financial position of the City of Grand Island, Nebraska, as of September 30, 2016, and the change in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–10 and 39–40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The schedule of expenditures for the General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures for the General Fund is the responsibility of management and was

derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures for the General Fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting and compliance.

*Amquist, Malthalm.*  
*Galloway & Luth, P.C.*

Grand Island, Nebraska  
December 16, 2016

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2016**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Community Redevelopment Authority of Grand Island, Nebraska, we offer readers of the Community Redevelopment Authority of Grand Island, Nebraska financial statements this narrative overview and analysis of the financial activities of the Community Redevelopment Authority of Grand Island, Nebraska, for the fiscal year ended September 30, 2016.

**Financial Highlights**

- The assets of the Community Redevelopment Authority of Grand Island, Nebraska, exceeded its liabilities at the close of the most recent fiscal year by \$250,972 (*net position*). Of this amount, there was a deficit balance of (\$443,140) in *unrestricted net position*, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a deficit balance of \$(145,462).

**Program Highlights**

- The CRA will continue to emphasize the acquisition and demolition of substandard properties. The CRA and City Council will continue to encourage developers to look for areas of "Micro-Blight" that could be significantly improved by the acquisition, demolition and construction of a new residential unit or units.
- The CRA will continue to direct attention toward business/industry developments that result in economic development and the creation of new jobs. These efforts may include tax increment financing (TIF), infrastructure development, land acquisition, or other types of allowable assistance. The City of Grand Island and the CRA also approved the use of TIF to support the development of several businesses in Grand Island, including an expansion for Bosselman Corporation and Middleton Electric. The CRA worked on a redevelopment plan and TIF application for a proposed hospital and associated development in Redevelopment Area 17 at the southwest corner of U.S. Highway 281 and Husker Highway. This proposed development is hoped to spur development toward Interstate 80. Two large apartment developments were approved with 288 units north of the South Walmart on Husker Highway (U.S. Highway 34) and 88 units in the final phase of the Cherry Park Apartments on Stuhr Road north of Bismark Avenue.
- The CRA will continue to look for areas ripe for redevelopment and encourages private individuals and developers to submit blighted and substandard studies to the Grand Island City Council for consideration. During 2014, the CRA contracted to have a blighted and substandard study conducted for the Veteran's Home Property. The study was completed and presented to the CRA in November of 2014. On December 1, 2015, Governor Pete Ricketts announced plans to return the Veteran's Home Property to the City of Grand Island. A portion of that property has been deeded back to the City, with the remainder committed for return after the closure of the Grand Island Veterans Home. The City will be

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2016**

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moving forward with redevelopment plans. Those plans are likely to include declaration of the area as blighted and substandard with TIF being used to redevelop the property. This year the City Council also approved Redevelopment Area 19 north of Husker Highway and east of Locust Street (Vanosdall ball fields). The first phase of the Talon apartments has been built there.

- The CRA has developed strategies to limit the exposure of the CRA and the City when a TIF project is approved. Primarily this is done with the TIF contract. The CRA issues a TIF bond that the developer funds through a private investor or financial institution. The bond is repaid from the TIF revenue generated from the project on its TIF-eligible expenses. The bond is limited to no more than 15 years from the time it is issued or amended. The bond amount is capped at either the TIF-eligible expenses or the amount of TIF generated by the project over its life.
- The CRA will continue to work with housing providers, including Habitat for Humanity and the Housing Development Corporation. The CRA actively seeks out opportunities to partner with these types of organizations to provide quality and affordable housing in Grand Island. The third phase of the Copper Creek subdivision included 69 new houses during the 2016 year.
- The CRA continues to work with Downtown, and is supportive of continued efforts to redevelop buildings, especially on the upper floors. During the 2016 year, the CRA approved two grants of \$220,000 under the upper-story Life Safety program. The Hedde Building was awarded \$200,000 and the west side of the Williamson Building was awarded \$20,000. The CRA also approved TIF for the redevelopment of Williamson Building and the Federation of Labor Temple Building. The 2017 budget includes \$265,000 (\$100,000 each from the City and the CRA and \$65,000 of carryover funds from 2016) for life safety infrastructure grants in the downtown area for projects that include upper story residential development. The CRA has made the final payment on the Life Safety grant awarded to Tower 2017 (the Masonic Temple Building). The first through third floors of the building are occupied and construction has started on the fourth and fifth floors.
- The CRA approved tax increment financing for a project along South Locust for the Talon Apartments. Final build out is expected to be 288 units over a 4 to 8 year period. A project was approved for additional 88 apartments at the final phase of the Cherry Park Apartments on Stuhr Road north of Bismark Avenue.
- The redevelopment of the Skagway property at 5 Points is largely complete with a new Super Saver Store open there. One lot for additional development remains east of the new grocery store. The veterans' housing project has been completed and opened in November of 2016. Hatchery Holdings LLC has started construction of the hatchery approved at Platte Valley Industrial Park East. It is to open in 2017.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2016**

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**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements. The Community Redevelopment Authority of Grand Island, Nebraska's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Community Redevelopment Authority of Grand Island, Nebraska's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Community Redevelopment Authority of Grand Island, Nebraska, is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include only the CRA itself (known as the *primary government*).

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Community Redevelopment Authority of Grand Island, Nebraska, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term



**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2016**

financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Community Redevelopment Authority of Grand Island, Nebraska, maintains one individual governmental fund, the General Fund.

The Community Redevelopment Authority of Grand Island, Nebraska, adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-38 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Community Redevelopment Authority of Grand Island, Nebraska's budgetary comparison schedule. Required supplementary information can be found on pages 39 and 40 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Community Redevelopment Authority of Grand Island, Nebraska, assets exceeded liabilities by \$250,972 at the close of the most recent fiscal year.

**Summary Statements of Net Position**

|                                  | <u>2016</u>       | <u>2015</u>      | <u>Increase<br/>(Decrease)</u> |
|----------------------------------|-------------------|------------------|--------------------------------|
| Current and Other Assets         | \$ 1,336,462      | \$ 1,384,486     | \$ (48,024)                    |
| Capital Assets                   | 575,369           | 575,369          | -                              |
| Total Assets                     | <u>1,911,831</u>  | <u>1,959,855</u> | <u>(48,024)</u>                |
| Long-term Liabilities            | 1,303,701         | 1,561,669        | (257,968)                      |
| Other Liabilities                | 357,158           | 324,731          | 32,427                         |
| Total Liabilities                | <u>1,660,859</u>  | <u>1,886,400</u> | <u>(225,541)</u>               |
| Net Position:                    |                   |                  |                                |
| Net investment in capital assets | 575,369           | 575,369          | -                              |
| Restricted                       | 118,743           | 158,672          | (39,929)                       |
| Unrestricted                     | (443,140)         | (660,586)        | 217,446                        |
| Total Net Position               | <u>\$ 250,972</u> | <u>\$ 73,455</u> | <u>\$ 177,517</u>              |

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2016**

A significant portion of the Community Redevelopment Authority of Grand Island, Nebraska's net position (\$575,369) reflects its investment in capital assets (land held for redevelopment). These assets are *not* available for future spending.

Net position of \$118,743 is restricted for redevelopers and for life safety grants. The remaining balance of *unrestricted net position* is a deficit balance of (\$443,140). Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Net position increased \$177,517 for the year ended September 30, 2016.

**Expenses and Program Revenues**

|                       | <u>Year Ended September 30, 2016</u> |                         | <u>Year Ended September 30, 2015</u> |                         |
|-----------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
|                       | <u>Program Revenues</u>              | <u>Program Expenses</u> | <u>Program Revenues</u>              | <u>Program Expenses</u> |
| General government    | \$ -                                 | \$ 71,972               | \$ -                                 | \$ 77,524               |
| Community development | 706,427                              | 1,162,173               | 1,242,099                            | 1,494,177               |
| Interest expense      | -                                    | 45,276                  | -                                    | 50,541                  |
| Total                 | <u>\$ 706,427</u>                    | <u>\$ 1,279,421</u>     | <u>\$ 1,242,099</u>                  | <u>\$ 1,622,242</u>     |

**Revenues by Source**

**SOURCES OF REVENUE**

|                                    | <u>Year Ended September 30, 2016</u> |                 | <u>Year Ended September 30, 2015</u> |                 |
|------------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
| Operating grants and contributions | \$ 706,427                           | 48.49 %         | \$ 1,242,099                         | 63.46 %         |
| Property taxes                     | 725,532                              | 49.80           | 687,932                              | 35.14           |
| Interest                           | 173                                  | 0.01            | 159                                  | 0.01            |
| Other income                       | 24,806                               | 1.70            | 27,263                               | 1.39            |
| Total                              | <u>\$ 1,456,938</u>                  | <u>100.00 %</u> | <u>\$ 1,957,453</u>                  | <u>100.00 %</u> |

**Financial Analysis of the Government's Funds**

As noted earlier, the Community Redevelopment Authority of Grand Island, Nebraska, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund.** The focus of the Community Redevelopment Authority of Grand Island, Nebraska's *governmental* fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Community Redevelopment Authority of Grand Island, Nebraska's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska's governmental fund reported an ending fund balance of \$923,429. The *unassigned fund balance*, which is available for spending at the government's discretion, was a

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2016**

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deficit of (\$145,462). The remainder of the fund balance is not available for new spending because it has already been 1) committed for future grant projects (\$950,148), 2) restricted for developers (\$18,743), or 3) restricted for life safety grants (\$100,000).

The General Fund is the only fund of the Community Redevelopment Authority of Grand Island, Nebraska. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 63.5 percent of General Fund expenditures.

The fund balance of the Community Redevelopment Authority of Grand Island, Nebraska's General Fund increased by \$4,348 during the current fiscal year.

### **General Fund Budgetary Highlights**

There was no difference between the original budget and the final adopted budget.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Community Redevelopment Authority of Grand Island, Nebraska's investment in capital assets (land held for redevelopment) as of September 30, 2016, amounts to \$575,369.

**Long-term debt.** During the year ended September 30, 2013, the Community Redevelopment Authority of Grand Island, Nebraska issued \$1,800,000 of limited tax obligation bonds payable to finance the Lincoln Pool project. Bond principal of \$175,000 was paid during the year ended September 30, 2016, leaving an outstanding balance of \$1,280,000. At the end of the current fiscal year, the Community Redevelopment Authority of Grand Island, Nebraska, had notes payable of \$279,075. The notes payable decreased by \$77,767 (21.8 percent) during the current fiscal year.

### **Economic Factors and Next Year's Budget**

- Grants of \$950,148 are committed to be paid during the next 12 months, with an additional \$100,000 committed to be paid through 2018.

These factors were considered in preparing the Community Redevelopment Authority of Grand Island, Nebraska's budget for the year ending September 30, 2017.

### **Request for Information**

This financial report is designed to provide a general overview of the Community Redevelopment Authority of Grand Island, Nebraska's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, Community Redevelopment Authority of Grand Island, Nebraska, P.O. Box 1968, Grand Island, NE 68802.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**STATEMENT OF NET POSITION**

**September 30, 2016**

**ASSETS**

Current assets:

|                                    |            |
|------------------------------------|------------|
| Cash                               | \$ 725,075 |
| County treasurer cash              | 114,460    |
| Property taxes receivable          | 66,935     |
| Current portion of TIF receivables | 30,071     |
| Total current assets               | 936,541    |

Noncurrent assets:

|                                       |         |
|---------------------------------------|---------|
| Restricted cash                       | 118,743 |
| Noncurrent portion of TIF receivables | 281,178 |
| Land held for redevelopment           | 575,369 |
| Total noncurrent assets               | 975,290 |

**Total assets** 1,911,831

**LIABILITIES**

Current liabilities:

|                                  |         |
|----------------------------------|---------|
| Accounts payable                 | 34,474  |
| Unavailable property taxes       | 61,021  |
| Accrued interest payable         | 6,289   |
| Current portion of notes payable | 80,374  |
| Current portion of bonds payable | 175,000 |
| Total current liabilities        | 357,158 |

Noncurrent liabilities:

|                                     |           |
|-------------------------------------|-----------|
| Noncurrent portion of notes payable | 198,701   |
| Noncurrent portion of bonds payable | 1,105,000 |
| Total noncurrent liabilities        | 1,303,701 |

**Total liabilities** 1,660,859

**NET POSITION**

|                                   |                   |
|-----------------------------------|-------------------|
| Net investment in capital assets  | 575,369           |
| Restricted for developers         | 18,743            |
| Restricted for life safety grants | 100,000           |
| Unrestricted                      | (443,140)         |
| <b>Total net position</b>         | <b>\$ 250,972</b> |

