



City of Grand Island

Tuesday, February 14, 2017

Council Session

Item E-2

**Public Hearing on Redevelopment Plan for CRA Area 6 located at
204 Carey Avenue (Think Smart, LLC)**

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

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: February 14, 2017

Subject: Site Specific Redevelopment Plan for CRA Area 6

Presenter(s): Chad Nabity, AICP CRA Director

Background

In 2008, the Grand Island City Council declared property referred to as CRA Area 6 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for site acquisition, improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

Think Smart Properties LLC has submitted an application for Tax Increment Financing to aid in the redevelopment of property to acquire and prepare for the construction of a four-unit apartment building at 204 N. Carey Avenue, at the northwest corner of George and Carey Streets. Staff has prepared a redevelopment plan for this property consistent with the TIF application.

The CRA reviewed the proposed development plan on December 14, 2016 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on January 4, 2017. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on January 4, 2017. The Planning Commission approved Resolution 2017-02 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island. The CRA approved Resolution 232 forwarding the redevelopment plan along with the recommendation of the planning commission to the City Council for consideration.

Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment that would authorize a redevelopment contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area 6 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment specifies that the TIF will be used to offset allowed costs for site acquisition, site preparation, planning activities, public amenities, necessary utility extensions and improvements, and fees associated with the redevelopment project. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as a eligible TIF project and that it will not negatively impact existing services within the community or shift undo additional costs onto the current residents of Grand Island and the impacted school districts. There are a minimum of \$48,150 of identified expenses eligible for Tax increment financing associated with the proposed redevelopment plan amendment. The bond for this project will be issued for a period of 8 years and will end upon final payment of the bond principal and any associated interest. The proposed bond for this project will be issued for the expected TIF proceeds for the 8 year period of \$48,150.

Alternatives

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

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

Recommendation

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

Sample Motion

Move to approve the resolution as submitted.

**Redevelopment Plan Amendment
Grand Island CRA Area #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 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:

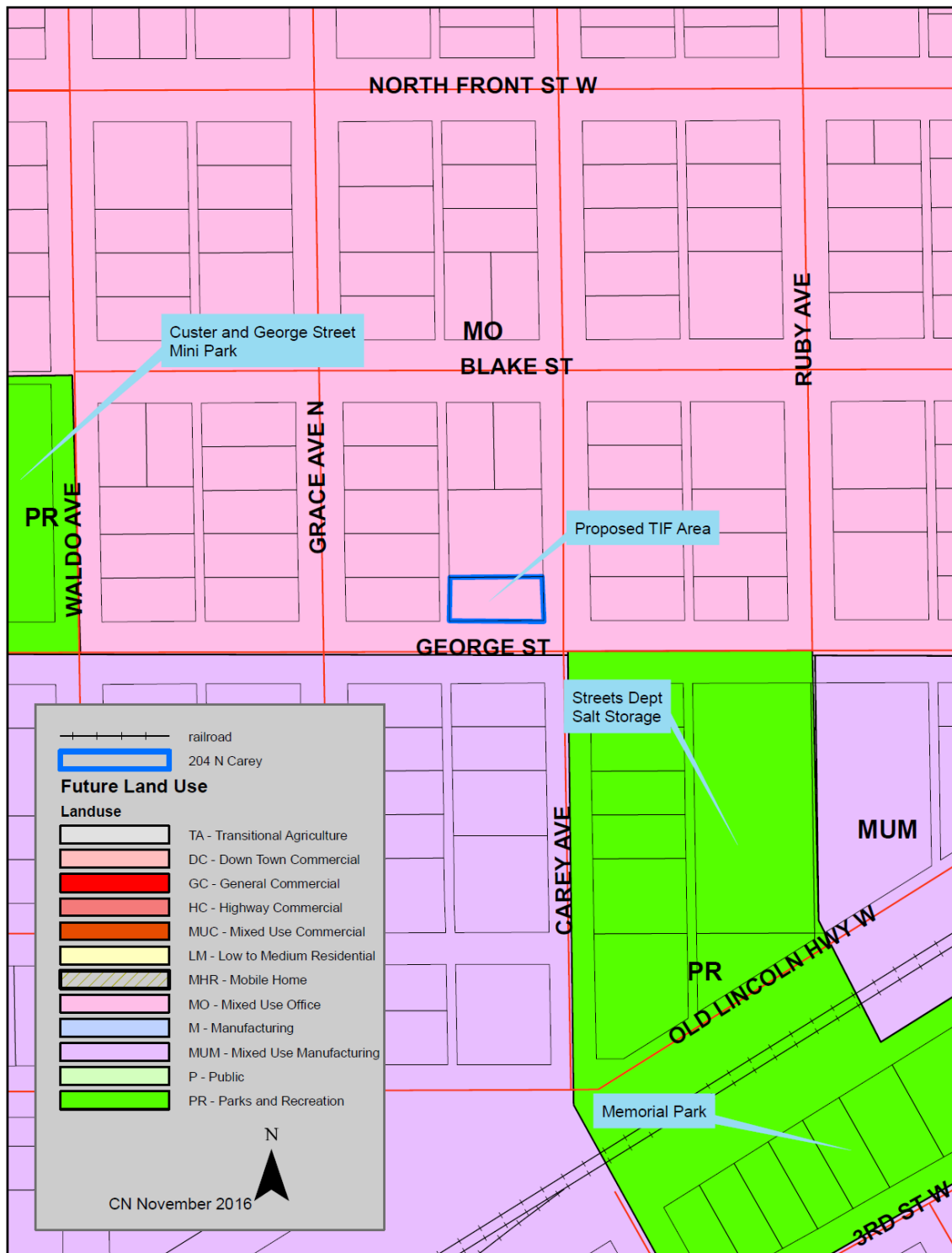
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

