



City of Grand Island

Tuesday, June 27, 2017

Council Session

Item E-4

**Public Hearing on an Amendment to the Redevelopment Plan for
CRA Area #1 for Site Specific Redevelopment Plan located at 201-
205 West 3rd Street (Hedde Building)**

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

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP
Meeting: June 20, 2017
Subject: Amendment to Redevelopment Plan for CRA Area #1
Presenter(s): Chad Nabity, AICP CRA Director

Background

In 2000, the Grand Island City Council declared property referred to as CRA Area #1 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

Hedde Building LLC, the owner of the Hedde Building has submitted a proposed amendment to the redevelopment plan that would provide for renovation and redevelopment of this property for commercial and residential uses at 201-205 W 3rd Street in Grand Island, Nebraska.

The CRA reviewed the proposed development plan on May 17, 2017 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on June 7, 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 June 7, 2017. The Planning Commission approved Resolution 2017-09 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island. The CRA forwarded the redevelopment plan along with the recommendation of the Planning Commission to the City Council for consideration by motion at its meeting on June 14, 2017.

Discussion

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

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area #1 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan amendment specifies that the TIF will be used to offset allowed costs for renovation and rehabilitation of this property for commercial office uses. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. There is more than \$2,400,000 of identified expenses eligible for tax increment financing associated with the proposed redevelopment plan amendment. The bond for this project will be issued for a period of 15 years and will end upon final payment of the bond principal and any associated interest. The proposed bond for this project will be issued for the expected TIF proceeds for the 15 year period of \$603,425.

Alternatives

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

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

Recommendation

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

Sample Motion

Move to approve the resolution as submitted.

**Redevelopment Plan Amendment
Grand Island CRA Area 1
May 2017**

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 201-205 W 3rd 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 Hedde Building located at 201-205 W 3rd Street into a mixed use building containing 16 one bedroom apartments on the second and third floors and commercial space on the first floor and 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. The addition of the residential units is consistent with the downtown redevelopment plan and priorities to add 50 residential units downtown by 2019. With these units, 31 new residential units have been proposed since 2015. This project would not be possible without the use of TIF.

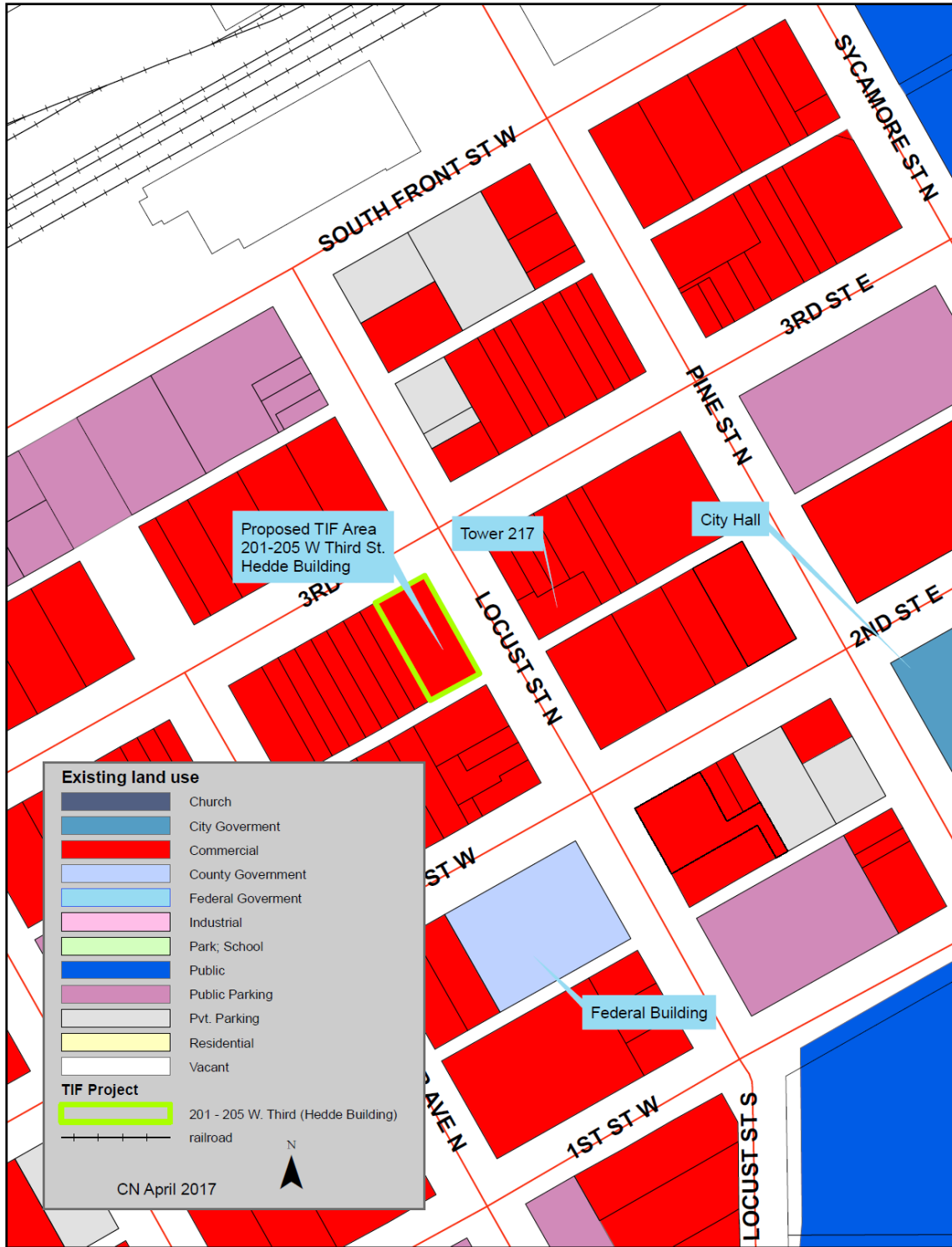
Hedde Building LLC is the owner of the property. Hedde Building LLC purchased this property in 2016. The purchase price is not included as an eligible TIF activity. The building is currently vacant. The developer is responsible for and has provided evidence that they can secure adequate debt-financing 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, 2019 towards the allowable costs and associated financing for the renovation of this building.

