



City of Grand Island

Tuesday, April 23, 2019

Council Session

Item E-4

**Public Hearing on Amendment to the Redevelopment Plan for
CRA No. 1 located at 221-223 West Third Street – Greenburgers
Building (Wald Properties, LLC)**

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

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: April 23, 2019

Subject: Site Specific 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.

Wald 12 Properties LLC has submitted an application for tax increment financing to aid in the redevelopment of property on the 221-223 W 3rd Street the Greenburgers Building. The proposal would redevelop commercial space in the basement, main floor and rooftop with five one bedroom apartments on the second floor. Staff has prepared a redevelopment plan for this property consistent with the TIF application.

The CRA reviewed the proposed development plan on March 20, 2019 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on April 3, 2019. 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 April 3, 2019. The Planning Commission approved Resolution 2019-08 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 307 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 (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 and to find that this project would not be financially feasible at this location without the use of TIF. The redevelopment plan amendment specifies that the TIF will be used to offset allowed costs for redevelopment for improvements to and rehabilitation of this building for commercial and residential purposes. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for an 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. The bond for this project will be issued for a period of 15 years. The proposed bond for this project will be issued for the amount of \$530,004.

The developer has indicated that, if the project moves forward, it is anticipated that it will be financed at 5.75% fixed for 5 years. The loan would consist of a construction loan, converted (after completion) to a 60 month note. This interest rate is anticipated to be fixed for 5 years. It is further anticipated that payments on the loan will be amortized over 20 years and with a balloon payment at the end of the 5 years.

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 March 2019

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 A PORTION OF THE GREENBURGERS BUILDING LOCATED AT 221-223 W. 3RD STREET FOR COMMERCIAL AND RESIDENTIAL USES, INCLUDING ACQUISITION, 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 entire Greenburgers building located at 221-223 W. 3rd street for 5,588 square foot of space on each floor including the basement and roof. This project would not be feasible without the use of TIF.

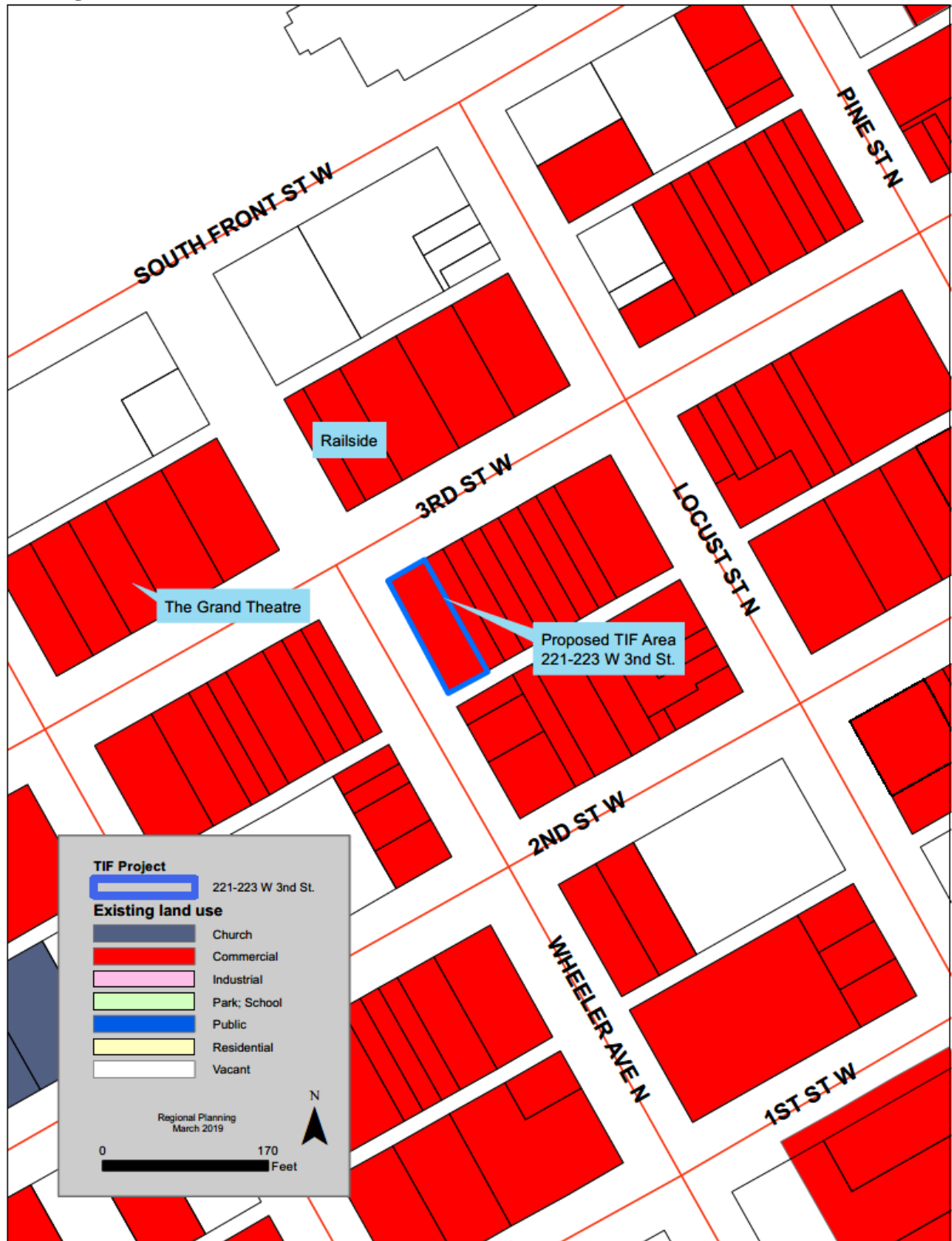
Wald 12 Properties LLC is purchasing this building. They are purchasing the property for \$165,000. The purchase price is included as an eligible TIF activity. The building is currently being vacated by the previous occupant. The developer is responsible for and has provided evidence that they can secure 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, 2020 towards the allowable costs and associated financing for rehabilitation.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:
Property Description (the “Redevelopment Project Area”)