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.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
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
TOTALS	\$48,150	\$451,850	\$500,000

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 a housing subdivision and/or apartment complex is proposed within 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



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: [Think Smart Properties LLC](#)
Address: [PO Box 5632, Grand Island, NE 68802-5632](#)
Telephone No.: [308.210.4008](#)
Fax No.: [308.210.4009](#)
Contact: [Heath Reinders](#)

Brief Description of Applicant's Business:

[Think Smart Properties, LLC develops, owns and rents residential property](#)

Present Ownership Proposed Project Site:

[Douglas Luth owns the Property at 204 N Carey or Lot One \(1\), in Block Twenty-Nine \(29\), in Packer & Barr's Second Addition to the City of Grand Island, Hall County, Nebraska](#)

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

[Construct a four-plex. Each unit will have an attached garage. Three of the units will have two bedrooms, two bathrooms and a two car attached garage. The fourth unit which will have three bedrooms, two bathrooms, and a one car attached garage. Please see exhibit A for a site plan.](#)

If Property is to be Subdivided, Show Division Planned:

No subdivision planned

VI. Estimated Project Costs:

Acquisition Costs:

A.	Land	28,000
B.	Building	0

Construction Costs:

A.	Renovation or Building Costs:	0
B.	On-Site Improvements:	6,650

Soft Costs:

A.	Architectural & Engineering Fees:	1,000
B.	Financing Fees:	
C.	Legal/Developer/Audit Fees:	8,500
D.	Contingency Reserves:	4,000
E.	Other (Please Specify)	0
TOTAL		48,150

Total Estimated Market Value at Completion: 450,000

Source of Financing:

A.	Developer Equity:	150,000
B.	Commercial Bank Loan:	301,850
C.	Tax Credits:	
	1 N.I.F.A.	0
	2 Historic Tax Credits	0
D.	Industrial Revenue Bonds:	0
E.	Tax Increment Assistance:	48,150
F.	Other	0

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

General Contractor & Designer:

Sean O'Connor Construction, Inc
PO Box 5916
Grand Island, NE 68802-5916
308.381.2497
308.381.1285

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

\$11,007 (See Exhibit B for Assessor's Calculation)

Project Construction Schedule:

Construction Start Date:

Upon TIF Application Acceptance (weather permitting)

Construction Completion Date:

Six (6) Months after start date

If Phased Project:

Not Phased

XII. Please Attach Construction Pro Forma

See Exhibit C

XIII. Please Attach Annual Income & Expense Pro Forma
(With Appropriate Schedules)

See Exhibit D

TAX INCREMENT FINANCING REQUEST INFORMATION

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

\$48,150 of tax increment financing is requested to assist in the acquisition, site preparation and construction of new residential housing.

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

Tax increment financing makes this project feasible in this area. Developer desires to construct new housing units with garages to assist with the Neighborhood Redevelopment Plan Number 6. Rents in this area will not support new housing units. Other units have been constructed within one block of this site with the assistance of TIF and have been successful in helping to revitalize the area. This parcel has remained undeveloped.

