



Community Redevelopment Authority (CRA)

Wednesday, April 11, 2018
Regular Meeting

Item I1

**Redevelopment Plan Amendment CRA Area 12 Copper Creek
Phase 2 Resolutions 269 and 270**

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area #12
April 2018**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to approve a Redevelopment Plan for Area #12 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 #12.

**Executive Summary:
Project Description**

THE ORIGINAL PLAN FOR THIS DEVELOPMENT CALLED FOR THE COSTRUCTION OF UP TO 620 UNITS OF SINGLE FAMILY HOUSING WITH UP TO 239 WITH THE FIRST PHASE TO BE DEVELOPED AT MARKET DEMAND ESTIMATED AT 15 TO 30 UNITS PER YEAR. THE FINAL COUNT OF THE FIRST PHASE WILL BE 208 INSTEAD OF 239 AS THE LOT SIZES WERE INCREASED SLIGHTLY. AS OF APRIL 1, 2018 PERMITS HAVE BEEN PULLED FOR 193 HOUSES IN THIS PROJECT, 15 MORE LOTS ARE AVAILABLE AS PART OF THE FIRST PHASE. THE SECOND PHASE OF THIS DEVELOPMENT ANTICIPATES THE USE OF TAX INCREMENT FINANCING FOR THE NEXT 80 UNITS OF SINGLE FAMILY HOUSING. IT WAS ANTICIPATED AT THE BEGINNING OF THIS PROJECT THAT THERE WOULD BE ADDITIONAL PHASES THAT WOULD NEED APPROVAL. THE DEVELOPER HAS INDICATED THAT

THE CONSTRUCTION OF 80 UNITS OF SINGLE FAMILY HOMES. THE HOMES TO BE CONSTRUCTED WILL HAVE AN INTIAL SALE PRICE \$185,000 FOR THE BASE LEVEL HOME IN 2018 THAT MEETS THESE MINIMUM SPECIFICATIONS:

1300 SQUARE FEET FINISHED FIRST FLOOR, FULL UNFINISHED BASEMENT, 2 CAR ATTACHED GARAGE, KITCHEN APPLIANCES, CENTRAL HEATING AND AIR CONDITIONING, LANDSCAPING AND SPRINKLED LAWN.

THE HOUSES WILL BE CONSTRUCTED WITHIN THE COPPER CREEK SUBDIVISION LOCATED SOUTH OF OLD POTASH HIGHWAY AND EAST OF ENGLEMAN ROAD. THE PROJECT WILL INCLUDE THE PUBLIC IMPROVEMENTS NECESSARY TO SUPPORT THIS DEVELOPMENT INCLUDING BUT NOT LIMITED TO INSTALLATION OF STREET, STORMWATER FACILITIES, WATER AND SANITARY SEWER UTILITIES, ENGINEERING, SURVENYING, LANDSCAPING AND OTHER IMPROVEMENTS AS NECESSARY. THE CONSTRUCTION OF ADDITIONAL UNITS AND ANY AD VALORUM REVENUE GENERATED BY THOSE ADDITIONAL UNITS SHALL BE SUBJECT TO APPROVAL OF THE CITY AND SUBSEQUENT CONTRACTS BETWEEN THE CRA AND THE DEVELOPER.

The developer intends to use Tax Increment Financing to aid in site development including the purchase of the property, necessary site work, installation of streets, storm sewer, sanitary sewer, water, other utilities and engineering, surveying and other consultant costs associated with and necessary for the redevelopment of this property. The developer intends to build single family homes ranging from 1300 to 1500 square feet with an attached garage on each lot. The 2018 sale price of these homes will be \$185,000. The developer expects to build 80 units with five phases of development. The original approved preliminary plat for this project anticipated 620 homes. Some changes have been made to the proposed development. Phase 1 was reduced from 239 homes (plus the 5 house from the first attempt at developing this property) to 213 homes by increasing the lot sizes. Phase two anticipates 80 additional lots, the water tower site has reduced the number of lots in the southwest corner. The current approved preliminary plat shows plat an additional 244 lots that could be developed. The total number of lots based on current plans in the development is 537 lots for homes, 2 lots for utility purposes, 1 lot for detention and 1 for on-site storage of campers and boats belonging to residents of the subdivision.

The developer intends to install the infrastructure for phase two of this project in five intervals to create the 80 additional lots south of the existing streets. The second phase is designed to serve the next 80 lots and set the property up for development of up to 244 additional lots in the future. The tax increment from the new home construction will be used to make necessary site improvements and utility extensions to support this development. This project would not be possible in an affordable manner without the use of TIF.

The site is owned by Guarantee Group, LLC. All site work, demolition, streets and utilities will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work, engineering, surveying and utility and street infrastructure. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated beginning January 1, 2019 towards the allowable costs and associated financing for the acquisition, site work, streets and utility infrastructure. The CRA also intends to continue pledging ad valorem taxes generated by future phases of this development in future contracts for Tax Increment Financing during the life of this project.