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2016**

|                                  |                     | Program Revenues     |                      |                        | Net (Expenses)    |
|----------------------------------|---------------------|----------------------|----------------------|------------------------|-------------------|
|                                  |                     | Operating            | Capital              | Revenues and           |                   |
| <u>Expenses</u>                  | <u>Charges for</u>  | <u>Grants and</u>    | <u>Grants and</u>    | <u>Changes</u>         |                   |
|                                  | <u>Services</u>     | <u>Contributions</u> | <u>Contributions</u> | <u>in Net Position</u> |                   |
|                                  |                     |                      |                      | <u>Governmental</u>    |                   |
|                                  |                     |                      |                      | <u>Activities</u>      |                   |
| <b>FUNCTIONS/PROGRAMS</b>        |                     |                      |                      |                        |                   |
| Governmental activities:         |                     |                      |                      |                        |                   |
| General government               | \$ 71,972           | \$ -                 | \$ -                 | \$ -                   | \$ (71,972)       |
| Community development            | 1,162,173           | -                    | 706,427              | -                      | (455,746)         |
| Interest on long-term debt       | 45,276              | -                    | -                    | -                      | (45,276)          |
| Total governmental activities    | <u>\$ 1,279,421</u> | <u>\$ -</u>          | <u>\$ 706,427</u>    | <u>\$ -</u>            | <u>(572,994)</u>  |
| General revenues:                |                     |                      |                      |                        |                   |
| Taxes:                           |                     |                      |                      |                        |                   |
| Property taxes                   |                     |                      |                      |                        | 725,532           |
| Interest income                  |                     |                      |                      |                        | 173               |
| Other income                     |                     |                      |                      |                        | <u>24,806</u>     |
| Total general revenues           |                     |                      |                      |                        | <u>750,511</u>    |
| Change in net position           |                     |                      |                      |                        | 177,517           |
| Net position - beginning of year |                     |                      |                      |                        | <u>73,455</u>     |
| Net position - end of year       |                     |                      |                      |                        | <u>\$ 250,972</u> |

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**BALANCE SHEET - GOVERNMENTAL FUND**

**September 30, 2016**

**ASSETS**

|                           |                                   |
|---------------------------|-----------------------------------|
| Cash                      | \$ 843,818                        |
| County treasurer cash     | 114,460                           |
| Property taxes receivable | <u>66,935</u>                     |
| <b>Total assets</b>       | <b><u><u>\$ 1,025,213</u></u></b> |

**LIABILITIES AND FUND BALANCE**

Liabilities:

|                            |                |
|----------------------------|----------------|
| Accounts payable           | \$ 34,474      |
| Unavailable property taxes | 61,021         |
| Accrued interest payable   | <u>6,289</u>   |
| <b>Total liabilities</b>   | <b>101,784</b> |

Fund balance:

|                                  |                              |
|----------------------------------|------------------------------|
| Restricted for developers        | 18,743                       |
| Restricted for life safety grant | 100,000                      |
| Committed for projects           | 950,148                      |
| Unassigned                       | <u>(145,462)</u>             |
| <b>Total fund balance</b>        | <b><u><u>923,429</u></u></b> |

**Total liabilities and fund balance** **\$ 1,025,213**

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUND TO THE  
STATEMENT OF NET POSITION**

**September 30, 2016**

|  |    |         |
|--|----|---------|
| <b>Total fund balance - governmental funds</b> | \$ | 923,429 |
|--|----|---------|

Amounts reported for *governmental activities* in the statement of net position are different because:

|   |  |         |
|---|--|---------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. |  | 575,369 |
|---|--|---------|

|  |  |         |
|--|--|---------|
| TIF receivables are noncurrent assets that are not available to pay for current-period expenditures and therefore are not reported in the fund statements. |  | 311,249 |
|--|--|---------|

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the fund statements.

|               |                    |                    |
|---------------|--------------------|--------------------|
| Notes payable | \$ (279,075)       |                    |
| Bonds payable | <u>(1,280,000)</u> | <u>(1,559,075)</u> |

|   |    |                       |
|---|----|-----------------------|
| <b>Total net position - governmental activities</b> | \$ | <u><u>250,972</u></u> |
|---|----|-----------------------|

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUND**

**For the year ended September 30, 2016**

**REVENUES**

|                 |                  |
|-----------------|------------------|
| Property taxes  | \$ 725,532       |
| TIF receipts    | 708,258          |
| Interest income | 173              |
| Other income    | 24,806           |
| Total revenues  | <u>1,458,769</u> |

**EXPENDITURES**

|                       |                  |
|-----------------------|------------------|
| Contract services     | 60,491           |
| Matching grant funds  | 454,931          |
| Professional services | 10,093           |
| Other                 | 1,388            |
| Conduit debt payments | 632,069          |
| Debt service:         |                  |
| Principal payments    | 250,173          |
| Interest              | 44,751           |
| Bond fees             | 525              |
| Total expenditures    | <u>1,454,421</u> |

**Net change in fund balance** 4,348

Fund balance - September 30, 2015 919,081

Fund balance - September 30, 2016 \$ 923,429

See notes to financial statements.



**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2016**

|   |                |                          |
|---|----------------|--------------------------|
| <b>Total net change in fund balance - governmental funds</b>  |                | \$ 4,348                 |
| Amounts reported for <i>governmental activities</i> in the statement of activities are different because:   |                |                          |
| TIF proceeds were received, decreasing the TIF receivable balance on the statement of net position. These proceeds are recorded as revenue on the fund statement.         |                | (79,598)                 |
| Principal payments on long-term debt are recorded as expenditures in the fund statement, but are recorded as a reduction in liabilities on the statement of net position. |                |                          |
| Notes payable   | \$ 77,767      |                          |
| Bonds payable   | <u>175,000</u> | <u>252,767</u>           |
| <b>Change in net position of governmental activities</b>  |                | <u><u>\$ 177,517</u></u> |

See notes to financial statements.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**

**INDEX**

|  | Page |
|--|------|
| <b>NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>   |      |
| 1. Financial Reporting Entity                                | 18   |
| 2. Basis of Presentation                                     | 19   |
| 3. Measurement Focus and Basis of Accounting                 | 20   |
| 4. Assets, Liabilities, and Equity                           | 21   |
| 5. Revenues, Expenditures, and Expenses                      | 25   |
| <b>NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>  |      |
| 1. Deposit Laws and Regulations                              | 26   |
| 2. Budgetary Data  | 26   |
| <b>NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS</b> |      |
| 1. Cash and Certificates of Deposit                          | 28   |
| 2. TIF Receivables   | 29   |
| 3. Land Held for Redevelopment                               | 30   |
| 4. Long-term Debt  | 30   |
| <b>NOTE D – OTHER NOTES</b>                                  |      |
| 1. Risk Management   | 32   |
| 2. Commitments and Contingencies                             | 34   |
| 3. Interlocal Agreement                                      | 34   |
| 4. Conduit Debt  | 35   |
| 5. Additional TIF Agreements                                 | 36   |
| 6. Related Party Transactions                                | 38   |
| 7. Subsequent Events   | 38   |

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Community Redevelopment Authority of Grand Island, Nebraska (Authority) are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

**1. Financial Reporting Entity**

The Community Redevelopment Authority of Grand Island, Nebraska, was created by the Grand Island City Council on June 27, 1994, pursuant to Nebraska State Statutes. The purpose of the Authority is to prevent and eliminate blighted areas in the City of Grand Island, Nebraska. The Authority is reported as a component unit of the City of Grand Island, Nebraska.

The Authority's financial reporting entity comprises the following:

|                     |  |
|---------------------|--|
| Primary Government: | Community Redevelopment Authority of<br>Grand Island, Nebraska |
|---------------------|--|

In determining the financial reporting entity, the Authority complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable, and, as such, should be included within the Authority's financial statements. The Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**1. Financial Reporting Entity, continued**

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority Board or the component unit provides services entirely to the Authority. These component units' funds are blended into those of the Authority by appropriate activity type to compose the primary government presentation. Currently, the Authority has no blended component units.

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Authority currently has no discretely presented component units.

**2. Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Fund Financial Statements, continued**

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The major fund of the financial reporting entity is described below:

**Governmental Fund**

*General Fund*

The General Fund is the primary operating fund of the Authority and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**3. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**3. Measurement Focus and Basis of Accounting, continued**

**Measurement Focus, continued**

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

**4. Assets, Liabilities, and Equity**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Cash and Certificates of Deposit**

For the purpose of the Statement of Net Position, “cash” includes all demand accounts and savings accounts. The County Treasurer’s cash represents revenues collected not yet remitted to the Authority.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and certificate of deposit disclosures are presented in Notes B1, C1, and D1.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Property Taxes Receivable and Unavailable Property Taxes**

In both the government-wide statements and fund financial statements, property taxes receivable represents levied but uncollected taxes. The unavailable property taxes represent the portion of property taxes receivable expected to be collected more than 60 days after September 30, 2016.

**TIF Receivables**

In the government-wide statements, TIF receivables consist of all estimated future amounts to be received under the TIF agreements. Estimated receivables are adjusted annually. There is no allowance for uncollectible TIF receivables.

In the fund financial statements, the TIF receivables are not reported as assets. Revenue is recognized as TIF payments are received by the CRA.

**Land Held for Redevelopment**

Land held for redevelopment is carried at historical cost in the government-wide statements. It is not reported in the fund financial statements, which use the current financial resources measurement focus.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Bonds and Notes Payable**

The accounting treatment of bonds and notes payable depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Statements*

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds and notes payable.

*Fund Financial Statements*

Bonds and notes payable for governmental funds are not reported as liabilities in the fund financial statements. The payment of these liabilities is reported as an expenditure.

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The land held for redevelopment is included in this category of net position.
- b. Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”



**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements*

Governmental fund equity is classified as fund balance. Effective October 1, 2010, the CRA adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements.

Fund balances are classified as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the CRA Charter, City Code, state or federal laws or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by CRA Board ordinance or resolution.

**Assigned**—Amounts that are designated by the Executive Director for a specific purpose but are not spendable until a budget ordinance is passed by the CRA Board.

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the CRA Board or the Assignment has been changed by the Executive Director. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses**

**Property Taxes**

The Authority has the power to levy taxes through the City of Grand Island each year sufficient to pay any judgment existing against the Authority, the interest on bonded debt, and the principal on bonded debt, as well as taxes authorized by state law.

On or before August 1, the Authority submits a request for property taxes to the City of Grand Island, who is responsible for levying such taxes for operational costs.

The tax levies for all political subdivisions in Hall County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2015-2016 are recorded as revenue when levied by the County. The CRA also records deferred revenue for property taxes expected to be received more than 60 days after year end.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by character and function for governmental activities.

In the fund financial statements, governmental funds report expenditures of financial resources, classified by character and function.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the Authority is subject to various federal, state, and local laws and contractual regulations. An analysis of the Authority's compliance with significant laws and regulations and demonstration of its stewardship over Authority resources follows:

**1. Deposit Laws and Regulations**

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Authority's cash deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the Authority's name.

**2. Budgetary Data**

The Authority is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**2. Budgetary Data, continued**

The Authority follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

- a. On or before August 1, the Authority prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the Board adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the Authority which levied property taxes in the county the previous year based on the combined valuation and amount required for the Authority the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before November 1. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**2. Budgetary Data, continued**

- h. The Community Redevelopment Authority of Grand Island, Nebraska, adopts a budget by resolution for all funds.

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detailed information to support the amounts reported in the basic financial statements for the Authority's various assets, liabilities, equity, revenues, and expenditures/expenses.

**1. Cash and Certificates of Deposit**

**Deposits**

The Authority's policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2016. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Authority (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority's name; or collateralized with no written or approved collateral agreement.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**1. Cash and Certificates of Deposit, continued**

| <u>Types of Deposits</u>                       | <u>Total Bank<br/>Balance</u> | <u>Category<br/>1</u> | <u>Category<br/>2</u> | <u>Category<br/>3</u> | <u>Total<br/>Carrying<br/>Value</u> |
|--|-------------------------------|-----------------------|-----------------------|-----------------------|-------------------------------------|
| Demand deposits and<br>certificates of deposit | \$ 908,555                    | \$ 250,000            | \$ 658,555            | \$ -                  | \$ <u>843,818</u>                   |

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

|                   |                   |
|-------------------|-------------------|
| Unrestricted cash | \$ 725,075        |
| Restricted cash   | <u>118,743</u>    |
|                   | <u>\$ 843,818</u> |

**2. TIF Receivables**

The Community Redevelopment Authority of Grand Island, Nebraska, has undertaken a program for the redevelopment of blighted areas in the City. Under the program, various projects agree to create a minimum taxable valuation for real estate tax assessment purposes. The CRA receives the incremental real estate taxes paid by the projects and then uses the tax incremental financing (TIF) funds to make debt service payments on the related notes payable. Estimated future receivables under TIF agreements were as follows as of September 30, 2016:

|                                       |                   |
|---------------------------------------|-------------------|
| Poplar Street                         | \$ 91,745         |
| RSF Limited                           | 5,616             |
| PROCON Development Company, LLC       | 16,559            |
| Walnut Housing, Ltd.                  | <u>197,329</u>    |
|                                       | <u>\$ 311,249</u> |
| Current portion of TIF receivables    | \$ 30,071         |
| Noncurrent portion of TIF receivables | <u>281,178</u>    |
|                                       | <u>\$ 311,249</u> |

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**3. Land Held for Redevelopment**

Capital asset activity for the year ended September 30, 2016, was as follows:

|                                       | <u>Balance at<br/>October 1, 2015</u> | <u>Additions</u> | <u>Disposals</u> | <u>Balance at<br/>September 30, 2016</u> |
|---------------------------------------|---------------------------------------|------------------|------------------|--|
| Governmental Activities:              |                                       |                  |                  |  |
| Capital assets not being depreciated: |                                       |                  |                  |  |
| Land held for redevelopment           | \$ <u>575,369</u>                     | \$ <u>-</u>      | \$ <u>-</u>      | \$ <u>575,369</u>                        |