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:

Roger Heffelfinger, Exchange Bank	308.382.2900
Bruce Schreiner, Schroeder & Schreiner, PC	308.381.1355
Krae Dutoit, Gary Thompson Agency	308.384.0388
Andy Baack, Leininger Smith Law Firm	308.382.0280

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

N/A – Applicant is a new legal entity

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

Think Smart Properties
 204 N Carey Avenue, Grand Island, NE 68803
 Projected Cash Flow

Existing Assessed Value and Real Estate Tax on Project Site

Parcel Number	Assessed Value (2015)			Taxes
	Improvements	Land	Total	
400071142	-	8,400	8,400	178
	-	8,400	8,400	178

Estimated Real Estate Taxes on Project Site Upon Completion of Project

Proposed Assessed Value	519,140
Current Tax Rate	2.1190%
Estimated Annual Real Estate Tax after Project Completion	11,001
Estimated Annual Real Estate Tax per Assesor	11,007
Less: Existing Annual Real Estate Tax	(178)
Estimated Increase in Annual Real Estate Tax	10,829

Exhibit B

HALL COUNTY ASSESSOR'S OFFICE



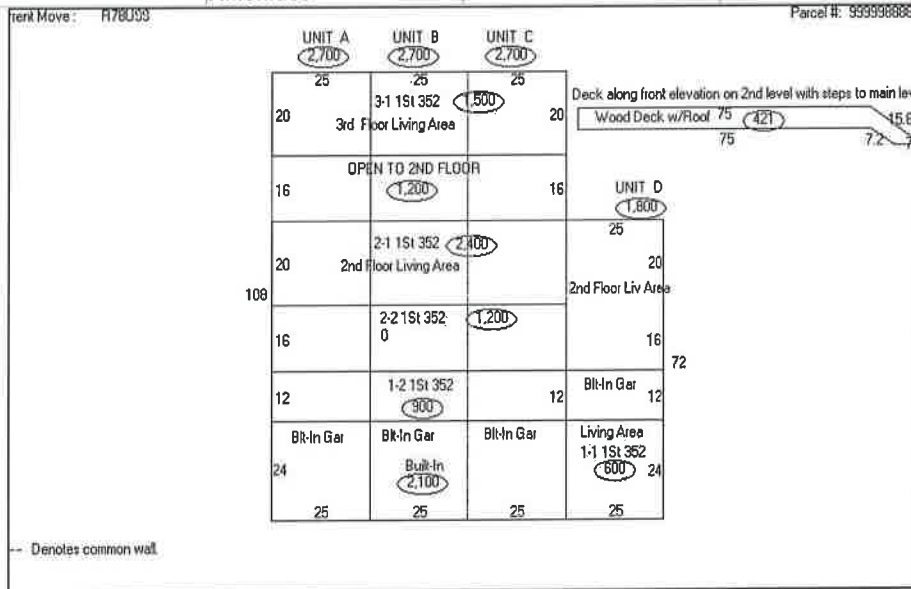
Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 09/29/2016 at 08:38:31A

Parcel Information		Ownership Information	
Parcel Number	999998888	Current Owner	SEAN O'CONNOR
Map Number		Address	422 S GUNBARREL RD
Situs	204 N CAREY	City St. Zip	GRAND ISLAND NE 68801-
Legal	WHAT IF FOR SEAN O'CONNOR (4 PLEX @ CAREY & GEORGE) 400071142	Cadastral #	

Property Data			
Neighborhood	645	Topography	
Lot Width		Street	
Lot Depth		Utilities	
Units Buildable		Amenities 1	
Value Method		Amenities 2	
		Number of Units	
		Unit Value	
		Adjustment	
		Lot Value	



Building Data													
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func. RCNLD
1	1	352	RESIDENCE, MULTIPLE	2016	D		300	40	600	98	1	8	40,566
1			BUILT-IN GARAGE	2016					2,100				34,419
1			WOOD DECK W/ROOF	2016					421				4,328
2	1	352	RESIDENCE, MULTIPLE	2016	D		300	40	1,200	182	1	16	100,656
2	2	352	RESIDENCE, MULTIPLE	2016	D		300	40	2,400	272	1	8	162,264
2	3	352	RESIDENCE, MULTIPLE	2016	D		300	40	900	174	1	16	75,492
3	1	352	RESIDENCE, MULTIPLE	2016	D		300	40	1,500	190	1	8	101,415