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

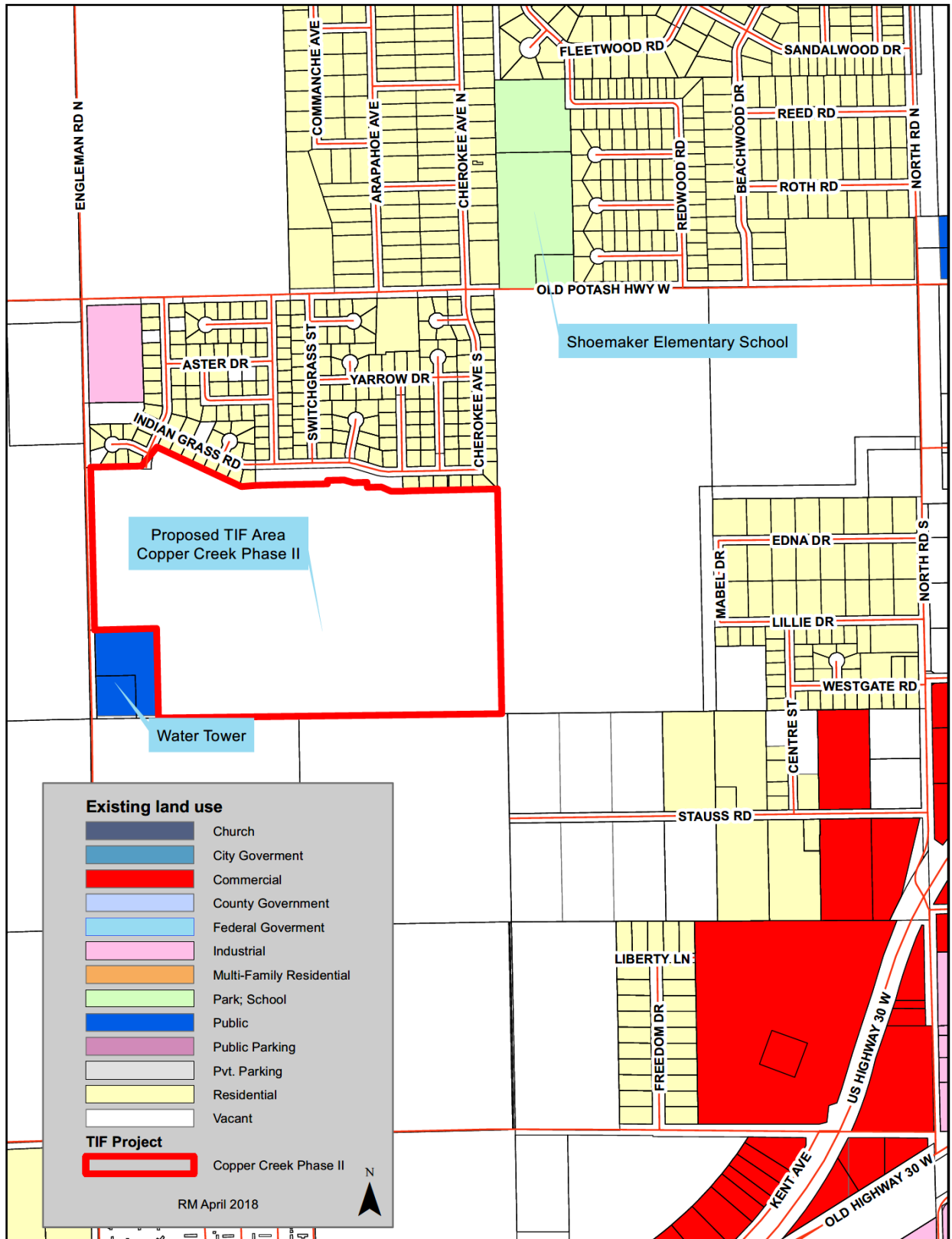
Property Description (the “Redevelopment Project Area”)

This property is located south of Old Potash Highway and east of Engleman Road in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

Legal Descriptions

A TRACT LOCATED IN PART OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 11 NORTH, RANGE 23 WEST OF THE 6TH PM, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A POINT 1,059.29' FEET SOUTH OF THE NORTHWEST CORNER OF SECTION 23 TOWNSHIP 11 NORTH, RANGE 10 WEST, HALL COUNTY, NEBRASKA ALSO BEING THE SOUTHWEST CORNER OF COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID COPPER CREEK ESTATES EIGHTH SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES EIGHTH SUBDIVISION; THENCE NORTH ALONG THE EASTERLY LINE OF SAID LOT 17 TO THE NORTHEAST CORNER OF LOT 17, COPPER CREEK ESTATES SUBDIVISION, ALSO BEING A POINT ON THE SOUTH LINE OF INDIAN GRASS ROAD AND THE SOUTH WEST CORNER OF COPPER CREEK ESTATES SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF SAID INDIAN GRASS ROAD TO THE NORTHWEST CORNER OF LOT 1, COPPER CREEK ESTATES SUBDIVISION; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1, TO THE SOUTHWEST CORNER OF LOT 1 COPPER CREEK SUBDIVISION; THENCE EAST ALONG THE SOUTH LINE OF LOTS 1-7 OF SAID COPPER CREEK ESTATES SUBDIVISION TO THE SOUTHEAST CORNER OF LOT 7 COPPER CREEK SUBDIVISION; THENCE SOUTH PARALLEL AND 35' WESTERLY OF THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23 TOWNSHIP 11 NORTH RANGE 10 WEST TO A POINT ON THE SOUTH LINE OF SAID NORTHWEST QUARTER AND 35' FEET WESTERLY OF THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE WESTERLY TO THE SOUTHEAST CORNER OF LOT 2, COPPER CREEK ESTATES NINTH SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF LOTS 1 & 2, COPPER CREEK ESTATES NINTH SUBDIVISION AND THE SOUTH LINE OF SAID NORTHWEST QUARTER TO SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF SECTION 23; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER TO THE PLACE OF BEGINNING. LESS AND EXCEPT ALL OF COPPER CREEK NINTH SUBDIVISION.