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

Property Description (the “Redevelopment Project Area”)

201-205 W 3rd Street in Grand Island Nebraska (Hedde Building)

Legal Descriptions: Lot One (1) in Block Sixty -Five (65) Original Town, Grand Island, Hall County, Nebraska



Existing Land Use and Subject Property

The tax increment will be captured for the tax years for which the payments become delinquent in years 2019 through 2033 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 June 7, 2017 and passed Resolution 2017-09 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:

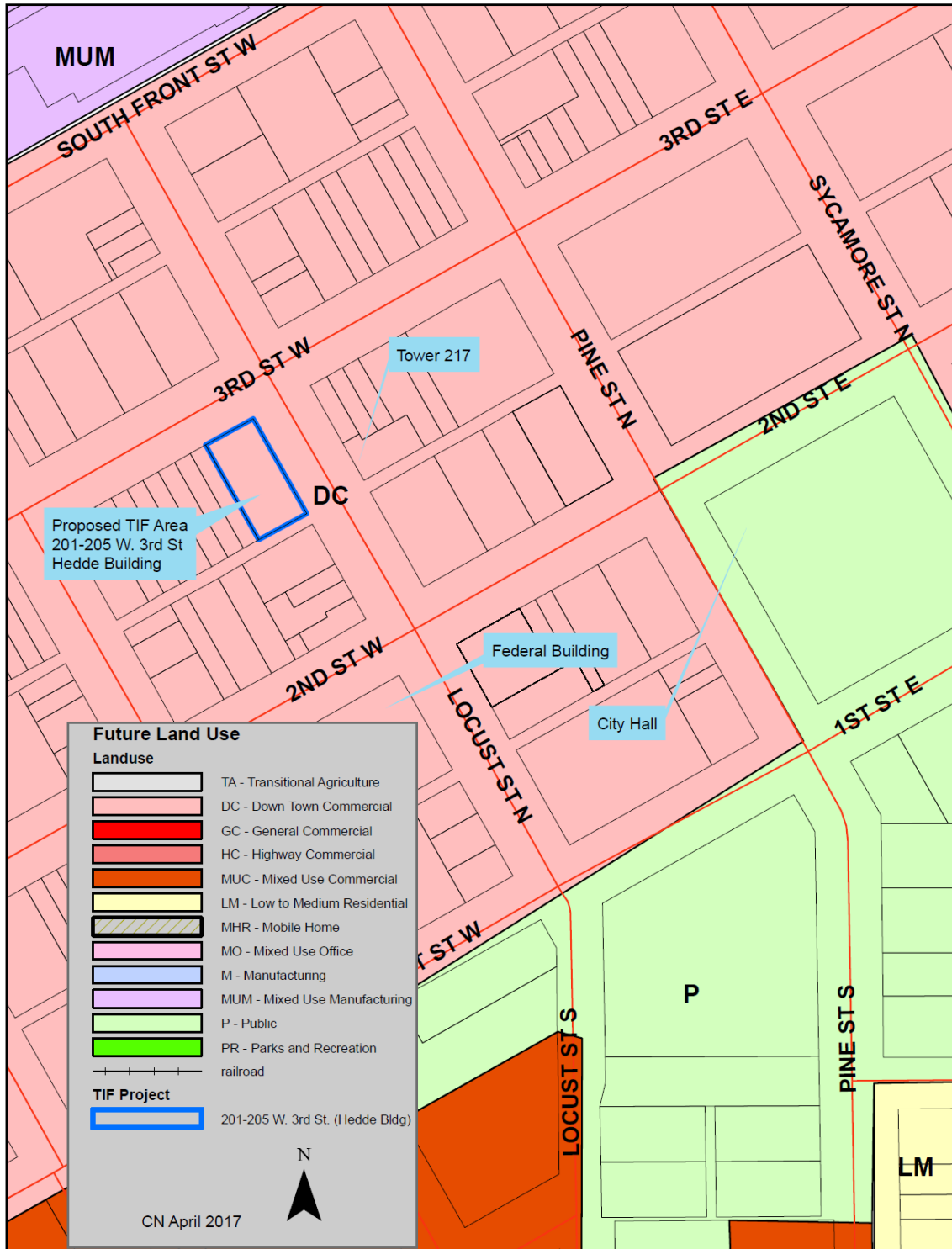
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