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	6,600			Contract		Market	
Total Building RCN	480,393	Vacancy & Collection Loss					
Total Refinements	38,747	Effective Income					
Total Replacement Cost New	519,140	Total Expenses					
Total Phys. & Func. Depreciation		Net Operating Income					
RCN Less Phys. & Func.	519,140	Capitalization Rate					
Economic Depreciation		Income Approach					
Accrued Economic depreciation		Final Value Reconciliation					519,140
Total RCN Less Depreciation	519,140	<i>Average quality</i> <i>Estimated Tax \$11,006.76</i>					
Additional Lump Sums							
Land Value							
Total Cost Value	519,140						
Value Per Res Unit	129,785.00						
Value Per Sq. Ft.	78.66						

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

Exhibit B

HALL COUNTY ASSESSOR'S OFFICE



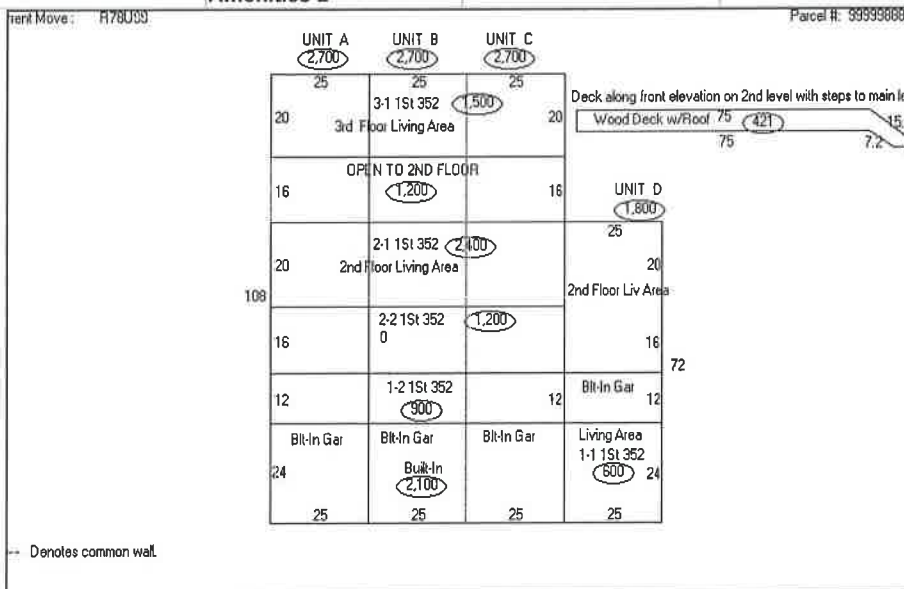
Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 09/20/2016 at 09:51:31A

Parcel Information		Ownership Information	
Parcel Number	999998888	Current Owner	SEAN O'CONNOR
Map Number		Address	422 S GUNBARREL RD
Situs	204 N CAREY	City St. Zip	GRAND ISLAND NE 68801-
Legal	WHAT IF FOR SEAN O'CONNOR (4 PLEX @ CAREY & GEORGE) 400071142	Cadastral #	

Property Data			
Neighborhood	645	Topography	
Lot Width		Street	
Lot Depth		Utilities	
Units Buildable		Amenities 1	
Value Method		Amenities 2	
		Number of Units	
		Unit Value	
		Adjustment	
		Lot Value	



Building Data													
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec RCN	Phys. Func. RCNLD
1	1	352	RESIDENCE, MULTIPLE	2016	D		350	40	600	98	1	8	47,814
1			BUILT-IN GARAGE	2016					2,100				39,900
1			WOOD DECK W/ROOF	2016					421				4,328
2	1	352	RESIDENCE, MULTIPLE	2016	D		350	40	1,200	182	1	16	118,656
2	2	352	RESIDENCE, MULTIPLE	2016	D		350	40	2,400	272	1	8	191,256
2	3	352	RESIDENCE, MULTIPLE	2016	D		350	40	900	174	1	16	88,992
3	1	352	RESIDENCE, MULTIPLE	2016	D		350	40	1,500	190	1	8	119,535

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	6,600			Contract		Market	
Total Building RCN	566,253	Vacancy & Collection Loss					
Total Refinements	44,228	Effective Income					
Total Replacement Cost New	610,481	Total Expenses					
Total Phys. & Func. Depreciation		Net Operating Income					
RCN Less Phys. & Func.	610,481	Capitalization Rate					
Economic Depreciation		Income Approach					
Accrued Economic depreciation		Final Value Reconciliation					610,481
Total RCN Less Depreciation	610,481	<i>Average + quality</i> <i>Estimated tax \$12,943.38</i>					
Additional Lump Sums							
Land Value							
Total Cost Value	610,481						
Value Per Res Unit	152,620.25						
Value Per Sq. Ft.	92.50						