**4. Long-term Debt**

The following is a summary of the changes to long-term debt for the year ended September 30, 2016:

|   | <u>Balance<br/>9/30/15</u> | <u>Additions</u> | <u>Payments</u>     | <u>Balance<br/>9/30/16</u> | <u>Due Within<br/>One Year</u> |
|---|----------------------------|------------------|---------------------|----------------------------|--------------------------------|
| Limited Tax Obligation Bonds                  | \$ 1,455,000               | \$ -             | \$ (175,000)        | \$ 1,280,000               | \$ 175,000                     |
| Note payable – Wells Fargo Bank               | 9,117                      | -                | ( 3,501)            | 5,616                      | 3,917                          |
| Note payable – Home Federal<br>Savings & Loan | 56,549                     | -                | ( 12,539)           | 44,010                     | 16,416                         |
| Note payable – Lincoln Federal<br>Savings     | <u>291,176</u>             | <u>-</u>         | <u>( 61,727)</u>    | <u>229,449</u>             | <u>60,041</u>                  |
| Total   | \$ <u>1,811,842</u>        | \$ <u>-</u>      | \$ <u>(252,767)</u> | \$ <u>1,559,075</u>        | \$ <u>255,374</u>              |

Long-term debt at September 30, 2016, consists of the following:

- a. The Authority issued \$1,800,000 of limited tax obligation bonds on October 30, 2012. The funds were used to finance the Lincoln Pool project. The bonds bear interest ranging from 0.40 to 2.40 percent. Principal payments are due annually commencing December 15, 2013 through December 15, 2022. Interest payments are due semi-annually on June 15th and December 15th.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA**  
**(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**4. Long-term Debt, continued**

- b. The Authority borrowed \$37,000 from Wells Fargo Bank on September 3, 2002. The funds were used to finance the RSF Limited redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.90 percent and payments are due semi-annually through December 15, 2017. The unpaid principal balance at September 30, 2016, was \$5,616.
- c. The Authority borrowed \$169,267 from Home Federal Savings and Loan on September 1, 2003. The funds were used to finance the PROCON Development Company, LLC, redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 7.0 percent and payments are due semi-annually beginning June 15, 2005, through December 15, 2018. The unpaid principal balance at September 30, 2016, was \$44,010.
- d. The Authority borrowed \$668,000 from Lincoln Federal Savings Bank on December 15, 2005. The funds were used to finance the Walnut Housing, Ltd., redevelopment project. The note is collateralized by a promissory note from the redeveloper and a deed of trust on the real estate included in the project. The incremental tax revenue increase by the redeveloped property is pledged to be used for payment of the note. The note bears interest of 6.74 percent and payments are due semi-annually beginning June 15, 2006, through December 15, 2019. The unpaid principal balance at September 30, 2016, was \$229,449.



**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**4. Long-term Debt, continued**

Scheduled debt service payments are as follows:

| <u>Year Ended September 30,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|---------------------------------|---------------------|-------------------|---------------------|
| 2017                            | \$ 255,374          | \$ 38,325         | \$ 293,699          |
| 2018                            | 258,442             | 31,175            | 289,617             |
| 2019                            | 258,566             | 23,304            | 281,870             |
| 2020                            | 216,693             | 15,444            | 232,137             |
| 2021                            | 185,000             | 10,805            | 195,805             |
| 2022-2026                       | <u>385,000</u>      | <u>9,158</u>      | <u>394,158</u>      |
|                                 | <u>\$ 1,559,075</u> | <u>\$ 128,211</u> | <u>\$ 1,687,286</u> |

**NOTE D – OTHER NOTES**

**1. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased commercial insurance to minimize the effect of possible exposure to these risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three years.

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The CRA did not have any investments nor certificates of deposit held at banks in the name of the CRA at year end.

COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2016

NOTE D – OTHER NOTES, continued

1. Risk Management, continued

Deposits and Investments, continued

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. There were no certificates of deposit at September 30, 2016.

*Credit Risk.* Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investments consist of certificates of deposit and money market funds, minimizing credit risk associated with the Authority's investment portfolio.

*Concentration of Credit Risk.* The Authority's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2016, the Authority's cash balances consisted of the following:

| <u>Financial Institution</u> | <u>Amount</u>     |
|------------------------------|-------------------|
| Wells Fargo                  | \$ <u>843,818</u> |

*Foreign Currency Risk.* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Authority's investments had no exposure to foreign currency risk and the Authority held no investments denominated in foreign currency at September 30, 2016.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE D – OTHER NOTES, continued**

**2. Commitments and Contingencies**

**Grant Commitments**

The Authority has made commitments to fund the following projects:

| <u>Committed Projects</u>                 | <u>Amount</u>       | <u>Estimated Due Date</u> |
|---|---------------------|---------------------------|
| South Locust BID                          | \$ 30,000           | 2017                      |
| Federation of Labor – Ziller              | 60,000              | 2017                      |
| Wing Properties – 116 E Third St          | 68,132              | 2017                      |
| Wing Properties – 110-114 E Third St      | 167,016             | 2017                      |
| Bosselman Real Estate                     | 300,000             | 2/3 2017 & 1/3 2018       |
| Zoul Properties – 1201 S Locust           | 90,000              | 2017                      |
| <br><u>Fire &amp; Life Safety Grants:</u> |                     |                           |
| Anson – 201-203 West Third St             | 200,000             | 2017                      |
| Federation of Labor – Ziller              | 115,000             | 2017                      |
| Wing Properties – 116 E Third St          | <u>20,000</u>       | 2017                      |
|   | <u>\$ 1,050,148</u> |                           |

**3. Interlocal Agreement**

The Authority is a participant in an Interlocal Agreement within the City of Grand Island. The purpose of the Agreement is to provide for reimbursement by the Authority to the City for certain services provided by whomever the City Administrator shall designate as Director of the Authority. The Authority shall reimburse to the City approximately \$2,100 per month to reimburse 20 percent of the Director's total annual salary and benefits and 20 percent of the Planning Secretary's total annual salary and benefits. The Agreement is in effect for the period October 1, 2015, through September 30, 2016. Thereafter, it will automatically renew for successive one-year terms until terminated.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE D – OTHER NOTES, continued**

**4. Conduit Debt**

The Authority collects TIF proceeds and pays the proceeds to financial institutions under several conduit debt arrangements. The Authority has no obligation to make principal and interest payments on the conduit debt except to the extent of the TIF proceeds that are collected.

| <u>Redeveloper</u>          | <u>Remaining<br/>Life</u> | <u>Estimated Amount<br/>to be Remitted</u> |
|-----------------------------|---------------------------|--|
| Bruns Pet Grooming          | 4                         | \$ 29,359                                  |
| Girard Vet Clinic           | 4                         | 42,754                                     |
| PROCON - Geddes Street      | 6                         | 187,516                                    |
| Southeast Crossing          | 5                         | 77,534                                     |
| Casey's                     | 7                         | 99,352                                     |
| South Pointe                | 7                         | 591,693                                    |
| Todd Enck                   | 6                         | 14,100                                     |
| Pharmacy Properties         | 8                         | 57,414                                     |
| John Schulte                | 8                         | 33,148                                     |
| Ken-Ray, LLC                | 7                         | 144,654                                    |
| Token Properties            | 10                        | 29,714                                     |
| Gordman of GI               | 11                        | 591,505                                    |
| Baker Development           | 11                        | 36,345                                     |
| Stratford Plaza             | 11                        | 366,419                                    |
| Copper Creek                | 13                        | 944,957                                    |
| Chief Industries            | 12                        | 438,748                                    |
| Token Properties-Kimball St | 12                        | 31,608                                     |
| Habitat for Humanity        | 12                        | 52,748                                     |
| Auto One                    | 12                        | 139,610                                    |
| EIG                         | 11                        | 819,471                                    |
| Token Properties-Cary St    | 11                        | 66,764                                     |
| Wenn                        | 11                        | 41,055                                     |
| Copper Creek II             | 14                        | 3,752,044                                  |
| T. C. Enck                  | 15                        | 6,252                                      |
| Mainstay                    | 14                        | 466,039                                    |
| Tower 217                   | 14                        | 195,172                                    |
| Northwest Commons           | 15                        | 2,078,722                                  |
| Habitat (St. Paul Road)     | 15                        | 62,313                                     |
|                             |                           | <u>\$ 11,397,010</u>                       |

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE D – OTHER NOTES, continued**

**5. Additional TIF Agreements**

On July 16, 2013, the Authority entered into a redevelopment contract with The Guarantee Group, LLC (Redeveloper). The Redeveloper intends to purchase and develop property for a subdivision and install all of the necessary public infrastructure to build 200+ single family dwellings in the first phase of the project over the course of approximately 10 years from the date of the contract. The initial sales price of the houses is limited to between \$139,900 and \$145,900. The sales price may be modified over the course of the contract to accommodate changes in prices for materials and labor. A second phase of this project, subject to a second TIF contract, is anticipated for the remainder of the property with approximately 300 additional dwelling units. A \$4,000,000 TIF bond bearing interest of 8.0 percent was issued by the Authority with an expiration date of December 31, 2039. The developer is responsible for providing to the Authority by July 1 of each year the legal description of all lots with new homes and the sales price of each house so that a “Notice of Intent to Divide Tax for Development Project” form can be filed on the improvements with the Hall County Assessors office by August 1 of each year. TIF financing will be made available and paid toward the bond until either the bond is paid off, the bond expires, or the allowable tax increment is no longer available.

On October 30, 2014, the Authority entered into a redevelopment contract with Grand Island Joint Ventures LLC. (Redeveloper). The Redeveloper intends to rehabilitate the Grand Island Mall on Webb Road, and add additional outlets on both the Webb Road and 281 sides of the building. The estimated value upon completion is \$21,570,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$5,600,000 related to the TIF and \$4,000,000 related to enhance employment area bond.

On May 7, 2015, the Authority entered into a redevelopment contract with Pridon LLC. (Redeveloper). The Redeveloper intends to extend utilities and build between 26 and 78 apartments for veterans on the Veteran’s Hospital Property at Capital Avenue and Broadwell Street. The estimated value upon completion is \$2,400,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$330,000.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE D – OTHER NOTES, continued**

**5. Additional TIF Agreements, continued**

On June 5, 2015, the Authority entered into a redevelopment contract with Super Market Developers (Redeveloper). The Redeveloper intends to build a new grocery store and additional strip retail at 720 State Street. The estimated value upon completion is \$7,858,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$1,600,000.

In July of 2015 the Authority approved a redevelopment contract with T&S Development (Redeveloper). The contract was executed on November 2, 2015. The Redeveloper intends to finish office space on the second floor of their building at 312 W 3<sup>rd</sup> Street. The estimated value upon completion is \$1,136,841. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$272,788.

On September 29, 2015, the Authority entered into a redevelopment contract with Bosselman Real Estate LLC. (Redeveloper). The Redeveloper intends to redevelop a commercial property at 1616 S. Locust as corporate office space, retail space and build a hotel on site. The estimated value upon completion is \$21,570,000. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$6,552,000.

During the year ended September 30, 2016, the Authority entered into a redevelopment contract with Wing Properties, Inc. (Redeveloper). The Redeveloper intends to redevelop Lot 7, Block 54, Original Town of Grand Island. The estimated value upon completion is \$382,266. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$110,485.

During the year ended September 30, 2016, the Authority entered into a redevelopment contract with Middleton Properties II, LLC (Redeveloper). The Redeveloper intends to redevelop Lots 2 and 3 of Commercial Industrial Park Sixth Subdivision. The estimated value upon completion is \$936,667. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$247,561.

**COMMUNITY REDEVELOPMENT AUTHORITY OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2016**

**NOTE D – OTHER NOTES, continued**

**5. Additional TIF Agreements, continued**

During the year ended September 30, 2016, the Authority entered into a redevelopment contract with Talon Apartments, Inc. (Redeveloper). The Redeveloper intends to build apartments on Lot 3 of Vanosdal Second Subdivision. The estimated value upon completion is \$19,484,580. The Redeveloper shall pay all project costs related to the construction of the improvements. Under the terms of the agreement, the Authority will grant the Redeveloper \$4,473,120.

**6. Related Party Transactions**

T&S Development, one of the redevelopers the Authority has entered into a TIF agreement with, is owned by a board member of the Authority.

**7. Subsequent Events**

Management has evaluated subsequent events through December 16, 2016, the date on which the financial statements were available for issue.

On October 12, 2016, the Authority entered into a redevelopment contract with Cherry Park East, LLC (Redeveloper) for phase 3 of Cherry Park redevelopment. The estimated value upon completion is \$7,500,000. The Redeveloper shall pay all projects costs related to the construction of the improvements. Under terms of the agreement, the Authority will grant the Redeveloper \$1,495,000.