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] Sue Pirnie a member of the Authority is an investor in Hedde Building LLC. As an investor in the project she will recuse herself from any decisions regarding this project. No other 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 \$2,840,322 along with \$295,000 for site improvement and planning related expenses for Architectural and Engineering services of \$250,400 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$124,373 are included as TIF eligible expense. The total of eligible expenses for this project is \$3,510,095. The CRA has been asked to grant \$240,000 to this project to offset the cost of life safety improvements and \$300,000 for façade improvements. The total eligible expenses for this project less other grant funds by the CRA is \$2,970,095.

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 \$603,425 from the proceeds of the TIF it is anticipated that this will generate a loan of \$420,000. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2019 through December 2033.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

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

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

blighting conditions. This will accomplish the goal of both the Downtown Business Improvement District and the Grand Island City Council of increasing the number of residential units available in the Downtown area.

8. Time Frame for Development

Development of this project is anticipated to be completed between July 2017 and December of 2018. Excess valuation should be available for this project for 15 years beginning with the 2019 tax year.

9. Justification of Project

This is a 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 and basement will be used for commercial tenant space.

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 \$603,000 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 \$240,000 and an additional façade improvement grant of \$300,000. This investment by the Authority will leverage \$2,803,493 in private sector financing; a private investment of \$2.45 for every TIF and grant dollar investment.

Use of Funds.				
Description	TIF Funds	Other Grants	Private Funds	Total
Site Acquisition			\$150,000	\$150,000
Legal and Plan*			\$124,373	\$124,373
Engineering/Arch			\$250,400	\$250,400
Tenant Buildout/Furnishings			\$295,000	\$295,000
Renovation	\$603,425		\$1,696,897 ¹ⁱ	\$2,300,322
Life Safety		\$240,000		\$240,000
Façade		\$300,000		\$300,000
Financing Fees			\$88,000	\$88,000
Contingency			\$198,823	\$198,823
TOTALS	\$603,425	\$540,000	\$2,803,493	\$3,946,918

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2018, valuation of approximately \$101,218. Based on the 2016 levy this would result in a real property tax of approximately \$2,200. It is anticipated that the assessed value will increase by \$1,851,184 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$40,228 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 2018 assessed value:	\$ 101,218
Estimated taxable value after completion	\$ 1,952,402
Increment value	\$ 1,851,184
Annual TIF generated (estimated)	\$ 40,228
TIF bond issue	\$ 603,425

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

The redevelopment project area currently has an estimated valuation of \$101,218. The proposed redevelopment will create additional valuation of \$1,851,184. 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;

¹ This includes \$1,122,186 of Historic Tax Credits

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 as these are one bedroom units located downtown. 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, 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 July of 2017 and December 31 of 2018. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2019 with taxes due in 2020. 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 \$603,425 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 \$2,430,095 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.

RECEIVED
3-30-17



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Hedde Building LLC

Address: 432 South Stuhr Rd, Grand Island NE 68801

Telephone No.: 308-390-2455

Fax No.: NA

Contact: Amos Anson

Brief Description of Applicant's Business:

Historic, mixed use real estate developer

Present Ownership Proposed Project Site: Hedde Building LLC

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

Former Wayne's Pawn Shop building located at 201-205 W 3rd. Approximately 28,000 s.f, three story brick and wood framed structure on a 44'x132' lot in the downtown Railside district. The building is proposed to be renovated into a mixed use, historic property consisting of commercial on the main floor & basement, & sixteen apartments on the second and third floors.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ -
B. Building	\$ 150,000

Construction Costs:

A. Renovation or Building Costs:	\$ 2,840,322
B. On-Site Improvements: re-platting, demo, asbestos removal, tree removal, etc.	\$ 295,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 250,400	
B. Financing Fees: Closing costs, filing fees	\$ 88,000	
C. Legal/Developer/Audit Fees:	\$ 124,373	
D. Contingency Reserves:	\$ 198,823	
E. Other (Please Specify) TIF fees	\$ -	
	TOTAL	\$ 3,946,918

Total Estimated Market Value at Completion: \$ 2,380,000

Source of Financing:

A. Developer Equity:	\$ 83,480
B. Commercial Bank Loan:	\$ 1,781,251
Tax Credits:	
1. N.I.F.A.	\$ -
2. Historic Tax Credits	\$ 1,122,186

D. Industrial Revenue Bonds:	\$ -
E. Tax Increment Assistance:	\$ 420,000
F. Other (Life Safety, Façade)	\$ 540,000

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

Architect: **ALLEY POYNER MACCHIETTO, 1516 Cuming Street**

Omaha, NE 68102 402-341-1544 Jennifer Honebrink

Engineer: Olsson Associates, 201 E 2nd Grand Island, NE 68801 308-384-8750 Mike Spilinek

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

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

See Attached

Project Construction Schedule:

Construction Start Date: Q2 2017

Construction Completion Date: Q3 2018

If Phased Project:

_____ Year ___ % Complete

_____ Year ___ % Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Hedde Building LLC is requesting \$603,425 in TIF. The TIF will allow the project to cash flow and therefore be a success. The difference from item E and the amount requested stems from the expenses involved with borrowing money against the TIF note (closing costs, interest, fees, etc.)