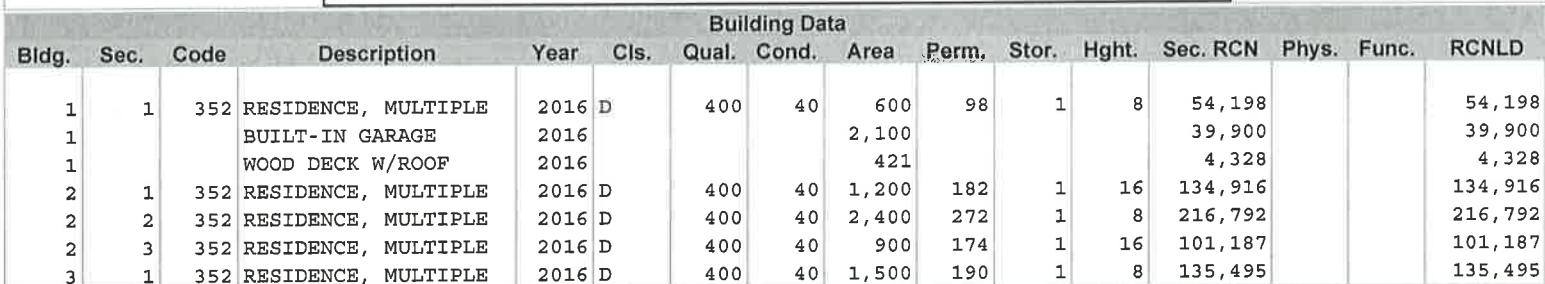
*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

Exhibit B

 THOMSON REUTERS

Ownership Information

Property Data					
Neighborhood	645	Topography		Number of Units	
Lot Width		Street		Unit Value	
Lot Depth		Utilities		Adjustment	
Units Buildable		Amenities 1		Lot Value	
Value Method		Amenities 2			



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

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Think Smart Properties, LLC
 204 N Carey Avenue, Grand Island, NE 68803
 Construction Pro Forma

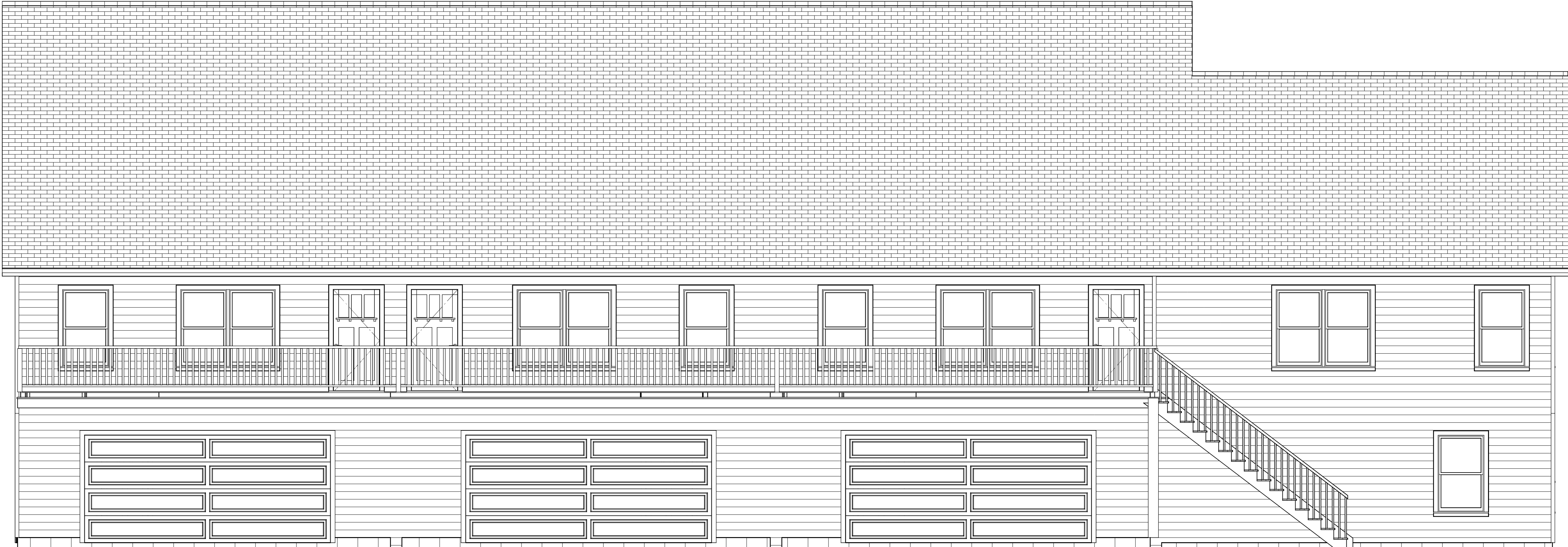
	<u>Total</u>	<u>TIF Qualified</u>
Material	145,138	
Plumbing	21,234	
Electric	33,974	
HVAC	39,708	
Roofing	1,593	
Framing	53,085	
Drywall	26,493	
Finish	21,455	
Siding & Windows	16,775	
Painting	15,926	
Concrete Structural	28,135	
Concrete Flat	10,617	6,650
Site Work	3,000	3,000
Landscaping	10,617	
Appliances	2,654	
Flooring Material	20,172	
Land	28,000	28,000
Flooring Labor	10,924	
Architectural & Engineering Fees	1,000	1,000
Legal/Developer/Audit Fees	8,500	8,500
Contingency Reserves	1,000	1,000
	<u>500,000</u>	<u>48,150</u>