The tax increment will be captured for the tax years the payments for which become delinquent beginning in years 2020 and ending upon expiration of the final contract for construction of affordable housing.

The increase will come from the development single family homes on this property. Increases are anticipated from the next 80 houses to be building. The anticipated taxable valuation of this project at completion of the phase two 80 homes is \$18,400,000. The actual final valuation will be subject to appreciation and inflationary forces over the course of the development timeframe.

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, 2019 and the effective date of each subsequent contract and or contract amendment associated with this redevelopment plan.

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 May 14, 2013. [§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 purchase the property and install the required public infrastructure needed to develop the property in a manner consistent with the comprehensive plan and previously approved development plans.

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

a. Land Acquisition:

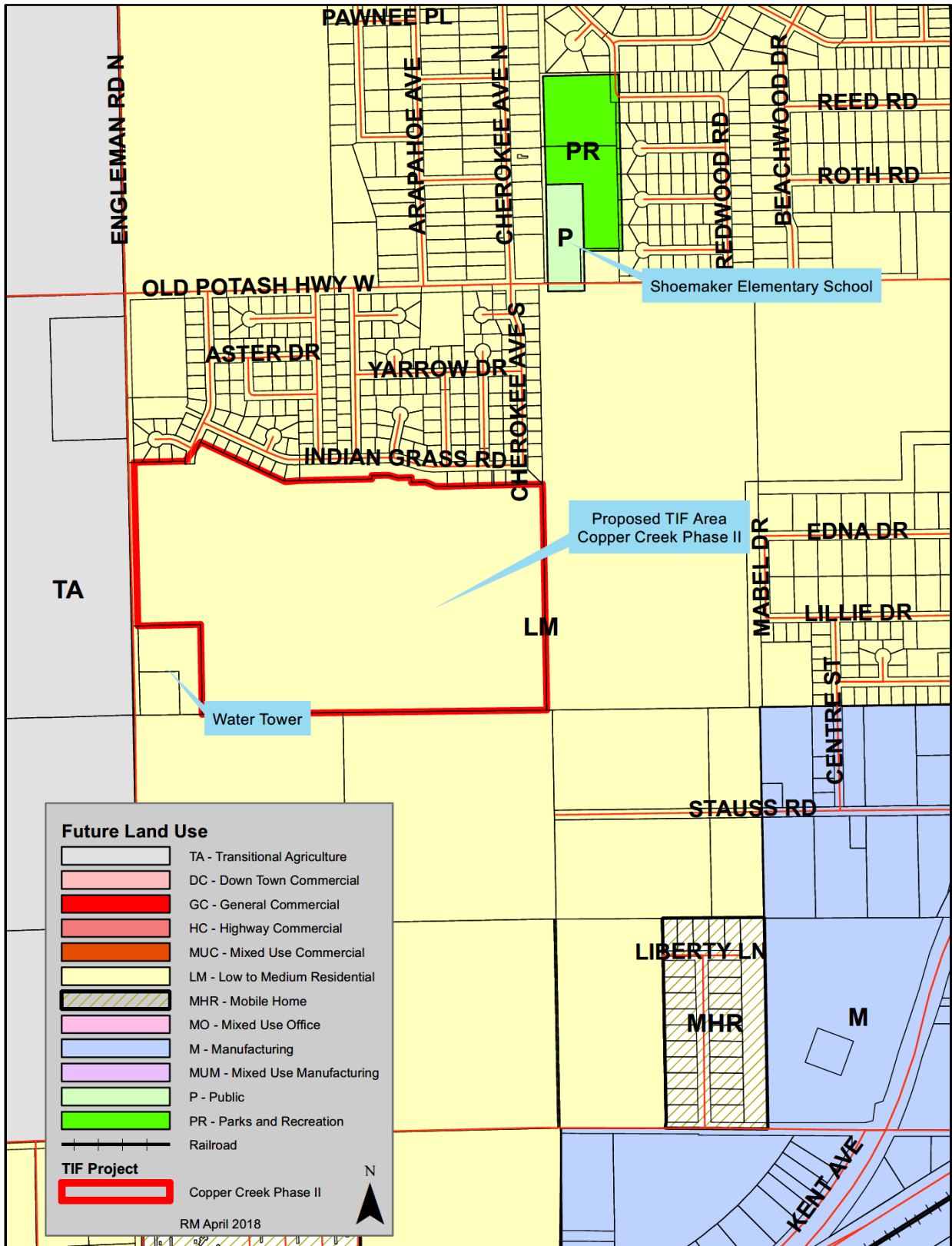
This amended Redevelopment Plan for Area #12 does not provide for real property acquisition. There is no proposed acquisition by the authority. The developer acquired the property as an expense included in the first redevelopment plan after approval of the first TIF contract.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for residential use consistent with R2 zoning district and the approved preliminary and final plats for this site. [§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 R2 Low Density Residential. No zoning changes are anticipated with this project. Additional streets will be constructed in a manner consistent with the approved preliminary and final plats for the property. 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. The single family residential is permitted in the current zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The R2 zoning district allows for the development of 1 dwelling unit per 6000 square foot of lot area. The platted and proposed lots are more than 6000 square feet in size but less than the 12,000 square feet that would be required for a 2 family dwelling. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No utilities would be impacted by the development. Water and sewer will need to be extended throughout the site. Extension of utilities is one of the planned uses for Tax Increment Financing.