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:

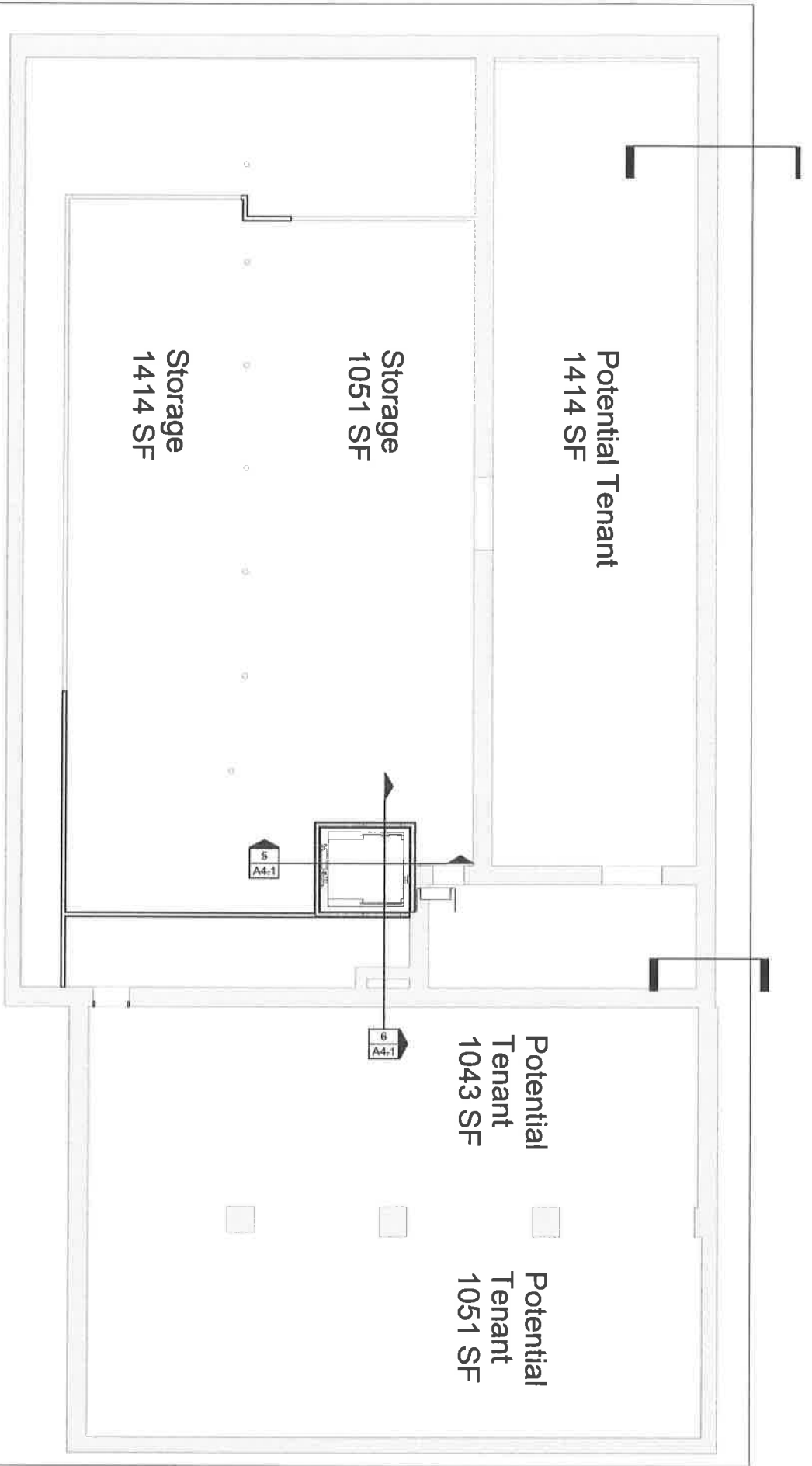
Tower 217 LLC: Charles Anson 308-850-2399