Exhibit C

Think Smart Properties
 204 N Carey Avenue, Grand Island, NE 68803
 Projected Cash Flow

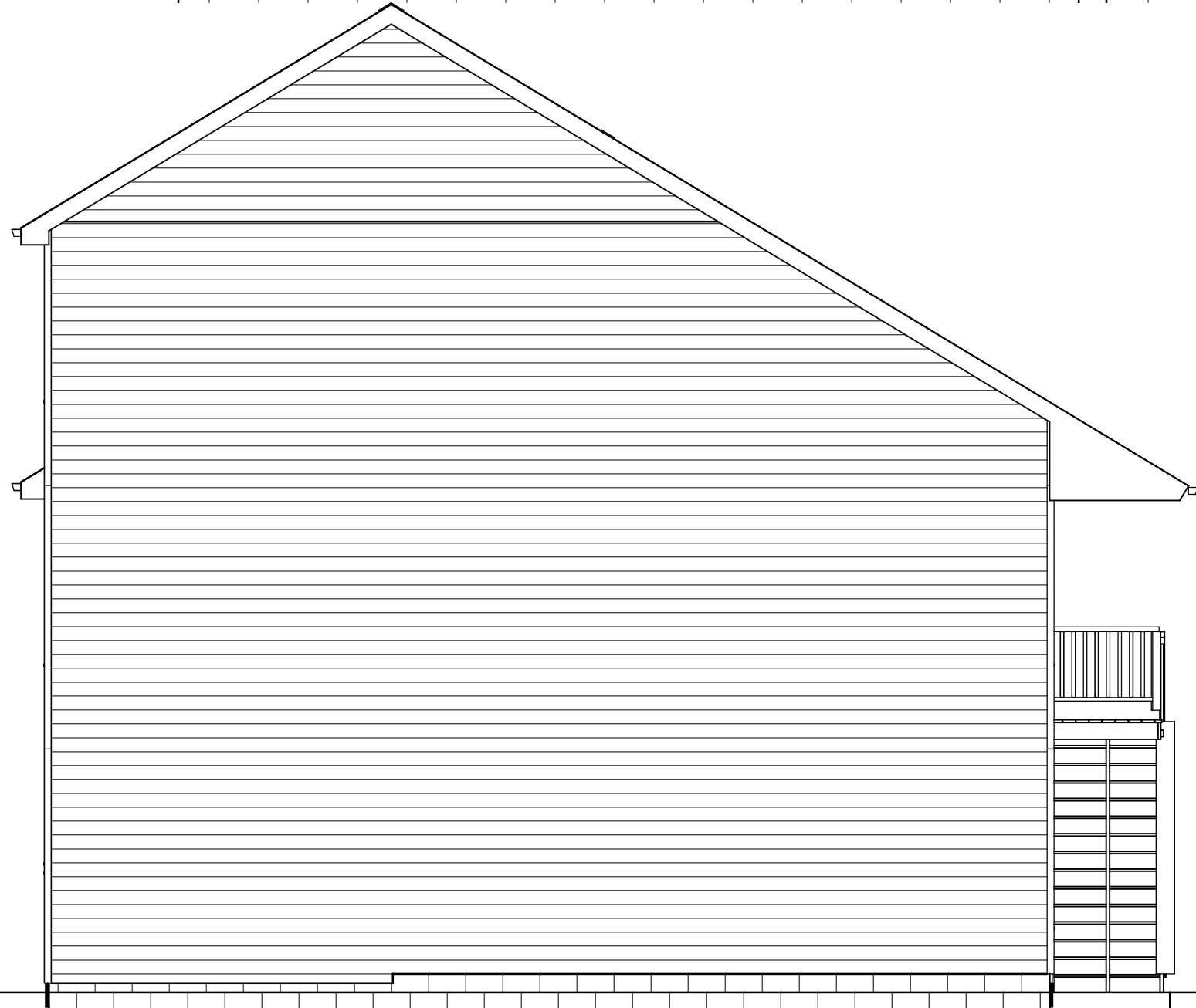
	With Tax Increment Financing	Without Tax Increment Financing
Receipts		
Rent	49,020	49,020
Operating Disbursements		
Utilities	-	-
Repairs	3,600	3,600
Trash	1,800	1,800
Landscaping & Snow	2,400	2,400
Insurance \$2k to \$3k	2,500	2,500
Management 7%	3,431	3,431
Real Estate Taxes - Existing	178	178
Real Estate Taxes - Increment	10,829	10,829
Total Operating Disbursements	24,738	24,738
TIF - Nonshreholder Capital Contribution	10,829	
Annual Debt Service - Non TIF	(24,156)	(27,720)
Annual Debt Service - TIF	(10,829)	-
Net Cash Flow	126	(3,438)