Electric, gas, phone and cable utilities will be extended through the site as necessary to serve the development through agreements between those providers and the developer.

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 is in private ownership. This is vacant property that has been used for agricultural purposes. No individuals or families will be relocated as a result of this project. Additional housing will be created by the project. [§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]

Tom Gdowski a member of the CRA Board does not hold any interest in this property but works for Equitable Bank in Grand Island and may be involved in the financing of this project or houses sold within the project.

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 the entire site. The developer is estimating the costs TIF eligible for Phase 2 activities as shown below:

Cost for Tax Increment Financing Eligible Activities		
Planning (Architecture and Engineering)		245,000
Land	Acquired with Phase 1	
Legal/Developer/Audit Fees		275,000
City Fees		2,100
Subtotal		522,100
Grading and Infrastructure Phase 2		
Sanitary Sewer	732,346.5	
Water Main	794,191	
Paving and Storm	2,119,710.2	
Fill	586,500	
Subtotal		4,232,748
Total Eligible Expenses		4,754,848

The estimated costs for the eligible activities of this project are \$4,754,748. Site improvements including: utility improvements and site grading and fill of \$4,232,748 Architectural and Engineering planning services of \$245,000 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$277,100 are included as TIF eligible expense. The total of eligible expenses for this project is \$4,754,748.

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 an estimated sum of \$4,754,848 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, 2019 for a period that may extend through 15 years from the date of the final contract for this project.

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, in that it will allow for development consistent with the future land use plan for the City of Grand Island and the previously approved development of this site. The development of single family residential on this property is consistent with the property development along the north side of Old Potash Highway. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions such as incomplete infrastructure.

8. Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including the next 80 lots is expected to be complete with the phasing of the development. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of Phase two of the project will occur sometime between 2022 and 2030. Excess valuation should be available for this project beginning with the 2019 tax year.

9. Justification of Project

The housing vacancy rate in Grand Island has been hovering between 2% and 3% since at least 2000. Since the late 1980's, every housing study done in Grand Island has indicated a lack of housing and housing options in Grand Island. The market is providing for houses in the \$220,000 plus price range and almost 300 market rate apartments have been built in the last 2 years and there are currently plans for upwards of 250 new additional market rate apartments. Providers of elderly housing supported by Low Income Housing

Tax Credits all have waiting lists and applications for new projects are submitted to NIFA every year.

As of today (April 3, 2018), there 73 housing units (single family and condominium) on the market based on the Multiple Listing Service, at all price ranges (\$59,900 to \$499,000). Grand Island has almost 13,000 single family housing units, so less than 0.56% of the total units are currently available and on the market.

The projected price range of the houses to be built with this project puts them within the reach of people earning a family income of \$22 an hour and above. This price puts these houses within reach of people working at JBS Swift, many of the retail stores in the community, incoming teachers and many others that have trouble finding housing in Grand Island. The cost to develop lots in Grand Island, even the smaller lots that are proposed in this subdivision makes the development and sale of houses in this price range prohibitive without some kind of public private partnership.