Peaceful Root: John Anson 308-227-2647

Wing Properties: Dean Pegg 308-398-2500

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

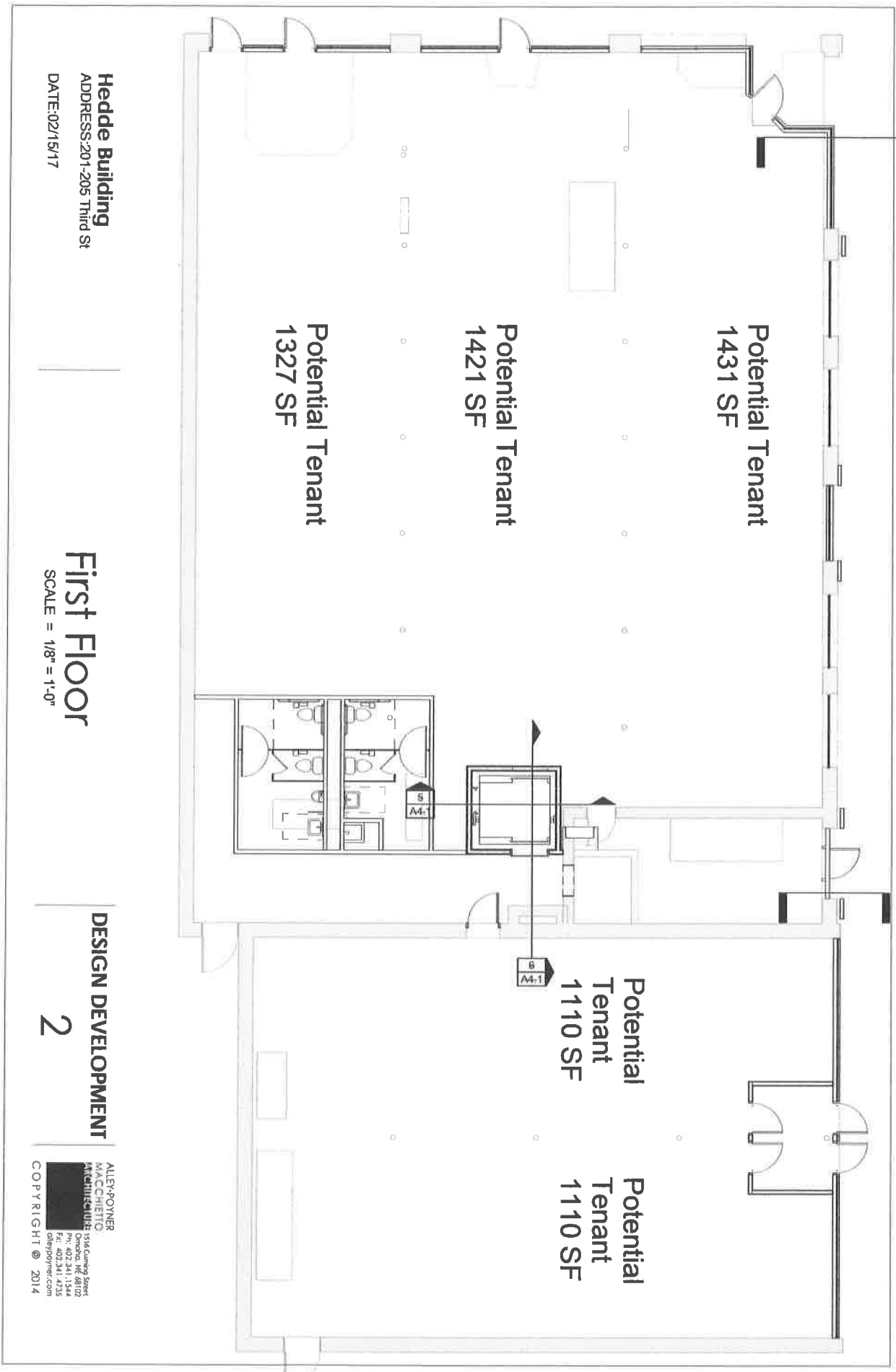


Hedde Building
 ADDRESS: 201-205 Third St
 DATE: 02/15/17

Basement Floor
 SCALE = 1/8" = 1'-0"