**REQUIRED SUPPLEMENTARY INFORMATION**



**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**BUDGETARY COMPARISON SCHEDULE**

**Year ended September 30, 2016**

|   | Budget<br>(Original<br>and Final) | <u>Actual</u>    | Variance -<br>Actual<br>Over (Under)<br><u>Final Budget</u> |
|---|-----------------------------------|------------------|---|
| <b>RESOURCES (INFLOWS)</b>                                      |                                   |                  |   |
| Property taxes  | \$ 1,614,850                      | \$ 725,532       | \$ (889,318)  |
| TIF receipts  | 1,159,092                         | 708,258          | (450,834)   |
| Interest income   | 300                               | 173              | (127)   |
| Land sales  | 100,000                           | -                | (100,000)   |
| Other   | 130,000                           | 24,806           | (105,194)   |
| Total resources   | 3,004,242                         | 1,458,769        | (1,545,473)   |
| <b>CHARGES TO APPROPRIATIONS<br/>(OUTFLOWS)</b>                 |                                   |                  |   |
| Contract services   | 876,000                           | 60,491           | (815,509)   |
| Capital outlay  | 568,972                           | -                | (568,972)   |
| Matching grant funds  | 447,000                           | 454,931          | 7,931   |
| Professional services   | 24,000                            | 10,093           | (13,907)  |
| Printing and publishing   | 3,000                             | -                | (3,000)   |
| Travel and training   | 1,000                             | -                | (1,000)   |
| Other   | 1,300                             | 1,388            | 88  |
| Conduit debt payments   | 1,059,458                         | 606,820          | (452,638)   |
| Debt service:   |                                   |                  |   |
| Principal payments  | 62,564                            | 250,173          | 187,609   |
| Interest expense  | 31,070                            | 44,751           | 13,681  |
| Bond fees   | -                                 | 525              | 525   |
| Total charges to appropriations                                 | 3,074,364                         | 1,429,172        | (1,645,192)   |
| <b>RESOURCES OVER (UNDER)<br/>CHARGES TO<br/>APPROPRIATIONS</b> |                                   |                  |   |
|   | <b>\$ (70,122)</b>                | <b>\$ 29,597</b> | <b>\$ 99,719</b>  |

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**BUDGETARY COMPARISON SCHEDULE -  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Year ended September 30, 2016**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
Accrual Basis Revenue and Expenditures**

|  | <u>General<br/>Fund</u> |
|--|-------------------------|
| <b>Sources/inflows of resources:</b>   |                         |
| Actual amounts of resources (budgetary basis)<br>from the budgetary comparison schedule  | \$ 1,458,769            |
| Differences - budget to accrual:   |                         |
| Cash to accrual adjustments  | -                       |
| Total revenues as reported on the statement<br>of revenues, expenditures, and changes<br>in fund balance - governmental fund     | <u>\$ 1,458,769</u>     |
| <b>Uses/outflows of resources:</b>   |                         |
| Actual amounts (budgetary basis) "total<br>charges to appropriations" from the<br>budgetary comparison schedule                  | \$ 1,429,172            |
| Differences - budget to accrual:   |                         |
| Cash to accrual adjustments  | <u>25,249</u>           |
| Total expenditures as reported on the statement<br>of revenues, expenditures, and changes<br>in fund balance - governmental fund | <u>\$ 1,454,421</u>     |

**SUPPLEMENTARY INFORMATION**

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**SCHEDULE OF EXPENDITURES - GENERAL FUND**

**For the Year Ended September 30, 2016**

|                                   | General<br>Services | Facade<br>Improvement<br>& Other<br>Projects | Walnut<br>Housing<br>Project | PROCON<br>Debt<br>Service | RSF<br>Limited<br>Debt<br>Service | Bruns<br>Pet<br>Grooming | Wile E.<br>Investment<br>Properties, LLC |
|-----------------------------------|---------------------|--|------------------------------|---------------------------|-----------------------------------|--------------------------|--|
| Legal/other professional services | \$ 10,093           | \$ -   | \$ -                         | \$ -                      | \$ -                              | \$ -                     | \$ -                                     |
| Contract services                 | 60,491              | -  | -                            | -                         | -                                 | -                        | -  |
| Miscellaneous                     | 1,388               | -  | -                            | -                         | -                                 | -                        | -  |
| Grant funds                       | -                   | 454,931                                      | -                            | -                         | -                                 | -                        | -  |
| Conduit debts payments            | -                   | -  | -                            | -                         | -                                 | 20,302                   | 9,808                                    |
| Principal payments                | 175,000             | -  | 56,188                       | 15,325                    | 3,660                             | -                        | -  |
| Interest expense                  | 22,088              | -  | 18,284                       | 3,837                     | 542                               | -                        | -  |
| Bond fees                         | 525                 | -  | -                            | -                         | -                                 | -                        | -  |
|                                   | <u>\$ 269,585</u>   | <u>\$ 454,931</u>                            | <u>\$ 74,472</u>             | <u>\$ 19,162</u>          | <u>\$ 4,202</u>                   | <u>\$ 20,302</u>         | <u>\$ 9,808</u>                          |

| PROCON -<br>Geddes St<br>Apartments | Southeast<br>Crossing | Casey's         | South Pointe<br>Hotel | Todd Enck<br>Project | John Schulte<br>Construction | Pharmacy<br>Properties |
|-------------------------------------|-----------------------|-----------------|-----------------------|----------------------|------------------------------|------------------------|
| \$ -                                | \$ -                  | \$ -            | \$ -                  | \$ -                 | \$ -                         | \$ -                   |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| 41,657                              | 14,267                | 8,930           | 86,441                | 6,542                | 7,557                        | 11,500                 |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| -                                   | -                     | -               | -                     | -                    | -                            | -                      |
| <u>\$ 41,657</u>                    | <u>\$ 14,267</u>      | <u>\$ 8,930</u> | <u>\$ 86,441</u>      | <u>\$ 6,542</u>      | <u>\$ 7,557</u>              | <u>\$ 11,500</u>       |

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF GRAND ISLAND, NEBRASKA  
(A Component Unit of the City of Grand Island, Nebraska)**

**SCHEDULE OF EXPENDITURES - GENERAL FUND, Continued**

**For the Year Ended September 30, 2016**

|                                   | Poplar<br>Street | Ken-Ray<br>Project | County<br>Fund<br>#8598 | Gordman          | Baker<br>Development,<br>Inc. | Stratford<br>Plaza,<br>LLC | Copper<br>Creek  | Chief<br>Industries<br>Aurora<br>Coop |
|-----------------------------------|------------------|--------------------|-------------------------|------------------|-------------------------------|----------------------------|------------------|---------------------------------------|
| Legal/other professional services | \$ -             | \$ -               | \$ -                    | \$ -             | \$ -                          | \$ -                       | \$ -             | \$ -                                  |
| Contract services                 | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
| Miscellaneous                     | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
| Grant funds                       | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
| Conduit debts payments            | 10,194           | 42,273             | 2,991                   | 18,741           | 5,191                         | 23,891                     | 66,761           | 37,862                                |
| Principal payments                | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
| Interest expense                  | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
| Bond fees                         | -                | -                  | -                       | -                | -                             | -                          | -                | -                                     |
|                                   | <u>\$ 10,194</u> | <u>\$ 42,273</u>   | <u>\$ 2,991</u>         | <u>\$ 18,741</u> | <u>\$ 5,191</u>               | <u>\$ 23,891</u>           | <u>\$ 66,761</u> | <u>\$ 37,862</u>                      |

| <u>Token<br/>Properties<br/>Kimball<br/>Street</u> | <u>Habitat<br/>for<br/>Humanity</u> | <u>Auto<br/>One,<br/>Inc.</u> | <u>EIG<br/>Grand<br/>Island</u> | <u>Token<br/>Properties<br/>Cary<br/>Street</u> | <u>Wenn<br/>Housing<br/>Project</u> | <u>Copper<br/>Creek II</u> | <u>Mainstay</u>  | <u>Tower<br/>217</u> | <u>Totals</u>       |
|--|-------------------------------------|-------------------------------|---------------------------------|---|-------------------------------------|----------------------------|------------------|----------------------|---------------------|
| \$ -   | \$ -                                | \$ -                          | \$ -                            | \$ -  | \$ -                                | \$ -                       | \$ -             | \$ -                 | \$ 10,093           |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 60,491              |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 1,388               |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 454,931             |
| 2,652  | 4,182                               | 11,513                        | 50,910                          | 7,595   | 4,180                               | 110,640                    | 24,863           | 626                  | 632,069             |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 250,173             |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 44,751              |
| -  | -                                   | -                             | -                               | -   | -                                   | -                          | -                | -                    | 525                 |
| <u>\$ 2,652</u>                                    | <u>\$ 4,182</u>                     | <u>\$ 11,513</u>              | <u>\$ 50,910</u>                | <u>\$ 7,595</u>                                 | <u>\$ 4,180</u>                     | <u>\$ 110,640</u>          | <u>\$ 24,863</u> | <u>\$ 626</u>        | <u>\$ 1,454,421</u> |

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

SHAREHOLDERS

Robert D. Almquist  
Phillip D. Maltzahn  
Terry T. Galloway  
Marcy J. Luth  
Heidi A. Ashby  
Christine R. Shenk  
Michael E. Hoback  
Joseph P. Stump  
Kyle R. Overturf

To the Board of Directors  
Community Redevelopment Authority of Grand Island, Nebraska  
Grand Island, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Community Redevelopment Authority of Grand Island, Nebraska, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 16, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Community Redevelopment Authority of Grand Island, Nebraska's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Wealth Management, LLC Registered Investment Advisor, is affiliated with Almquist, Maltzahn, Galloway & Luth, P.C. and offers wealth management and investment advisory services.

1203 W 2nd Street  
PO Box 1407  
Grand Island, NE 68802  
Ph. 308-381-1810  
Fax 308-381-4824  
Email: cpa@gicpas.com

A PROFESSIONAL  
CORPORATION



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

#### Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Community Redevelopment Authority of Grand Island, Nebraska's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Community Redevelopment Authority of Grand Island, Nebraska's Response to Findings**

The Community Redevelopment Authority of Grand Island, Nebraska's response to the findings identified in our audit is that due to the small size of the Authority, it is impractical to further segregate duties. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Amquist, Malthahn,  
Galloway & Luth, P.C.*

Grand Island, Nebraska  
December 16, 2016



# Community Redevelopment Authority (CRA)

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

## **Item A1**

**Agenda 1-11-17**

Staff Contact: Chad Nabity

**AGENDA**  
**Wednesday Jan. 11, 2016**  
**4:00 p.m.**  
**Grand Island City Hall**

Open Meetings Notifications

1. Call to Order.  
This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.

The CRA may vote to go into Closed Session on any Agenda Item as allowed by State Law.

2. Approval of Minutes of December 14, 2016 Meeting.
3. Approval of Financial Reports.
4. Approval of Bills.
5. Review of Committed Projects and CRA Properties.
6. Presentation of Annual CRA Audit – Terry Galloway
7. Consideration of Resolution 232 to forward a Redevelopment Plan Amendment to the Grand Island City Council for 204 N. Carey, Think Smart Properties, LLC.
8. Consideration of Resolution 233 to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for 112 W. Second Street, Peaceful Root.
9. Consideration of Resolution 234 of Intent to Enter into a Site Specific Redevelopment Contract & Approval of related actions 30-day notice to Grand Island City Council for 112 W. Second Street, Peaceful Root.
10. Consideration of Life Safety Grant Request for 112 W. Second Street, Peaceful Root.
11. Approve Resolution to Purchase/Sell Real Estate – None.

12. Directors Report.
13. Recess/Adjournment – Recess to tour of new apartment at 110 E. Third St., Wing Properties, adjourn from tour location.

Next Meeting, 4 p.m., February 8, 2017.

COMMUNITY REDEVELOPMENT AUTHORITY  
AGENDA MEMORANDUM  
4 p.m. January 11, 2017

1. CALL TO ORDER. The meeting will be called to order by Chairman Tom Gdowski. This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone that wants to find out what those are is welcome to read through them.
2. APPROVAL OF MINUTES. The minutes of the Community Redevelopment Authority meeting of December 14, 2016, are submitted for approval. A MOTION is in order.
3. APPROVAL OF FINANCIAL REPORTS. Financial reports for the period of December 1, 2016 through December 31, 2016 are submitted for approval. A MOTION is in order.
4. APPROVAL OF BILLS. Payment of bills in the amount of \$3,421.48 is submitted for approval. A MOTION is in order.
5. REVIEW OF COMMITTED PROJECTS AND CRA PROPERTIES.
6. PRESENTATION OF CRA AUDIT. Terry Galloway of Almquist, Maltzahn, Galloway & Luth will be presenting results of the CRA audit for the period ended September 30, 2016.
7. RESOLUTION 232 Consideration of a resolution to forward a Redevelopment Plan Amendment to the Grand Island City Council for a \$350,000 four-plex at 204 N. Carey by Think Smart Properties LLC. The developer is seeking \$48,150 in tax-increment financing. The Regional Planning Commission met January 4 and returned its findings on 204 N. Carey to the CRA. A MOTION is in order.
8. RESOLUTION 233 Consideration of a resolution to forward a Redevelopment Plan Amendment to the Hall County Regional Planning Commission for a parking garage/apartment complex at 112 W. Second Street, in the former Brown Hotel. The developer is Peaceful Root, LLC of Grand Island. A MOTION is in order.
9. RESOLUTION 234 Consideration of a resolution of intent to enter into a Site Specific Redevelopment Contract and approval of related actions and 30-day notice to City Council for 112 W. Second Street, Grand Island, NE. Peaceful Root LLC is planning a \$1.2 million project to construct a first-floor parking garage with second floor apartments and a yoga studio. The developer is seeking \$263,854 in tax-increment financing. A MOTION is in order.
10. LIFE SAFETY GRANT Consideration of a Life Safety Grant Request for 112 W. Second Street, Peaceful Root. The CRA may grant up to \$15,000 per one-bedroom

apartment and up to \$20,000 for two- or more-bedroom units. Peaceful Root is proposing two one-bedroom units and one two-bedroom unit for a possible grant of up to \$50,000. A MOTION is in order.