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. Public funds from tax increment financing in the amount of \$4,754,848 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,852,962 in private sector financing and equity investment; a private investment of \$3.12 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	Acquired with Phase I		
Site Improvements/Utilities	\$4,232,747.7		\$4,232,747.7
New Construction Costs		\$13,360,000	\$13,360,000
Legal and Plan	\$275,000		\$275,000
Engineering/Arch	\$245,000		\$245,000
City Fees/Reimbursements	\$2,100		\$2,100
Financing Fees		\$1,492,962	\$1,492,962
TOTALS	\$4,754,848	\$14,852,962	\$19,607810

Tax Revenue. The property to be redeveloped has January 1, 2018, valuation of approximately \$504,382 for the 82 acres of undeveloped land. Based on the 2017 levy this would result in a real property tax of approximately \$11,360. It is anticipated that the assessed value will increase by \$18,400,000 upon full completion, as a result of the site

redevelopment. This development will result in an estimated tax increase of over \$414,450 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:	\$ 504,382
Estimated taxable value after completion	\$ 18,904,382
Increment value	\$ 18,400,000
Annual TIF generated (estimated)	\$ 6,217,000
TIF bond issue	\$ \$4,754,848

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

The proposed development of these houses will result in an estimated additional \$18,400,000 of taxable valuation based on an initial 2018 sale price of homes at \$185,000 including the value of the lot to bring total valuation to \$230,000 per unit. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities for life of those homes after the completion of the TIF contracts.

(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 need to be extended through the site but have sufficient capacity to support the development. The electric utility has sufficient capacity to support the development. **This development will have an impact on the Grand Island School system as it will likely result in increased attendance at all grade levels.** The average number of persons per household in Grand Island for 2012 to 2016 according the American Community Survey is 2.65. Eighty additional household would house 212 people. According to the 2010 census 19.2% of the population of Grand Island was between the ages of 5 and 18. If the averages hold it would be expected that there would be an additional 41 school age children generated by this development. According to the National Center for Educational Statistics¹ the 2015-16 enrollment for GIPS was 9,698 students and the cost per student in 2013-14 was \$12,343 of that \$5,546 is generated locally. The Grand Island Public School system has indicated that they will not oppose the development of this phase of the project and can accommodate the increase in enrollment. It is likely that they would not be able to absorb additional development without adding to school facilities. 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;

¹ https://nces.ed.gov/ccd/districtsearch/district_detail.asp?ID2=3100016

The proposed development will provide jobs for persons employed by the contractors that will be involved with the project. In 2015 the National Association of Home Builders estimated the impacts of each single family home built in a community at 3.94 FTE's 2.37 of which are direct impact employees. (NAHB Housing Policy Department, 2015). Using that number and an estimated construction schedule of 15 units per year, the direct impact of this project is the equivalent of a manufacturing facility employee base of 35.55 FTE's. This project will also supply housing at a price point that is affordable to those at or below the median income in Grand Island. The median income in Grand Island for 2016 according to the U.S. Census is \$49,118.

(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 should not have any measurable negative impacts on other employers or employees in 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.

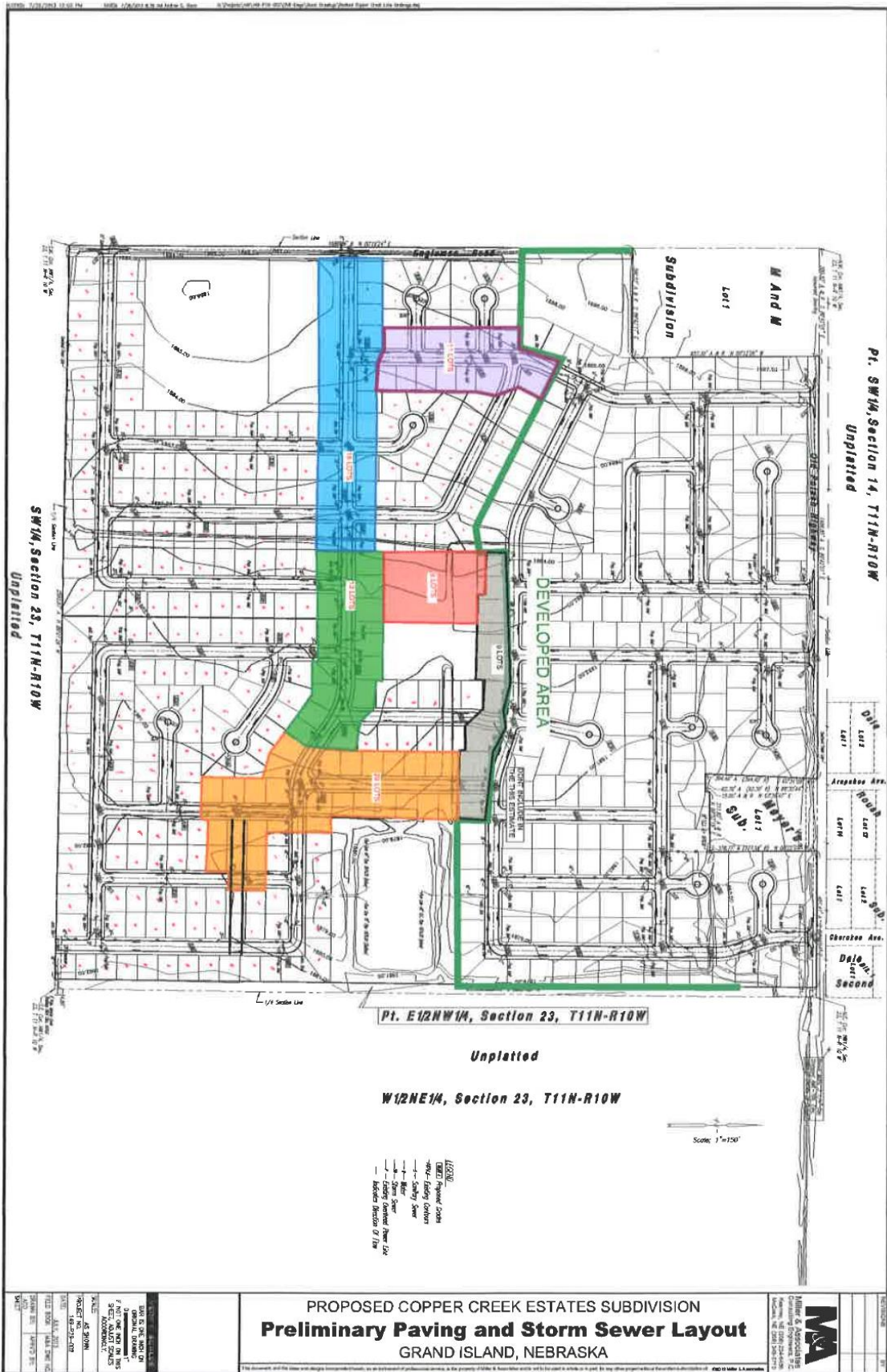
This will provide housing for residents of Grand Island in a much needed price range that is not being provided by the housing market. The 2014 housing study identified a need for over 1,700 new housing units including over 1000 owner occupied units. In 2015, 2016 and 2017 a total of 348 permits were issued for new single family homes in Grand Island. Without the use of TIF this project will not move forward. The cost for the required infrastructure for these 80 lots is estimated at \$4,232,748 or \$52,900 per lot. Portions of this development will potentially serve additional development in the future but all of the infrastructure is necessary to serve these 80 lots. The estimated cost of construction of these houses is \$167,000 (approximately \$130 per square foot) it is not possible to sell these houses for \$185,000 without a public private partnership. This project is not economically feasible without the use of TIF and can positively impact persons at or below the median income level within the City of Grand Island.