DESIGN DEVELOPMENT
 1

AILEY-POYNER
 MACCHIETTO
Architects
 1515 Cumby Street
 Omaha, NE 68102
 P: 402.341.1544
 F: 402.341.4735
 design@apn.com
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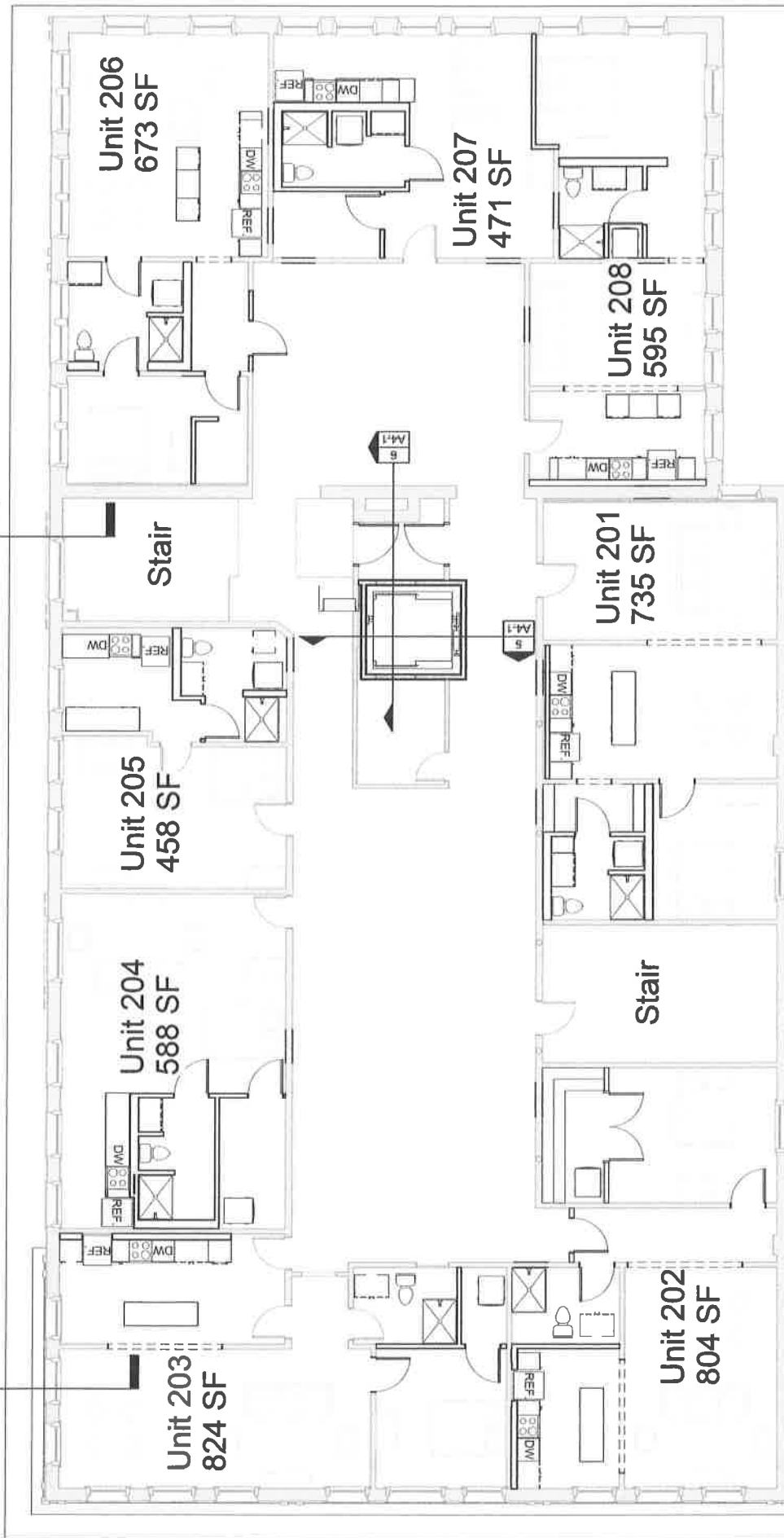


Hedde Building
 ADDRESS: 201-205 Third St
 DATE: 02/15/17

First Floor
 SCALE = 1/8" = 1'-0"

DESIGN DEVELOPMENT
 2

ALLEY-POYNER
 MACCHIETTO
 ARCHITECTS
 1516 Cuming Street
 Omaha, NE 68102
 Ph: 402.341.1544
 Fx: 402.341.4235
 info@apn.com
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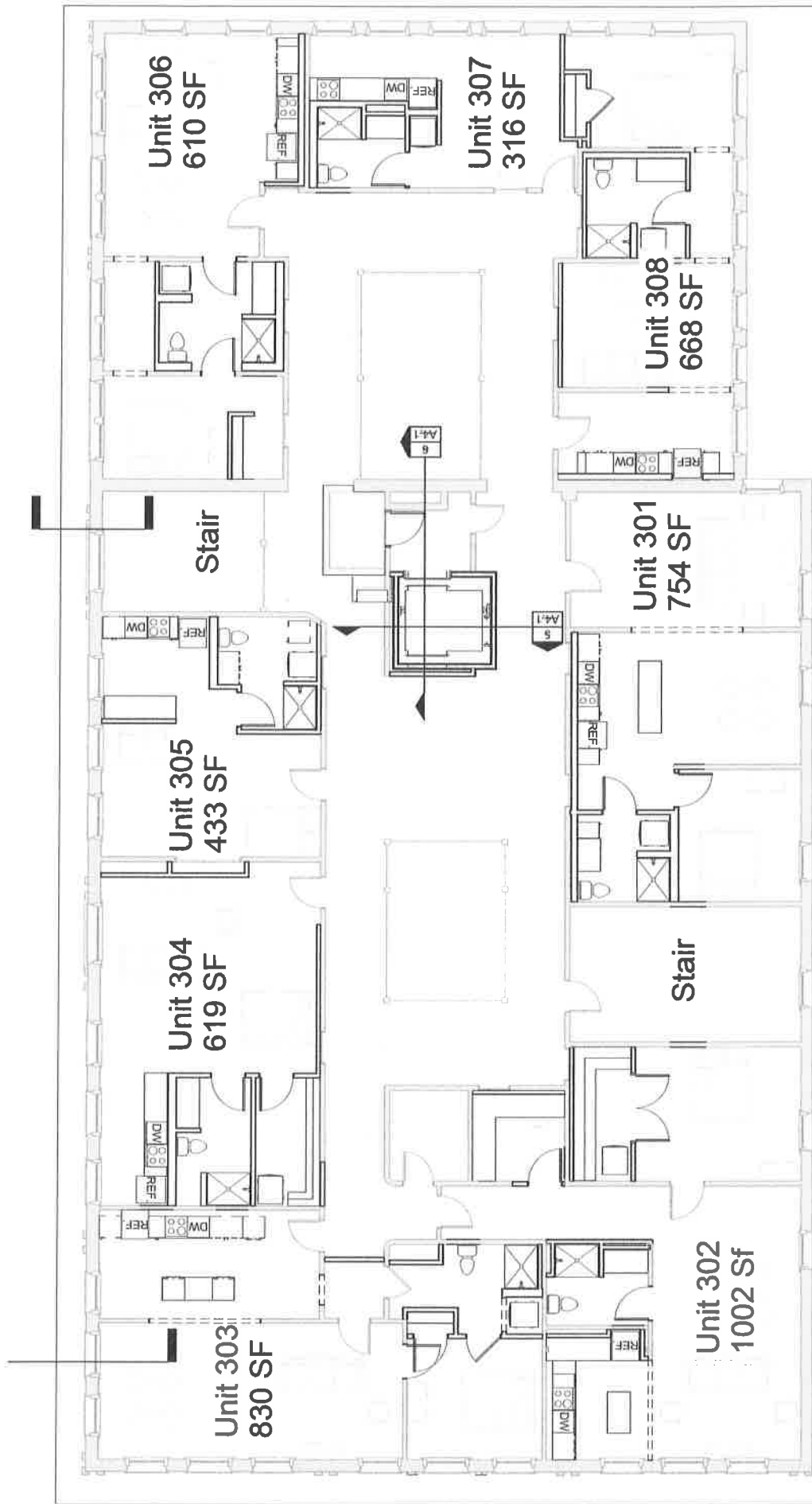
ALLEY-POYNER
 MACCHIETTO
 ARCHITECTURE
 1516 Cumby Street
 Omaha, NE 68102
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 FAX: 402.341.4725
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DESIGN DEVELOPMENT
 3