11. APPROVE RESOLUTION OR RESOLUTIONS TO PURCHASE OR SELL REAL ESTATE.

None.

12. DIRECTOR'S REPORT.

This is an opportunity for the director to communicate on going actions and activities to the board and public.

13. RECESS/ADJOURNMENT. Downtown property owner Dean Pegg has offered to provide a tour of a second-story apartment he created at 110 E. Third. The apartment received \$20,000 in Life Safety Grant assistance, as well as the building receiving \$167,000 in façade assistance.

Chad Nabity  
Director



# Community Redevelopment Authority (CRA)

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

## **Item B1**

**Minutes 12-14-16**

Staff Contact: Chad Nabity

## OFFICIAL PROCEEDINGS

### MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF December 14, 2016

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on December 14, 2016 at City Hall 100 E. First Street. Notice of the meeting was given in the December 7, 2016 Grand Island Independent.

1. CALL TO ORDER. Tom Gdowski called the meeting to order at 4:00 p.m. The following members were present: Gdowski, Sue Pirnie, Glenn Wilson and Krae Dutoit. Also present were: Director, Chad Nabity; Legal Counsel, Duane Burns; Planning Administrative Assistant Tracy Overstreet; William Clingman from the Grand Island Finance Department; developer Heath Reinders, and Jeff Bahr of the Grand Island Independent.

Gdowski stated this was a public meeting subject to the open meeting laws of the State of Nebraska. He noted that the requirements for an open meeting were posted on the wall easily accessible to anyone who would like to read through them.

2. APPROVAL OF MINUTES. A motion for approval of Minutes for the November 9, 2016 meeting was made by Wilson and seconded by Dutoit. Upon roll call vote, all present voted aye. Motion carried.
3. APPROVAL OF FINANCIAL REPORTS. Clingman reviewed the financial reports for the period of November 1, 2016 through November 30, 2016. A motion was made by Pirnie and seconded by Dutoit to approve the financial reports. Upon roll call vote, all present voted aye. Motion carried.
4. APPROVAL OF BILLS. The bills were reviewed. A motion was made by Dutoit and seconded by Pirnie to approve the bills in the amount of \$6,307.43. Upon roll call vote, all present voted aye. Motion carried.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity provided a review of the committed projects. He noted that contractors for the Bosselman project at the former Skagway South Locust are about ready to close up the building. The Ziller residential project at the former Federation of Labor building is continuing. Nabity said no work has been reported yet on either Master Stylists or Othy's Place Music Shoppe. Wing Properties is nearing completion on the facades. The Fonner View project by Zoul Properties is still in consideration for a possible sale with details likely to come in January. Nabity said if the property is sold the \$90,000 of façade dollars that was granted by the CRA



will be available for reallocation. Of the Fire and Life Safety grants, the \$20,000 for Wing Properties may be requested at the first of the year as the owner is nearing completion of the second-floor apartment and could have that apartment rented before Christmas. The Fire and Life Safety grant for the Hedde Building at 201-203 W. Third isn't expected to be requested until 2018 due to the owners using Historic Tax Credits. Nabity also reported that incentives such as Historic Tax Credits and Low Income Tax Credits may be targeted for elimination in the upcoming state budget due to financial constraints. In response to questions from Gdowski, Nabity also provided an update on the Highway 34/South Locust intersection. The Nebraska Department of Roads has given tentative approval to consider taking out the turning curve on the northeast corner, Nabity said, however land appraisals need to be done. The CRA would need to purchase any land from that curve that would become CRA property.

6/7. RESOLUTIONS 230 AND 231

Nabity reported that Heath Reinders of Think Smart LLC of Grand Island is proposing to build a four-unit apartment complex at 204 N. Carey. The lot is currently vacant. Each unit would have an attached garage, which provides a different look than some other multi-family projects in Grand Island. Reinders is requesting \$48,150 in tax-increment financing assistance for the \$450,000 project. Nabity said the Grand Island Public Schools was notified of this project during informal discussions a few weeks ago and expressed no concerns about the student base that could be generated from the four units.

Dutoit moved to approve Resolution 230 to forward the Redevelopment Plan for 204 N. Carey to the Regional Planning Commission for review. Wilson seconded the motion. Upon roll call vote, all present voted aye. Motion carried.

Dutoit moved to approve Resolution 231 of 30-day notice to the Grand Island City Council of intent to enter into a Site Specific Redevelopment Contract regarding 204 N. Carey, Think Smart Properties LLC, Grand Island. Wilson seconded the motion. Upon roll call vote, all present voted aye. Motion carried.

8. APPROVE RESOLUTION TO PURCHASE/SELL REAL ESTATE.

No resolutions.

9. DIRECTORS REPORT.

Nabity reported that the Nebraska Legislature made a change in 2013 regarding the redevelopment of former defense sites. Tax-increment financing can be made available to former defense sites if they are first declared blighted and substandard by a first-class city that declares a future intent of annexation of the area. Pat O'Neill has had a blight and substandard study completed on 285 acres at the former Cornhusker Army Ammunition Plant west of Grand Island. That study will be before the Grand Island City Council December 20 to consider whether to

forward it to the Regional Planning Commission for review. A similar plan regarding CAAP land owned by Hornady Manufacturing will be before the Grand Island City Council at its December 27 meeting.

10. ADJOURNMENT. Meeting was adjourned at 4:30 p.m.

The next meeting is scheduled for January 11, 2016.

Respectfully submitted  
Chad Nabity  
Director



# Community Redevelopment Authority (CRA)

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

## **Item D1**

### **Bills**

Staff Contact: Chad Nabity

11-Jan-17

TO: Community Redevelopment Authority Board Members  
FROM: Chad Nability, Planning Department Director  
RE: Bills Submitted for Payment

The following bills have been submitted to the Community Redevelopment Authority Treasurer for preparation of payment.

|                          |                                  |
|--------------------------|----------------------------------|
| City of Grand Island     |                                  |
| Administration Fees      | \$ 3,214.88                      |
|                          |                                  |
| Postage                  | \$ 12.59                         |
|                          |                                  |
| Grand Island Independent | \$ 16.01                         |
|                          |                                  |
|                          |                                  |
|                          |                                  |
| Mayer, Burns & Koenig    | <u>\$ 178.00</u>                 |
| <b>Total:</b>            | <b><u><u>\$ 3,421.48</u></u></b> |



# Community Redevelopment Authority (CRA)

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

## **Item E1**

### **Committed Projects**

Staff Contact: Chad Nabity

| COMMITTED PROJECTS  | REMAINING GRANT AMOUNT | 2017 FISCAL YR      | 2018 FISCAL YR      | 2019 FISCAL YR       | ESTIMATED COMP         |
|---|------------------------|---------------------|---------------------|----------------------|------------------------|
| South Locust/Fonner Park BID (7-13-16)                    | \$30,000.00            | \$15,000.00         | \$15,000.00         |                      | 2017                   |
| Federation of Labor - Ziller Residential Grant (10-12-16) | \$ 60,000.00           | \$ 60,000.00        |                     |                      | 2017                   |
| Federation of Labor-Ziller Façade Grant (10-12-16)        | \$53,200               | \$ 53,200.00        |                     |                      | 2017                   |
| Wing Properties - 116 E 3rd St (9-9-15)                   | \$ 68,132.00           | \$ 68,132.00        |                     |                      | 2017                   |
| Wing Properties - 110-114 E 3rd St (9-9-15)               | \$ 167,016.00          | \$ 167,016.00       |                     |                      | 2017                   |
| Master Stylists-114 W. 3rd-Jeanene Campos (10-12-16)      | \$ 23,895.00           | \$ 23,895.00        |                     |                      | 2017                   |
| Bosselman Real Estate 2603 S. Locust (6-10-15)            | \$ 300,000.00          | \$ 100,000.00       | \$ 100,000.00       | \$ 100,000.00        | 2018                   |
| Othy's Place-724 W. 3rd-Lindell (10-12-16)                | \$ 61,860.18           | \$34,899.18         | \$ 26,961.00        |                      | 2017 façade, 2018 sign |
| Zoul Properties - 1201 S Locust Street                    | \$ 90,000.00           | \$ 90,000.00        |                     |                      | 2017                   |
|   | \$ -                   |                     |                     |                      |                        |
| <b>Total Committed</b>                                    | <b>\$854,103.18</b>    | <b>\$612,142.18</b> | <b>\$141,961.00</b> | <b>\$ 100,000.00</b> |                        |

| FIRE & LIFE SAFETY GRANT                    | TOTAL AMOUNT         | 2017 FISCAL YR       | 2018 FISCAL YR       | 2019 FISCAL | ESTIMATED |
|---|----------------------|----------------------|----------------------|-------------|-----------|
| 201-203 W. 3rd St. - Anson (8-24-16)        | \$ 200,000.00        |                      | \$ 200,000.00        |             | 2018      |
| Federation of Labor - Tom Ziller (5-13-15)  | \$115,000            | \$ 115,000.00        |                      |             | 2016      |
| Wing Properties - 110 E 3rd St (2-10-16)    | \$20,000             | \$ 20,000.00         |                      |             | 2017      |
| <b>Total Committed F&amp;L Safety Grant</b> | <b>\$ 335,000.00</b> | <b>\$ 135,000.00</b> | <b>\$ 200,000.00</b> |             |           |

|                                 |                       |               |  |
|---------------------------------|-----------------------|---------------|--|
| Life Safety Budget \$ Remaining | \$ 285,000.00         |               |  |
| Façade Budget \$ Remaining      | \$ 350,000.00         |               |  |
| Other Projects                  | \$ 375,775.36         |               |  |
| Land - Budget \$ Remaining      | \$ 200,000.00         |               |  |
| Land Sales                      |                       |               |  |
| subtotal                        | <u>(\$100,000.00)</u> |               |  |
|                                 | \$ 1,110,775.36       |               |  |
| Less committed                  | \$ (576,522.00)       | \$ 391,091.73 |  |
| Balance remaining               | <u>\$583,153.36</u>   | \$ 391,091.73 |  |

| CRA PROPERTIES           |                |               |           |  |         |
|--------------------------|----------------|---------------|-----------|--|---------|
| Address                  | Purchase Price | Purchase Date | Demo Cost |  | Status  |
| 408 E 2 <sup>nd</sup> St | \$4,869        | 11/11/2005    | \$7,500   |  | Surplus |
| 3235 S Locust            | \$450,000      | 4/2/2010      | \$39,764  |  | Surplus |
| 604-612 W 3rd            | \$80,000       | 6/10/2015     |           |  | Surplus |

January 3, 2017



# Community Redevelopment Authority (CRA)

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

## **Item G1**

**Life Safety Grant Request - Peaceful Root**

Staff Contact: Chad Nabity



## Fire and Life Safety Grant Program Application

### Project Redeveloper Information

**I.** Applicant Name: Peaceful Root, LLC

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

Telephone No.: 308-227-2647

Contact: John Anson

**II.** Legal Street Address of Project Site: 114 West 2<sup>nd</sup> Street, Grand Island, NE 68801

**III.** Present Ownership of Project Site: Peaceful Root, LLC

**IV.** Proposed Project: Describe in detail; attach plans and specifications:

Proposed Number of Upper Story 1 Bedroom Units            \_\_\_2\_\_\_

Proposed Number of Upper Story 2+ Bedroom Units            \_\_\_1\_\_\_

Other Info:

Peaceful Root, LLC will be redeveloping the main and 2<sup>nd</sup> floor of 114 West 2<sup>nd</sup> Street. 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 two residential spaces.

**V.** Building Details

|                               |                |
|-------------------------------|----------------|
| A. Actual Purchase Price      | \$180,000.00   |
| B. Assessed Value of Property | \$205,086.00   |
| C. When Acquired              | 2016           |
| D. Number of Floors           | 2              |
| E. Square Footage of Building | 14,520 sq. ft. |
| F. Current Use of Building    | Unoccupied     |



|            |   |             |
|------------|---|-------------|
| <b>VI.</b> | Construction Costs                              |             |
|            | A. Total Estimated Renovation or Building Costs | \$1,186,840 |
|            | B. Estimated Cost of Life Safety Improvements:  |             |
|            | Fire Sprinklers                                 | \$43,560    |
|            | Exiting   | \$12,000    |
|            | Electric Upgrades                               | \$60,000    |
|            | Water Upgrades for Sprinklers                   | \$15,000    |
|            | C. Other Construction Costs:                    |             |
|            | First Floor Renovation                          | \$300,000   |
|            | Second Floor Renovation                         | \$886,840   |
|            | Third Floor Renovation                          | \$          |
|            | Fourth Floor Renovation                         | \$          |
|            | Basement Renovation                             | \$          |
|            | Roof  | \$          |
|            | Heating and AC                                  | \$          |
|            | Façade Improvements/Maintenance                 | \$          |
|            | Other Construction Costs                        |             |
|            | _____   |             |
|            | _____   |             |
|            | _____   |             |
|            | _____   |             |

|             |  |           |
|-------------|--|-----------|
| <b>VII.</b> | Source of Financing:                             |           |
|             | Developer Equity:                                | \$6,546   |
|             | Commercial Bank Loan:                            | \$886,440 |
|             | Historic Tax Credits:                            | \$        |
|             | Tax Increment Financing:                         | \$263,864 |
|             | Low Income Tax Credits                           | \$        |
|             | Other (Describe: <u>Life Safety grant</u> _____) | \$ 50,000 |

**VIII.** Name & Address of Architect, Engineer and General Contractor:

General Contractor: Amos Anson, FAmos Construction Inc, PO Box 1665 Grand Island, NE 68802 308-390-2455

Structural Engineer: Mike Spilnek, Olsson Associates, 201 E 2<sup>nd</sup> Street, Grand Island, NE 68801 308-384-8750

Architect: Marvin Webb, ALA w/ Webb & Company Architects, 587 N Walnut Street, Grand Island, NE 68801

**IX. Project Construction Schedule:**

A. Construction Start Date: Q1 2017

B. Construction Completion Date: Q1 2018

**Grant Notes:**

The CRA may grant up to \$20,000 per new upper story 2+bedroom unit and \$15,000 per new upper story 1 bedroom unit. The final amount will be determined upon approval of the grant and is at the discretion of the CRA. Applications for this program may be submitted up to for the next fiscal year (Beginning October 1) on or after July 1. Applications will be considered in the order received. Only complete applications will be considered for approval. Applications must be submitted at least 30 days prior to the meeting during which they will be considered for approval.