Exhibit D



FRONT ELEVATION

SCALE: 1/4" = 1'-0"



LEFT ELEVATION

SCALE: 3/16" = 1'-0"



RIGHT ELEVATION

SCALE: 3/16" = 1'-0"

8'-1 1/8" FIRST FLOOR HEIGHT
8'-1 1/8" SECOND FLOOR HEIGHT
8'-1 1/8" THIRD FLOOR HEIGHT

REAR ELEVATION

SCALE: 3/16" = 1'-0"

GENERAL NOTES

1. ALTHOUGH EVERY EFFORT HAS BEEN MADE IN PREPARING THESE PLANS AND CHECKING THEM FOR ACCURACY, IT IS THE PROJECT LEADS RESPONSIBILITY TO VERIFY THE ACCURACY OF ALL DETAILS AND DIMENSIONS.
2. THESE DRAWINGS ARE INTENDED TO CONFORM TO GENERALLY ACCEPTED BUILDING PRACTICES; HOWEVER, STATE AND LOCAL CODES VARY WIDELY AND ALL FEDERAL, STATE, AND LOCAL CODES, ORDINANCES, REGULATIONS, ETC. SHALL BE CONSIDERED AS PART OF THE SPECIFICATIONS OF THIS BUILDING, AND SHALL TAKE PRECEDENCE OVER ANYTHING SHOWN, DESCRIBED, OR IMPLIED. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY THAT ALL APPLICABLE BUILDING CODE REQUIREMENTS ARE BEING MET.
3. DO NOT SCALE DRAWINGS, USE ONLY THE PRINTED DIMENSIONS.
4. VERIFY WITH THE WINDOW MANUFACTURER ALL WINDOW SIZES AND APPLICABLE EGRESS REQUIREMENTS.
5. ALL DIMENSIONS ARE TAKEN FROM/TO ROUGH STUDS OF A DIMENSION OF EITHER 5 1/2" (2x6 STUDS), 3 1/2" (2x4 STUDS) OR TO THE OUTSIDE OF MASONRY.
6. DUE TO COORDINATION WITH FRAMING AND MECHANICAL INSTALLATIONS, FINAL DIMENSIONS MAY VARY SLIGHTLY FROM DIMENSIONS AS SHOWN ON CONSTRUCTION DRAWINGS.
7. THESE DRAWINGS INDICATE THE GENERAL SCOPE OF THE PROJECT IN TERMS OF ARCHITECTURAL DESIGN CONCEPT, INCLUDING THE DIMENSIONS OF THE BUILDING, THE MAJOR ARCHITECTURAL ELEMENTS AND THE TYPE OF STRUCTURAL SYSTEM. STRUCTURAL INTEGRITY OF THIS BUILDING IS SUBJECT TO REVIEW BY A QUALIFIED STRUCTURAL ENGINEER. AS SCOPE DOCUMENTS, THESE DRAWINGS DO NOT NECESSARILY INDICATE OR DESCRIBE ALL WORK REQUIRED FOR FULL PERFORMANCE AND COMPLETION OF THE REQUIREMENTS FOR CONSTRUCTION.
8. CONTRACTOR SHALL FURNISH ALL ITEMS REQUIRED FOR THE PROPER EXECUTION AND COMPLETION OF THE WORK, VERIFY ALL EXISTING CONDITIONS PRIOR TO THE START OF CONSTRUCTION, AND NOTIFY THE DESIGNER IMMEDIATELY OF ANY CONFLICTS OR FIELD CONDITIONS WHICH REQUIRE ALTERATION OF THESE PLANS PRIOR TO PROCEEDING WITH THE WORK. IN THE EVENT OF DIMENSIONAL DISCREPANCIES IN THE PLANS, THE FLOOR PLANS SHALL GOVERN.
9. BUILDERS IS NOT A PROFESSIONAL ENGINEERING OR ARCHITECTURAL FIRM. THESE PLANS ARE DRAWN ACCORDING TO THE CONTRACTOR/CLIENTS SPECIFICATIONS. ALL DIMENSIONS ARE TO BE VERIFIED BY CONTRACTOR.