Second Floor
 SCALE = 1/8" = 1'-0"

Hedde Building
 ADDRESS: 201-205 Third St
 DATE: 02/15/17

12



ALLEY-POYNER
 MACCHIETTO
 ARCHITECTS
 1516 Curving Street
 Omaha, NE 68102
 P: 402.341.1214
 F: 402.341.1215
 alleyponer.com
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DESIGN DEVELOPMENT

4

Third Floor

SCALE = 1/8" = 1'-0"

Hedde Building
 ADDRESS: 201-205 Third St
 DATE: 02/15/17





HEDDE BUILDING FINANCIAL SUMMARY - ALL COSTS

USE OF FUNDS

TOTAL

PURCHASE OF BUILDING		150,000
CONSTRUCTION		2,840,322
CONTINGENCY		198,823
TENANT BUILDOUT		231,000
FURNISHINGS	Construction Costs: C	64,000
SURVEY		2,500
A & E		250,400
LEGAL		25,000
CONSULTING		60,000
ENVIRONMENTAL		2,000
COST CERTIFICATION		12,000
ACCOUNTING	Financing fees	10,000
CONSTRUCTION LOAN INTEREST		46,000
LOAN FEE		20,000
APPRAISAL		5,000
TITLE & RECORDING	Soft Costs: C	3,000
TAX CREDIT APPLICATION FEES		11,873
MARKETING		5,000
INSURANCE		10,000
		TOTAL 3,946,918

SOURCE OF FUNDS

BANK LOAN	1,781,251
TAX INCREMENT FINANCING LOAN	420,000
FEDERAL HISTORIC TAX CREDITS- 20%*	594,508
STATE HISTORIC TAX CREDITS- 20%*	527,678
OTHER GRANTS (FAÇADE, CRA)	540,000
OWNER EQUITY - INCLUDING CURRENT LOAN (\$200K)	83,480
	TOTAL 3,946,918

*NET AFTER SALE



**HEDDE BUILDING
FINANCIAL SUMMARY - ALL COSTS**

USE OF FUNDS	TOTAL
PURCHASE OF BUILDING	150,000
CONSTRUCTION	2,840,322
CONTINGENCY	198,823
TENANT BUILDOUT	231,000
FURNISHINGS	64,000
SURVEY	2,500
A & E	250,400
LEGAL	25,000
CONSULTING	60,000
ENVIRONMENTAL	2,000
COST CERTIFICATION	12,000
ACCOUNTING	10,000
CONSTRUCTION LOAN INTEREST	46,000
LOAN FEE	20,000
APPRAISAL	5,000
TITLE & RECORDING	3,000
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OTHER GRANTS (FAÇADE, CRA)	540,000
OWNER EQUITY - INCLUDING CURRENT LOAN (\$200K)	83,480
	TOTAL 3,946,918