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



# 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

## 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

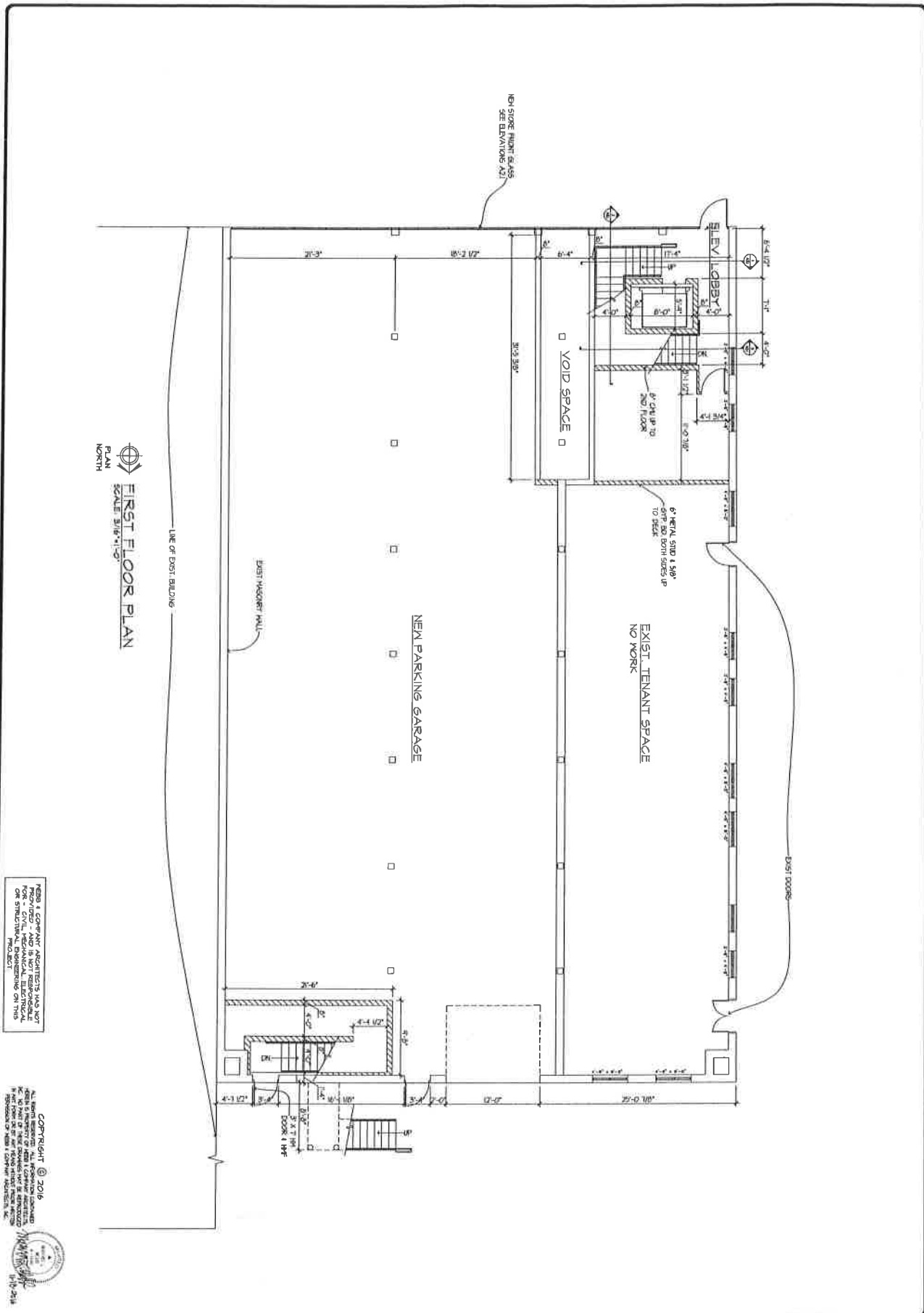
| Annual rental income | \$/s.f. | s.f. |              |           |
|----------------------|---------|------|--------------|-----------|
| 1- Bed               | \$14    | 774  | \$11,146     | \$929     |
| 1- Bed               | \$14    | 774  | \$11,146     | \$929     |
| 2- Bed               | \$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   |
|                      |         |      | Gross Income | \$143,218 |

|          |          |
|----------|----------|
| 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>  |





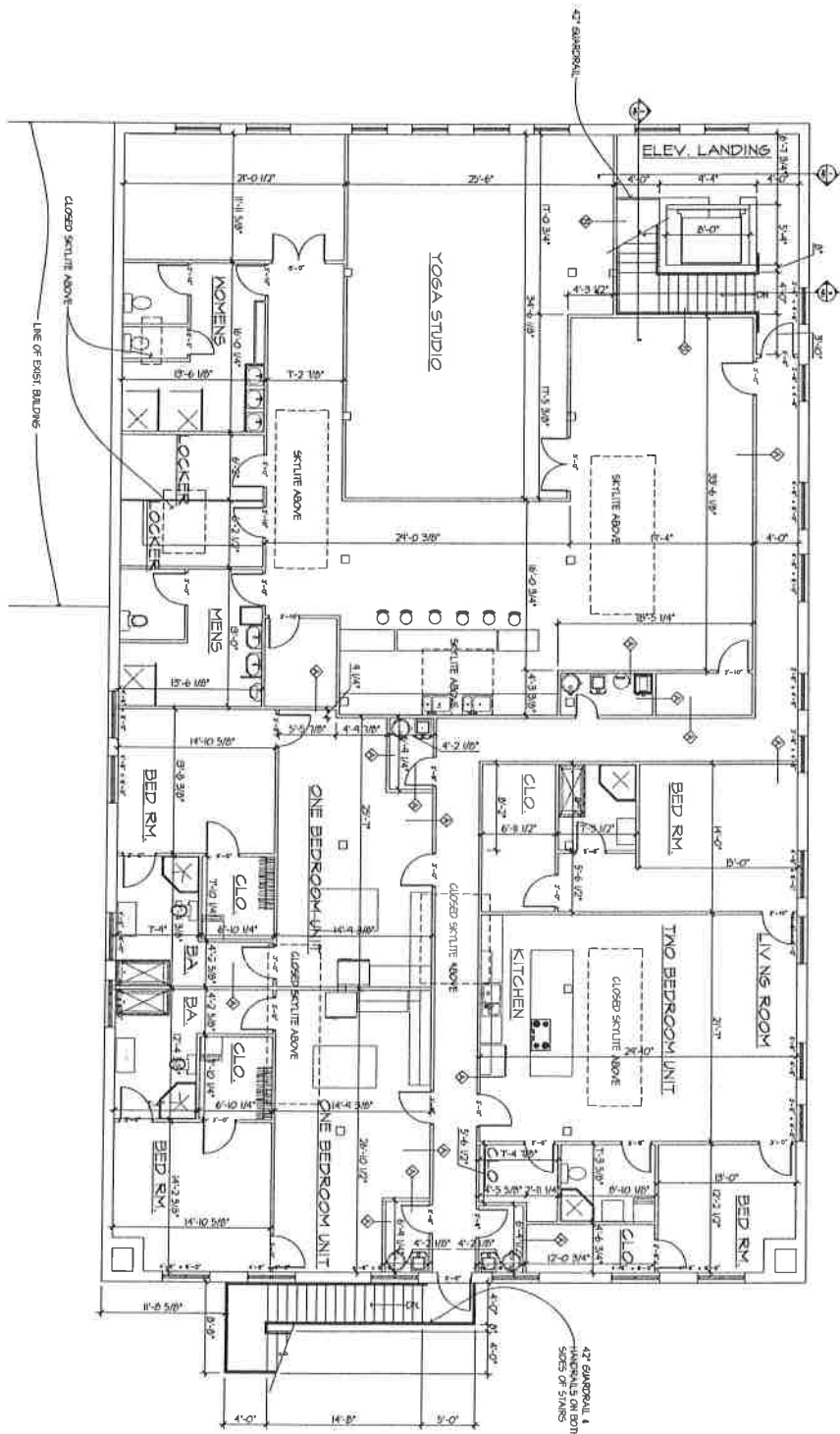



**FIRST FLOOR PLAN**  
 SCALE 3/16" = 1'-0"  
 PLAN NORTH

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

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|                      |   |  |   |                         |
|----------------------|---|--|---|-------------------------|
| SHEET<br><b>A.11</b> | DATE<br>NOV. 8, 2016<br>PLAN<br>PCA PROJECT<br>K2016-02 | <b>BUILDING REMODEL</b><br>FORMER BROWN HOTEL<br>112 WEST 2ND STREET<br>GRAND ISLAND, NE | <b>WEBB &amp; COMPANY</b><br><b>A·R·C·H·I·T·E·C·T·S</b><br>Grand Island, Nebraska<br>Marvin Webb, AIA, Architect 308/361-8073 | <b>FIRST FLOOR PLAN</b> |
|----------------------|---|--|---|-------------------------|



SECOND FLOOR PLAN  
 SCALE: 1/8" = 1'-0"  
 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.

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 OR STRUCTURAL ENGINEERING IN THE  
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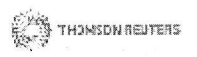
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 ARCHITECTS, INC.

|      |       |   |   |                   |
|------|-------|---|---|-------------------|
| A1.2 | SHEET | BUILDING REMODEL<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>Marvin Webb, AIA, Architect 308/381-8019 | SECOND FLOOR PLAN |
|------|-------|---|---|-------------------|

*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        |

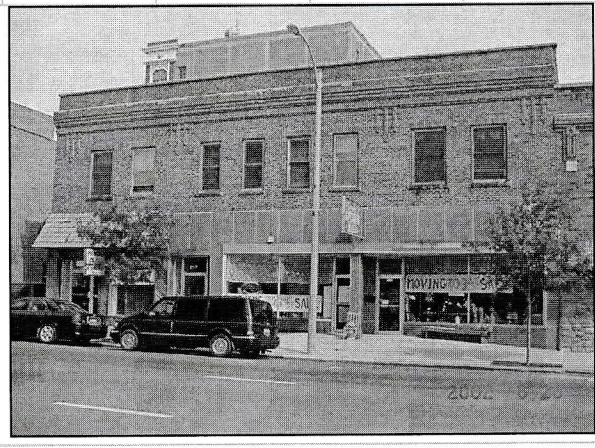
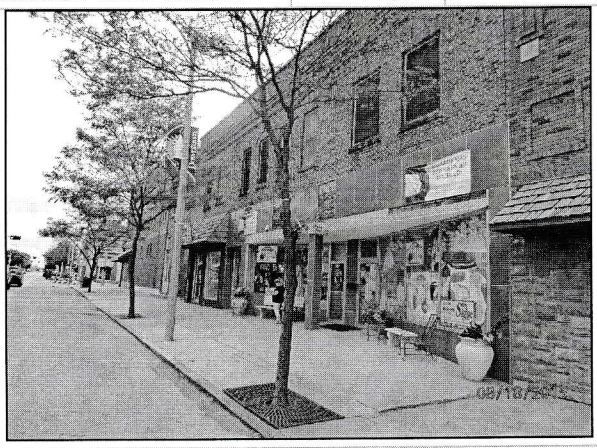
| Current Valuation |         | Assessment Data   |                    | Property Classification |                    |
|-------------------|---------|-------------------|--------------------|-------------------------|--------------------|
| Land Value        | 23,341  | District/TIF Fund | 12                 | 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