www.erictholtdesign.com

720-555-7385

eric@ericholtdesign.com

PROJECT # 1640

COOPERATION CONTAINED WITHIN THESE DESIGN CONCEPTS ARE PROPERTY OF BUILDERS. INFORMATION IS NOT TO BE REPRODUCED OR USED WITHOUT WRITTEN CONSENT OF BUILDERS.

1-308-382-9656

Builders

LUMBER & BUILDING CENTER

PROJECT OWNERS: HEATH REINDERS

CONTRACTOR:

SHEET TITLE: ELEVATION PLAN

PROJECT DESCRIPTION: 4-PLEX APARTMENT

DRAWN BY: EAH

PLAN DATE: 6/13/16

PLOT DATE: 7/20/2016

PATA # P112243

SHEET: 1 OF 7

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

RESOLUTION NO. 230

**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 14th day of December, 2016.

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

By 
Chairperson

ATTEST:


Secretary

204. N. Carey, Think Smart Properties LLC

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

RESOLUTION NO. 231

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 6, from Think Smart Properties LLC for 204 N. Carey, (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 6;


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 14th day of December, 2016.

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

By 
Chairperson

ATTEST:


Secretary

204 N. Carey, Think Smart Properties, LLC

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

**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: 
Secretary

By: 
Chair

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

Kneale Administration Building



December 22, 2016

Mr. Chad Nabity, AICP
Director, Hall County Regional Planning Department
100 E 1st Street
P.O. Box 1968
Grand Island, NE 68802

Virgil D. Harden, RSBA, SFO
Chief Financial Officer
123 South Webb Road
P.O. Box 4904
Grand Island, NE 68802-4904

Phone: (308) 385-5900 x 1144
Fax: (308) 385-5949
Email: vharden@gips.org
Web: www.gips.org

Dear Chad:

Please accept this letter as Grand Island Public Schools official request to be notified in advance concerning Tax Increment Financing (TIF) projects that deal in any way with either a housing subdivision and/or apartment complex. After meeting with you and City of Grand Island officials we believe the best time to notify us would be when a TIF project application is received.

Grand Island Public Schools believes that used correctly TIF is an important and valuable long term economic development tool. However, the near term impact on the local school system must be balanced against the long term benefits of TIF projects. Especially those related to housing subdivisions and/or apartment complexes.

Grand Island Public Schools supports TIF projects for commercial purposes including, but not limited to, downtown and general redevelopment projects, retail space, manufacturing plants, production facilities, etc. Additionally, we support TIF projects for most residential projects. Our concerns are in part tempered by the realities of the poor quality of low income housing many of our patrons and their children currently occupy. We believe improving the housing quality for our lowest income families will have an ancillary positive impact on the children in the household and their educational endeavours with Grand Island Public Schools.

Please feel free to contact me should you have any comments, questions, or issues concerning this request or Grand Island Public Schools concerns with TIF projects that deal with housing subdivisions and/or apartment complexes.

Sincerely,

A handwritten signature in dark ink that reads "Virgil D. Harden". The signature is fluid and cursive, with the first name "Virgil" being the most prominent.

Virgil D. Harden, RSBA, SFO
Chief Financial Officer