Time Frame for Development

Development of this project is anticipated to begin in June 2018. Infrastructure for this phase of the development, including completing streets and utilities for these 80 lots is expected to be complete by January 1, 2024. The base tax year should be calculated beginning in 2018 and each subsequent contract should be set in the year during which it is anticipated construction on the houses will begin. The developer expects to complete between 15 and 30 affordable single family dwelling units each year until completion of the subdivision. Expected completion of this project will occur sometime between 2022 and 2025. Excess valuation should be available for this project beginning with the 2019 tax year. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per each contract between the CRA. Contract periods shall not exceed 15 years. The amount of TIF excess distributed shall not exceed the actual cost of the TIF eligible

expenses incurred for this project including acquisition, streets, storm sewer, sanitary sewer, water, other necessary utilities, engineering, architecture and surveying, legal fees and interest associated with the TIF bonds.

Proposed Development Attached Subject to Final Platting and Approval





BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Guarantee Group L.L.C.

Address:

Physical Address: 1912 West Anna Street, Grand Island Nebraska

Mailing Address: P.O. Box 5916, Grand Island Nebraska

Telephone No.: 308-381-2497 Fax No.: 308-381-1285

Cell: 308-379-1482

Contact:

Sean O Connor

Brief Description of Applicant's

Business: Our team develops real estate and builds affordable homes.

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Present Ownership Proposed Project Site: The Guarantee Group L.L.C.

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

Our team is proposing to build 1,200 sqft. to 1,400 sqft. affordable homes on land that is developed using tax increment financing.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$0.00

B. Building \$0.00

Construction Costs:

A. Renovation or Building Costs: \$0.00

B. On-Site Improvements: \$4,232,747.70

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Soft Costs:

A. Architectural & Engineering Fees:	\$245,000.00
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B. Financing Fees:	\$1,492,961.79
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C. Legal/Developer/Audit Fees:	\$ 275,000.00
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D. Contingency Reserves:	\$ 164,000.00
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E. Other (Please Specify)	\$0.00
<hr/>	
TOTAL	\$6,409,709.49
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Total Estimated Market Value at Completion: \$230,000.00 x 80 = \$ 18,400,000.00

Source of Financing:

A. Developer Equity:	\$750,000.00
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B. Commercial Bank Loan:	\$ 4,232,747.70
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<u>Tax Credits:</u>	
1. N.I.F.A.	\$ 0.00
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2. Historic Tax Credits	\$ 0.00
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D. Industrial Revenue Bonds:	\$0.00
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E. Tax Increment Assistance: \$6,409,709.49

F. Other \$0.00

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

Engineer: Olsen Associates, 201 E. 2nd St. Grand Island, NE 68801

Developer: The Guarantee Group L.L.C., P.O. Box 5916 Grand Island, NE 68802-5916

General Contractor: Thriv Construction Inc., P.O. Box 5916 Grand Island, NE 68802-5916

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

Home Value: \$190,000.00 Taxes per Home: (211,600 x 0.0208 = 4,401.28)

Land & Improvement Value: \$40,000.00 Quantity of Homes: 80

Total: \$230,000.00

Assessed Value @ 92% of Total: \$211,600.00

Mill Levy: 0.0208

Total Taxes per Year: 80 x 4,401.28 = \$352,102.40

Project Construction Schedule:

Construction Start Date:

March 15, 2018

Construction Completion Date:

December 31, 2030

If Phased Project: Project may or may not be done in phases. Sales of homes will determine the speed of construction.