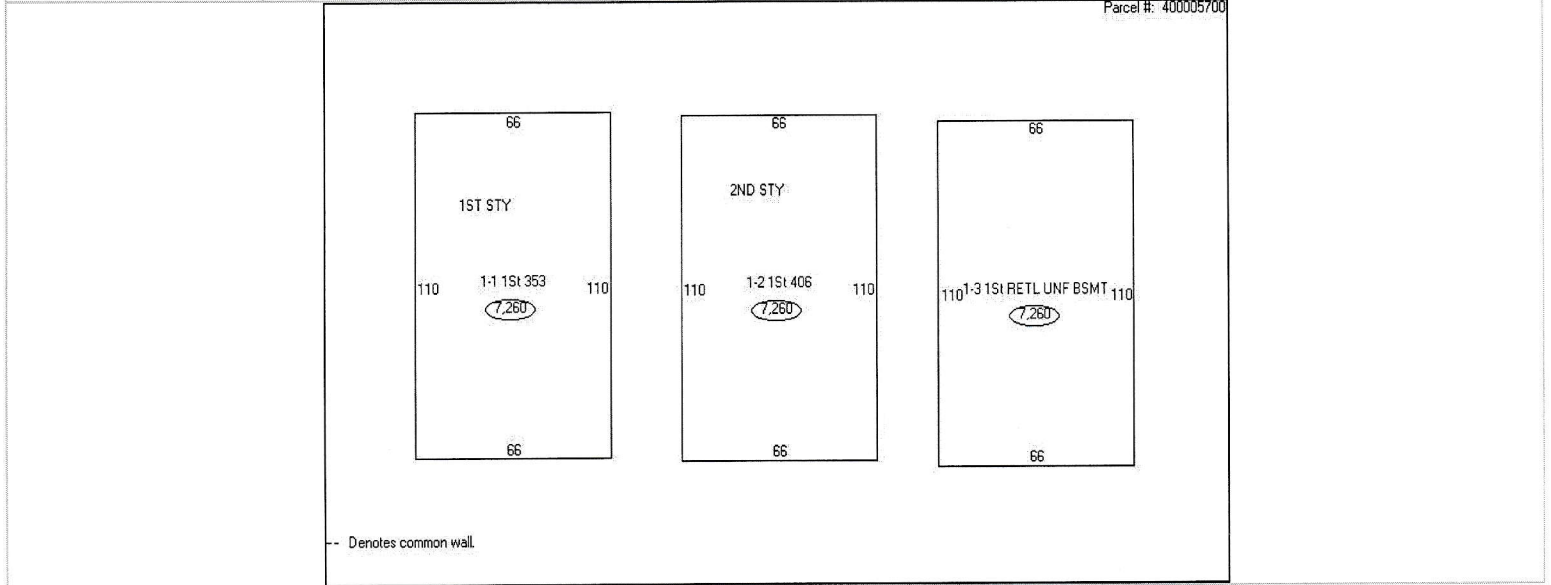
|                      |   |
|----------------------|---|
| <b>Parcel Number</b> | 400005700                                       |
| <b>Map Number</b>    | 3315-00-0-10001-066-0010                        |
| <b>Situs</b>         | 112 W 2ND                                       |
| <b>Legal</b>         | 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

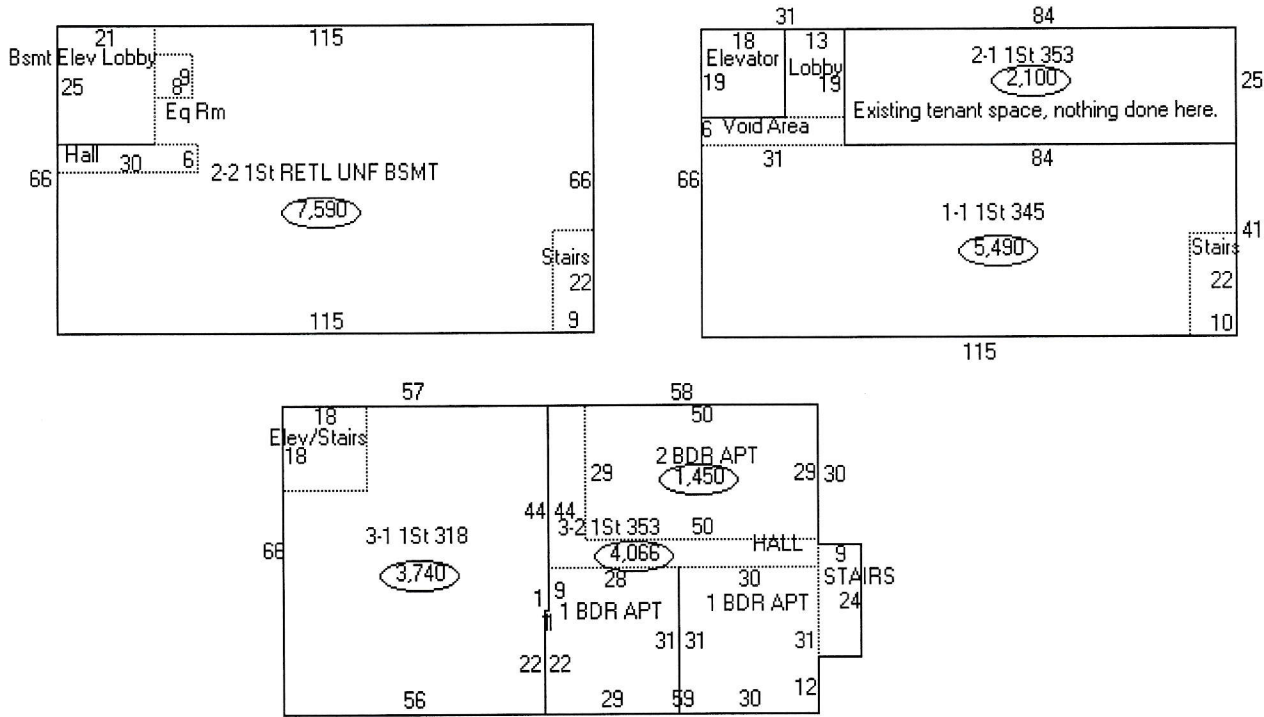
TerraScan Sketch Form



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      |
| <b>Area Summary</b>      |           |            |
| <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     |

**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.

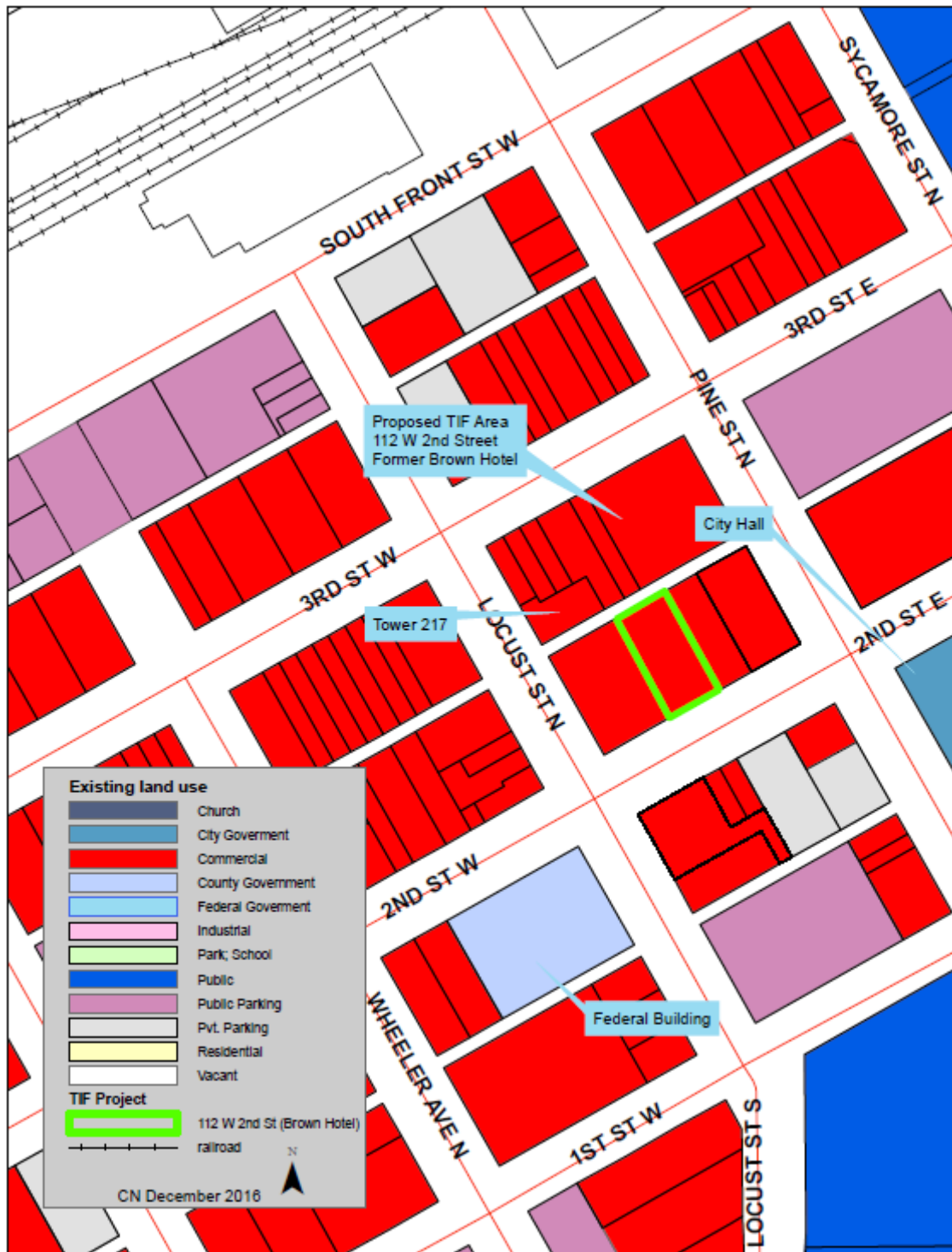
The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the Former Brown Hotel Building located at 112 W. 2nd Street into a mixed use building containing three apartments, two tenant spaces, indoor covered parking and additional space in the basement. The 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:***

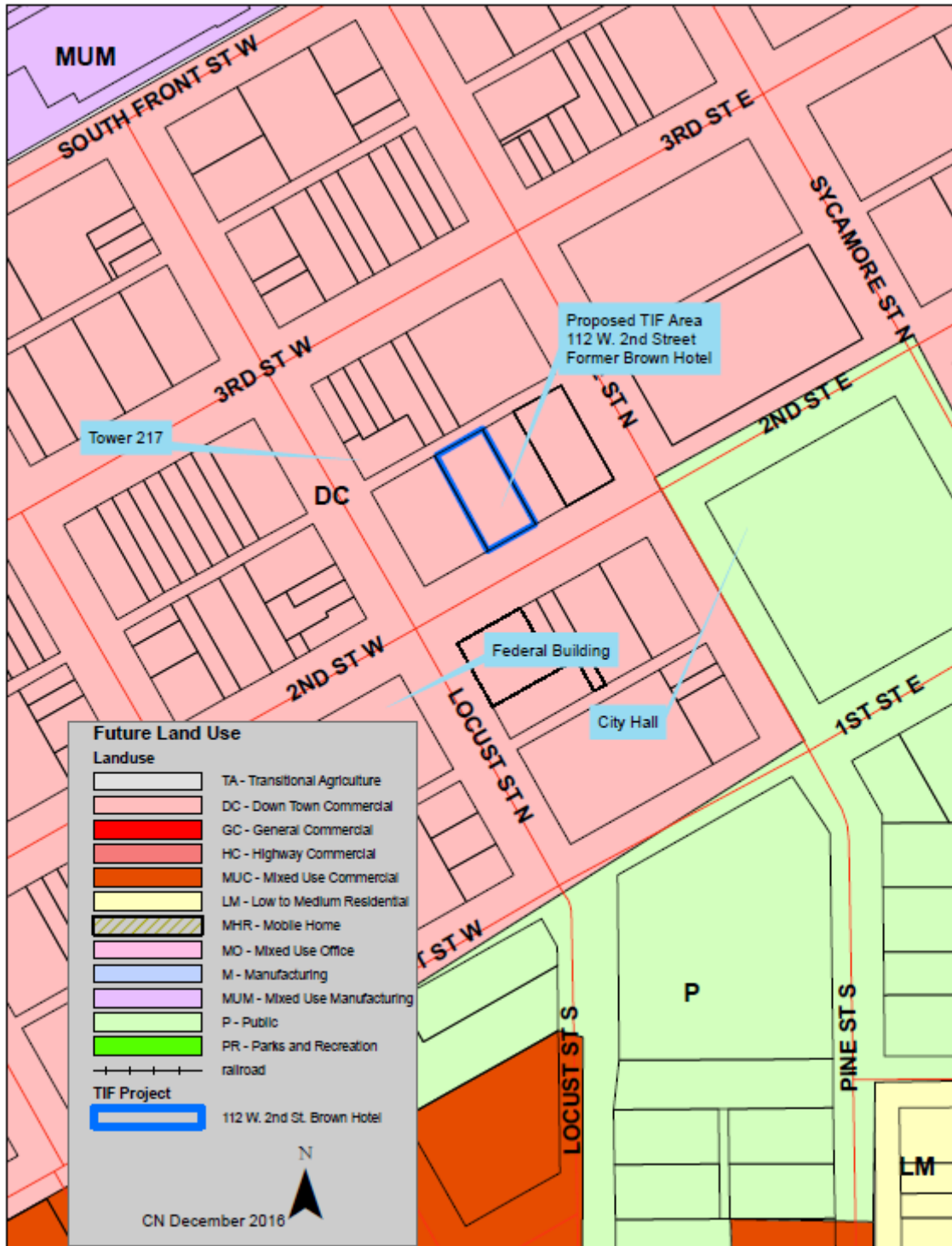
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

***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.



# Community Redevelopment Authority (CRA)

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

## **Item J1**

### **Resolution 232 - Think Smart**

Staff Contact: Chad Nabity

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

**RESOLUTION NO. 232**

**A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; RECOMMENDING APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF GRAND ISLAND, NEBRASKA; APPROVING A COST BENEFIT ANALYSIS FOR SUCH PROJECT; AND APPROVAL OF RELATED ACTIONS**

**WHEREAS**, the Mayor and Council of the City of Grand Island, Nebraska (the “**City**”), upon the recommendation of the Planning Commission of the City of Grand Island, Nebraska (the “**Planning Commission**”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), duly declared the redevelopment area legally described on **Exhibit A** attached hereto (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, pursuant to and in furtherance of the Act, a Redevelopment Plan (the “**Redevelopment Plan**”), has been prepared by Community Redevelopment Authority of Grand Island, Nebraska, (the “**Authority**”) pursuant to an application by Think Smart Properties LLC, a Nebraska Limited Liability Corp. (the “**Redeveloper**”), in the form attached hereto as **Exhibit B**, for the purpose of redeveloping Redevelopment Area legally described on **Exhibit A**, referred to herein as the Project Area (the “**Project Area**”); and

**WHEREAS**, pursuant to the Redevelopment Plan, the Authority would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”), in accordance with and as permitted by the Act; and

**WHEREAS**, the Authority has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”) pursuant to Section 18-2113 of the Act, a which is included in the Redevelopment Plan attached hereto as **Exhibit B**; and

**WHEREAS**, the Authority has made certain findings and pursuant thereto has determined that it is in the best interests of the Authority and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:**

**Section 1.** The Authority has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, 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 in 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 provisions 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 communitive 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

Think Smart Properties LLC – 204 N. Carey



unsanitary or unsafe dwelling accommodations, or conditions of blight.