*NET AFTER SALE

Base Value \$ 101,218
 Finished Value 1,952,402.00

Increment \$ 1,851,184

Tax Entity	Bond	2016 Levy	2016 Base Taxes
City Levy	City Bond	0.295283	\$299
CRA		0.0249	\$25
Hall County		0.026	\$26
Rural Fire	Fire Bond*	0.390572	\$395
			\$0
			\$0
GIPS School	2nd Bond	1.066267	\$1,079
	4th Bond	0.069541	\$70
	5th Bond	0.035164	\$36
ESU 10		0.084434	\$85
CCC		0.012743	\$13
CPNRD		0.095112	\$96
Ag Society		0.035817	\$36
Airport		0.002844	\$3
		0.00962	\$10
	Airport Bond	0.024821	\$25
Total Combined		2.173116	\$2,200

Years 15 Total Incr \$603,425.64

Tax Entity	Bond	2016 Levy	2016 Taxes
City Levy	City Bond	0.295283	\$5,466
CRA		0.0249	\$461
Hall County		0.026	\$481
Rural Fire	Fire Bond*	0.390572	\$7,230
			\$0
			\$0
GIPS School	2nd Bond	1.066267	\$19,739
	4th Bond	0.069541	\$1,287
	5th Bond	0.035164	\$651
ESU 10		0.084434	\$1,563
CCC		0.012743	\$236
CPNRD		0.095112	\$1,761
Ag Society		0.035817	\$663
Airport		0.002844	\$53
		0.009618	\$178
	Airport Bond	0.024821	\$459
Total Combined		2.173116	\$40,228

\$42,428
 19.28907902

Construction Proforma

Permit	\$ 5,000.00
Building cost	\$ -
Demo/windows/elevator pit	\$ 200,000.00
Carpentry Labor	\$ 43,680.00
Materials	\$ 316,994.85
Roof	\$ 79,750.00
Plumbing	\$ 275,000.00
HVAC	\$ 225,000.00
Electric	\$ 300,000.00
Insulation	\$ 31,000.00
Drywall Hang	\$ 48,268.80
Drywall Finish	\$ 48,268.80
Paint	\$ 129,600.00
Trim Labor	\$ 49,920.00
Cabinets	\$ 112,000.00
Countertops	\$ 32,000.00
Flooring Allowance	\$ 99,840.00
Lighting Allowance	\$ 32,000.00
Electronics	\$ 150,000.00
Fire Sprinklers	\$ 76,000.00
Concrete	\$ 20,000.00
Cornace- Top	\$ -
Cornace- Mid	\$ 10,000.00
Millwork/Tin ceiling	\$ 50,000.00
Elevator	\$ 160,000.00
Stairs to basement (outdoor)	\$ 26,000.00
Fire Alarm	\$ 20,000.00
Window repair	\$ 50,000.00
Sub Total	\$ 2,590,322.45
O&P, Developer fee	\$ 250,000.00
Total	\$ 2,840,322.45

OPERATING PROFORMA

ANNUAL RENTAL INC AVG/RENT		
1-Beds	\$908	\$54,465
Studios	\$632	\$22,755
1st Floor	14	\$89,586
Basement- full rent	14	\$20,034
Basement	4	\$19,872
	GROSS INCOME	\$206,712

VACANCY	\$12,403
EXPENSES	\$46,303
	<u>\$58,706</u>

NET OPERATING INCOME	\$148,006
DEBT SERVICE	\$116,150
CASH FLOW	<u>\$31,856</u>

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

RESOLUTION NO. 238

**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 Plan 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 17th day of May, 2017.

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

By 
Chairperson

ATTEST:


Secretary

201-205 W. Third, Hedde Building LLC

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

RESOLUTION NO. 239

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 Hedde Building LLC for 201-205 W. Third St. (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 1;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

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

Passed and approved this 17th day of May, 2017.

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

By 
Chairperson

ATTEST:


Secretary

201-205 W. Third St., Hedde Building LLC

Resolution Number 2017-09

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 201-205 W. Third St. by Hedde Building LLC** 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 finding;

The proposed use as described in this plan is in compliance with the Comprehensive Plan for the City of Grand Island.

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: June 7, 2017

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: 
Chair

By: 
Secretary

Secretary



May 3, 2017

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

Dear Virgil,

This letter is to inform you that the Community Redevelopment Authority (CRA) of the City of Grand Island has received an application requesting Tax Increment Financing (TIF) for an apartment complex in downtown Grand Island.

The application seeks \$420,000 in TIF assistance for the development of 16 one-bedroom apartments in the Hedde Building at 201-205 W. Third Street.

At present, the proposed timeline for approval would be as follows:

- CRA receives initial application, 4 p.m., May 17.
- Regional Planning Commission holds public hearing 6 p.m., June 7.
- CRA reviews Planning Commission recommendation, 4 p.m., June 14.
- Grand Island City Council holds public hearing and takes action, 7 p.m., June 27.
- CRA considers redevelopment contract, 4 p.m. July 12.

Additional notification will be provided to you prior to the public hearings. Should you have any questions or comments, please call me at (308) 385-5240.

Sincerely,

Chad Nabity, AICP
Director

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 black ink that reads "Virgil D. Harden". The signature is written in a cursive style.

Virgil D. Harden, RSBA, SFO
Chief Financial Officer