_____ 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:

The amount of Tax Increment Financing Requested is: \$6,409,709.49

1) Sanitary sewer - water main - storm sewer and pavement for 80 homes

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

for Proposed Project: This assistance lowers the price of development.

The lower cost of development allows the developer to reduce the cost of the home.

The lower cost of home is more affordable to our communities families.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or

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has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

City of Grand Island & Grand Island Community Redevelopment Authority

Phone: 308-385-5325 Fax: 308-385-5423

South Central Economic Development District (SCEDD)

Phone: 308-455-4770 Fax: NA Email: sharonh@scedd.us

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

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

Copper Creek Phase II
Sub No. 1 - 29 Lots

Diamond Engineering
Ben Thayer March 14, 2017
Revised 1 Nov 2017

Paving & Storm Sewer

6" Pavement	6285 SY	\$ 39.00	\$ 245,115.00
Integral Curb	2927 LF	\$ 2.65	\$ 7,756.55
Const Header	111 LF	\$ 18.00	\$ 1,998.00
48" RCP	960	\$ 190.00	\$ 182,400.00
24" RCP	264	\$ 67.00	\$ 17,688.00
18" RCP	250 LF	\$ 58.00	\$ 14,500.00
15" RCP	41 LF	\$ 50.00	\$ 2,050.00
48" FES	1 Each	\$ 3,210.00	\$ 3,210.00
18" FES	2 Each	\$ 1,440.00	\$ 2,880.00
Type "D" Inlet	7 Each	\$ 3,465.00	\$ 24,255.00
Junction Box	3 Each	\$ 4,000.00	\$ 12,000.00
Fill for Street	4315 CY	\$ 13.50	\$ 58,252.50
TV Inspection	1514 LF	\$ 1.55	\$ 2,346.70
		Total	\$ 574,451.75

Water Main

12" Water Main	1200 LF	\$ 63.00	\$ 75,600.00
8" Water Main	1651 LF	\$ 50.00	\$ 82,550.00
6" Water Main	160 LF	\$ 40.00	\$ 6,400.00
8" Elbow 22& 1/2 Degree	2 Each	\$ 810.00	\$ 1,620.00
12" x 6" Tee	3 Each	\$ 1,025.00	\$ 3,075.00
12" x 8" Tee	1 Each	\$ 1,125.00	\$ 1,125.00
Bell Block	3 Each	\$ 950.00	\$ 2,850.00
12" Plug	1 Each	\$ 875.00	\$ 875.00
8" Plug	1 Each	\$ 750.00	\$ 750.00
6" Plug	1 Each	\$ 575.00	\$ 575.00
12" Valve	2 Each	\$ 3,410.00	\$ 6,820.00
8" Valve	1 Each	\$ 2,045.00	\$ 2,045.00
6" Valve	1 Each	\$ 1,455.00	\$ 1,455.00
Fire Hydrant Assembly	5 Each	\$ 5,489.00	\$ 27,445.00
Water Service	29 Each	\$ 2,345.00	\$ 68,005.00
		Total	\$ 281,190.00

Sanitary Sewer

10" PVC	1500 LF	\$ 41.00	\$ 61,500.00
8" PVC	300 LF	\$ 35.00	\$ 10,500.00
Manhole	7 Each	\$ 4,422.00	\$ 30,954.00
Manhole Extra Depth	38.1 VF	\$ 450.00	\$ 17,145.00
10" Plug	2 Each	\$ 225.00	\$ 450.00
8" Plug	1 Each	\$ 200.00	\$ 200.00
Sewer Service	29 Each	\$ 1,500.00	\$ 43,500.00
TV Inspection	1800 LF	\$ 1.55	\$ 2,790.00
Dewatering	1800 LF	\$ 40.00	\$ 72,000.00
		Total	\$ 239,039.00

Dewatering	1325 LF	\$ 40.00	\$ 53,000.00
		Total	\$ 143,024.75
Fill For Lots			
Fill Material	16000 CY	\$ 7.50	\$ 120,000.00
Total Estimated Cost Sub No. 2 13 Lots			\$ 767,588.70
Cost per Lot			\$59,045.28