**Section 2.** The Authority has conducted a Cost Benefit Analysis for the Project, included in the the Redevelopment Plan attached hereto as Exhibit B, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, have been analyzed and have been found to be in the long term best interests of the community impacted by the Project.

**Section 3.** In compliance with section 18-2114 of the Act, the Authority finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Authority and the Authority shall receive no proceeds from disposal to the Redeveloper; (b) the estimated cost of project acquisition and the estimated cost of preparation for redevelopment including site work, onsite utilities and related costs are described in detail in Exhibit B attached hereto; (c) the method of acquisition of the real estate shall be by private contract by the Redeveloper and not by condemnation; and (d) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the approximate amount of \$48,150, which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper. No families will be displaced from the Redevelopment Project Area as a result of the project.

**Section 4.** The Authority hereby recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

**Section 5.** All prior resolutions of the Authority in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

**Section 6.** This resolution shall be in full force and effect from and after its passage and approval.

**PASSED AND APPROVED** this 11th day of January, 2017.

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

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Secretary

Think Smart Properties LLC – 204 N. Carey

**EXHIBIT A**

**LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA**

Lot One (1), in Block Twenty-Nine (29), in Packer & Barr's Second Addition to the City of Grand Island, Hall County, Nebraska, commonly known as 204. N. Carey.

\* \* \* \* \*

**EXHIBIT B**

**FORM OF REDEVELOPMENT PLAN**

Think Smart Properties LLC – 204 N. Carey



**Redevelopment Plan Amendment  
Grand Island CRA Area #6  
December 2016**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #6 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 #6.**

**Executive Summary:  
Project Description**

THE ACQUISITION PROPERTY AT 204 N CAREY AND THE SUBSEQUENT SITE WORK, UTILITY IMPROVEMENTS, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR BUILDING A FOUR UNIT APARTMENT BUILDING AT THIS LOCATION.

The use of Tax Increment Financing (TIF) to aid in acquisition of this site and costs associated with redevelopment of this site for a four unit apartment building. The use of TIF makes it affordable to provide additional housing in Grand Island at this location at a contract rent that is consistent with the neighborhood. This project would not be possible in an affordable manner without the use of TIF.

The site is will be acquired for by the developer if TIF is approved. All site work, fee, engineering cost and utility extensions or services will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, 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 and associated financing for the acquisition and site work.

**TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:**

**Property Description (the “Redevelopment Project Area”)**

This property is located at the northeast corner of 204 N Carey in north central Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 1 Block 29 of Packer and Barr’s Second Addition to the City of Grand Island.



**The tax increment will be captured for the tax years with payments due beginning in 2018 and ending no later than 2032.**

**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 development of a four-plex apartment at this location.**

**Statutory Pledge of Taxes.**

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2018.

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 October 9, 2007.[§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 acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

***a. Land Acquisition:***

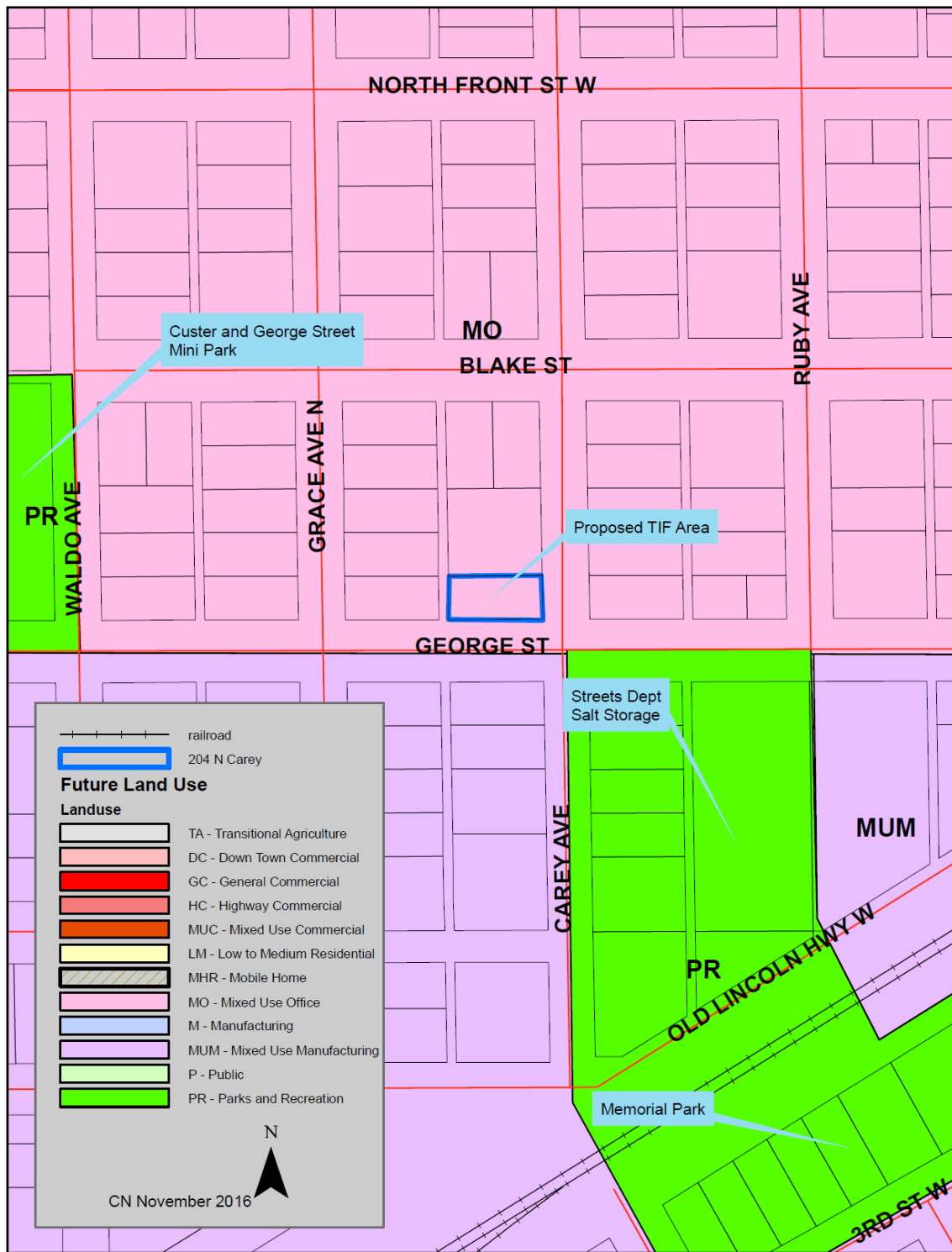
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

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

The project to be implemented with this plan does not require the demolition and removal of an existing structure.

***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 medium density residential to office use development, this includes housing at densities substantially higher than presented in this application. 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 R4-High Density Residential 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 R4 zoning district allows 1 dwelling unit per 1,000 square feet of property. The lots contains 6,720 square feet of property; enough to legally accommodate up to six housing units. The property is zoned R4 and could accommodate a building of up to 60% of the property area; allowable coverage would be about 4,032 square feet. The proposed units including the attached garages will cover about 3,600 square feet, well within the allowable coverage. [§18-2103(b) and §18-2111]

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

Sewer and water are available to support this development. New water and sewer services may be required for 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 currently vacant, 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]**

**6. Section 18-2114 of the Act requires that the Authority consider:**

***a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.***

The developer has a contract to purchase the property contingent on TIF availability. The \$28,000 cost of property acquisition is included as a TIF eligible expense. Costs for site preparation and flat concrete of \$9,650 are included as a TIF eligible expense.

Engineering and design fees are estimated at \$1,000 and are included as a TIF eligible expense. Fees and reimbursement to the City and the CRA of \$5,700 are included as a TIF eligible expense. Developer planning costs including legal and design fees of \$4,800 are included as a TIF eligible expense. The total of eligible expenses for this project is \$48,150.

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 \$48,150 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, 2018 through December 2032.

***c. Statement of feasible method of relocating displaced families.***

No families will be displaced as a result of this plan. There is no structure on the property and the property is unoccupied.

**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, in that it will allow for the utilization of and redevelopment residential lots. New residential development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

**8. Time Frame for Development**

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between February 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 a residential neighborhood characterized by a combination of small apartment buildings and single family dwellings on smaller lots. The lot has been vacant and undeveloped for at least 26 years. The residential property to the north is a metal building that is essentially a large garage with a dwelling unit inside. That building is more industrial in nature than residential. The properties to the west are multi-family buildings similar in nature to the proposed building. The City of Grand Island is in need of additional housing units and this development will provide 4 brand new units. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

**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 \$48,150 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$451,850 in private sector financing; a private investment of \$9.38 for every TIF dollar invested.

| <b>Use of Funds.</b> |                  |                      |                  |
|----------------------|------------------|----------------------|------------------|
| <b>Description</b>   | <b>TIF Funds</b> | <b>Private Funds</b> | <b>Total</b>     |
| Site Acquisition     | \$28,000         |                      | \$28,000         |
| Site preparation     | \$3,000          |                      | \$3,000          |
| Legal and Plan       | \$10,500         |                      | \$10,500         |
| Building Costs       |                  | \$447,883            | \$447,883        |
| Flat Concrete        | \$6,650          | \$3,967              | \$10,617         |
|                      |                  |                      |                  |
|                      |                  |                      |                  |
| <b>TOTALS</b>        | <b>\$48,150</b>  | <b>\$451,850</b>     | <b>\$500,000</b> |
|                      |                  |                      |                  |

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2018, valuation of approximately \$519,140. Based on the 2015 levy, this would result in a real property tax of approximately \$11,007. It is anticipated that the assessed value will increase by \$510,740 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$10,800 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city or other taxing entity general tax revenues, for a period of 8 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 2017 assessed value:   | \$ 8,400   |
| Estimated value after completion | \$ 519,140 |
| Increment value                  | \$ 510,740 |
| Annual TIF generated (estimated) | \$ 10,800  |
| TIF bond issue                   | \$ 48,150  |

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

The redevelopment project area currently has an estimated valuation of \$8,400. The proposed redevelopment and subsequent construction of a four-unit apartment building at this location will result in an additional \$510,740 of taxable valuation based on an analysis by the Hall County Assessor’s office. 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 impacted by this development.

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

The proposed facility will provide jobs for persons employed with the construction company that will be building this structure. It will have no impact on other firms locating or expanding in the 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***

This project will not have a negative impact on other employers and will result in additional housing choices for employees within the city.

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

This project will increase the available quality housing in Grand Island by a net of four (4) units. These types of smaller projects spread throughout the city will have a less drastic impact on neighborhoods and schools than a centralized larger housing project. **The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving more than xx units is proposed within District. Projects involving less than xx units, such as this one do not present an issue for the District.**



This neighborhood has not had a great deal of new development in many years. Projects like this are starting to create a positive impact in the neighborhood. The location of this lot with commercial uses to the south and residential uses that look like commercial uses to the north make it a difficult property to redevelop without assistance.

### **Time Frame for Development**

Development of this project is anticipated to be completed between February 2017 and December 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 8 years or an amount not to exceed \$48,150 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 cost of acquisition, site preparation, engineering,

expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend at least \$48,150 on TIF eligible activities.

**See Attached Building Plans**

Resolution Number 2017-02

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 the **Redevelopment Plan for 204 N. Carey by Think Smart Properties** to the Hall County Regional Planning Commission, (the "Commission") 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:** January 4, 2017.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: \_\_\_\_\_  
Chair



By: \_\_\_\_\_



Secretary