The second floor and necessary first floor exits and entrances at 411 W. 3rd Street in Grand Island Nebraska. The actual legal will be provided with the master deed for the condominium.

Legal Descriptions: The west 2/3 of Lot Four (4) in Block Sixty-Five (65) in the Original Town, now City of Grand Island, Hall County, Nebraska.

Existing



Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2020 through 2034 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 portion of the 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 April 3, 2019 and passed Resolution 2019-08 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.** 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. The school district was notified of this plan amendment at the time it was submitted to the CRA for initial consideration.

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

a. Land Acquisition:

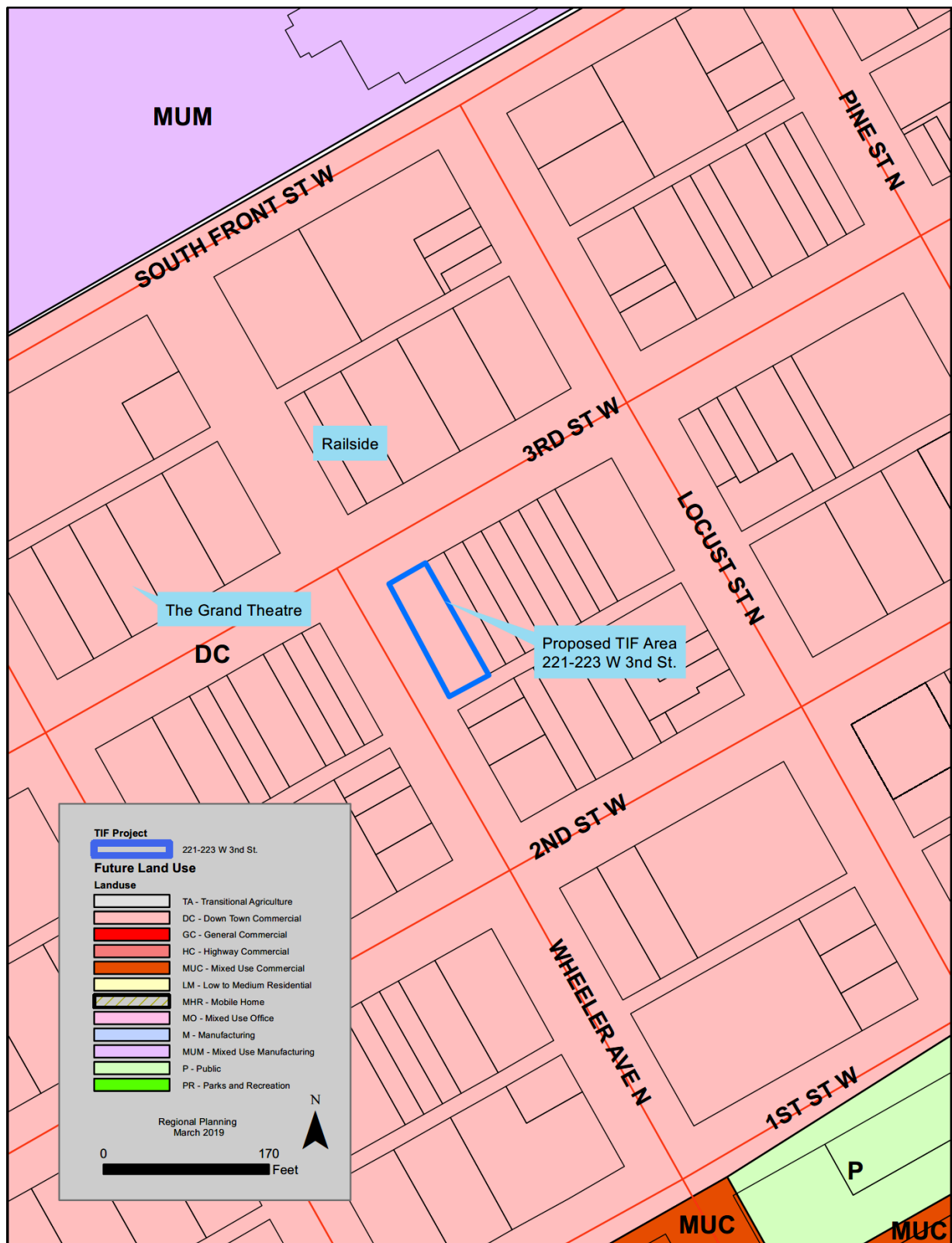
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. The developer has acquired the property and will be including acquisition as an eligible activity. There is no proposed acquisition by the authority.