Sub No. 3 - 18 Lots

Paving & Storm Sewer

6" Pavement	7139 SY	\$ 39.00	\$ 278,421.00
Integral Curb	3043 LF	\$ 2.65	\$ 8,063.95
Const Header	259 LF	\$ 18.00	\$ 4,662.00
42" RCP	390 LF	\$ 156.00	\$ 60,840.00
36" RCP	470 LF	\$ 111.00	\$ 52,170.00
24" RCP	285 LF	\$ 67.00	\$ 19,095.00
18" RCP	160 LF	\$ 58.00	\$ 9,280.00
36" Plug	1 Each	\$ 150.00	\$ 150.00
24" Plug	1 Each	\$ 125.00	\$ 125.00
Type "D" Inlet	9 Each	\$ 3,465.00	\$ 31,185.00
Junction Box	1 Each	\$ 4,000.00	\$ 4,000.00
TV Inspection	1305 LF	\$ 1.55	\$ 2,022.75
Fill.for Street	1700 CY	\$ 13.50	\$ 22,950.00
		Total	\$ 492,964.70

Water Main

12" Water	485 LF	\$ 63.00	\$ 30,555.00
8" Water	675 LF	\$ 50.00	\$ 33,750.00
6" Water Main	870 LF	\$ 40.00	\$ 34,800.00
8" x 6" Tee	1 Each	\$ 550.00	\$ 550.00
8" x 6" Cross	2 Each	\$ 750.00	\$ 1,500.00
12" x 8" Tee	1 Each	\$ 1,125.00	\$ 1,125.00
12" x 6" Tee	2 Each	\$ 1,025.00	\$ 2,050.00
6" x 6" Tee	3 Each	\$ 500.00	\$ 1,500.00
12" Valve	2 Each	\$ 3,410.00	\$ 6,820.00
8" Valve	1 Each	\$ 2,045.00	\$ 2,045.00
6" Valve	6 Each	\$ 1,455.00	\$ 8,730.00
Bell Block	7 Each	\$ 700.00	\$ 4,900.00
12" Plug	1 Each	\$ 875.00	\$ 875.00
6" Plug	6 Each	\$ 575.00	\$ 3,450.00
Relocate Fire Hydrant	1 Each	\$ 2,610.00	\$ 2,610.00
Fire Hydrant Assembly	6 Each	\$ 5,489.00	\$ 32,934.00
Water Service	18 Each	\$ 2,345.00	\$ 42,210.00
		Total	\$ 210,404.00

Sanitary Sewer

10" PVC	840 LF	\$ 41.00	\$ 34,440.00
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TV	780 LF	\$ 1.55	\$ 1,209.00
		Total	\$ 94,170.00
Fill For Lots			
Fill Material	7500 CY	\$ 7.50	\$ 56,250.00
Total Estimated Cost Sub No. 4 11 Lots			\$ 462,668.45
Cost Per Lot \$42,060.77			

Sub No. 5 - 9

Paving			
6" Pavement	2401 SY	\$ 39.00	\$ 93,639.00
Integral Curb	1119 LF	\$ 2.65	\$ 2,965.35
Const Header	37 LF	\$ 18.00	\$ 666.00
Remove & Replace Pavement	75 SY	\$ 75.00	\$ 5,625.00
24" RCP	165 LF	\$ 67.00	\$ 11,055.00
15" RCP	150 LF	\$ 50.00	\$ 7,500.00
Type "D" Inlet	3 Each	\$ 3,465.00	\$ 10,395.00
Fill For Street	500 CY	\$ 13.50	\$ 6,750.00
TV Inspection	315 LF	\$ 1,055.00	\$ 332,325.00
		Total	\$ 470,920.35

Water Main			
6" Water Main	630 LF	\$ 40.00	\$ 25,200.00
6" Tee	1 Each	\$ 500.00	\$ 500.00
8" x 6" Tapping Sleeve & Valve	1 Each	\$ 3,000.00	\$ 3,000.00
Fire Hydrant Assembly	2 Each	\$ 5,489.00	\$ 10,978.00
Water Service	9 Each	\$ 2,345.00	\$ 21,105.00
Remove & Replace Pavement	85 SY	\$ 75.00	\$ 6,375.00
		Total	\$ 67,158.00

Sanitary Sewer			
8" PVC	445 LF	\$ 35.00	\$ 15,575.00
Manhole	2 Each	\$ 4,422.00	\$ 8,844.00
Manhole Extra Depth	8 VF	\$ 455.00	\$ 3,640.00
8" Plug	1 Each	\$ 200.00	\$ 200.00
Sewer Service	9 Each	\$ 1,500.00	\$ 13,500.00
Dewatering	445 LF	\$ 40.00	\$ 17,800.00
TV Inspection	445 LF	\$ 1.55	\$ 689.75
		Total	\$ 60,248.75

Fill For Lots			
Fill Material	7500 CY	\$ 7.50	\$ 56,250.00

Total Estimated Cost Sub No. 5 11Lots			\$ 654,577.10
Cost Per Lot \$59,507.01			

Total Project Cost			\$ 4,232,747.70
Cost Per Lot \$52,909.35			

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

RESOLUTION NO. 269

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT CONTRACT 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 April, 2018

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 2

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

RESOLUTION NO. 270

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT CONTRACT 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, from Guarantee Group L.L.C., (The "Developer") for redevelopment of Phase 2 of the Copper Creek Subdivision, 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 12;

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 April, 2018.

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 2