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. Demotion of internal structures to accommodate the redevelopment is anticipated and permitted.

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. .

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 is vacant and has not been used for any residential purposes. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property.

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

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

The developer purchased the property through for \$165,000. The estimated costs of rehabilitation of this property is \$1,704,929, planning related expenses for Architectural and Engineering services of \$85,246 and are included as a TIF eligible expense. Legal, Developer and Audit Fees of \$5,600 for reimbursement to the City and the CRA for costs to prepare the contract and monitor the project over the course of the development are

included in the eligible expenses. . The total of eligible expenses for this project exceeds \$1,950,000.

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 \$530,004 from the proceeds of the TIF. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2021 through December 2034.

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 and refurbish street level commercial space that has been underutilized for several years as well as encouraging new roof top development that will add to the ambiance of Railside.

8. Time Frame for Development

Development of this project is anticipated to be completed between February 2019 and December of 2019. Excess valuation should be available for this project for 15 years beginning with the 2020 tax year.

9. Justification of Project

This is an historic building in downtown Grand Island that will be preserved with this project. The addition of new residential units 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 primary use of the street level space for commercial development is consistent with the long term development plans for Downtown. The addition of rooftop space will further enhance the Railside experience.

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 \$530,004 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. The Authority has also been asked to provide a life safety grant of \$75,000 the amount approved was reduced to \$50,000 due to budget constraints. This investment by the Authority will leverage \$1,599,534 in private sector financing; a private investment of \$2.74 for every TIF or grant dollar invested.

Use of Funds	Source of Funds.			
Description	TIF Funds	Other Grants	Private Funds	Total
Site Acquisition	\$165,000	—		\$165,000
Legal and Plan*	\$5,600			\$5,600
Engineering/Arch	\$85,246			\$85,246
Other*			\$87,517	\$87,517
Renovation	\$274,158		\$1,430,771	\$1,704,929
Life Safety		\$50,000		\$50,000
Façade				\$0
Contingency			\$85,246	\$85,246
TOTALS	\$530,004	\$50,000	\$1,603,534	\$2,183,538

*Other includes soft costs for private legal services, consulting on the TIF and construction, environmental review accounting, interest, financing fees, appraisal, title and hazard insurance and marketing.

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2019, valuation of approximately \$100,943. Based on the 2017 levy this would result in a real property tax of approximately \$2,274. It is anticipated that the assessed value will increase by \$1,568,647 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$35,344 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 2019 assessed value:	\$ 100,943
Estimated value after completion	\$ 1,669,590
Increment value	\$ 1,568,647
Annual TIF generated (estimated)	\$ 35,334
TIF bond issue	\$ 530,004

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

The redevelopment project area currently has an estimated valuation of \$100,943. The proposed redevelopment will create additional valuation of \$1,669,590. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools in any significant way. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers and a second exit actually reduce the chances of negative impacts to the fire department.

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

This will provide additional housing and commercial space 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 and will refurbish Downtown commercial space.

(e) Impacts on student populations of school districts within the City or Village:

This development will have a minimal impact on the Grand Island School system as it will likely not result in any increased attendance. The unit to be developed with this project is a one bedroom unit and unlikely to be a family unit, especially for families with school age children.

The average number of persons per household in Grand Island for 2012 to 2016 according the American Community Survey is 2.65. Each additional household in a one bedroom unit would likely house a maximum of two 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 two school age children generated by this development thought that is mitigated by the fact that these are 1 bedroom units.. 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. It is unlikely that there will be any school age children associated with this project.

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

This project is consistent the goals of the Council, the Downtown BID, the CRA, and Grow Grand Island to create additional housing units in downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed during between April of 2019 and December of 2019. The base tax year should be calculated on the value of the property as of January 1, 2019. Excess valuation should be available for this project for 15 years beginning in 2020 with taxes due in 2021. 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 \$530,004 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 \$1,950,000 on TIF eligible activities in excess of other grants given.

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



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Wald 12 Properties LLC

Address: 221-223 West 3rd st, Grand Island Ne 68801, Parcel 400005492

Telephone No.: 308-382-8622

Fax No.: _____

Contact: Tom Wald

Brief Description of Applicant's Business:

Wald 12 Properties is a real estate development company.

Present Ownership Proposed Project Site: Wald 12 Properties LLC

Proposed Project: Building square footage, size of property, description of buildings – materials, etc.

Please attach site plan, if available.

5,588 s.f. basement, 5,588 s.f. main floor 5,588 s.f. second floor & 5,588 s.f. roof, wood framed/
brick two story mixed use building, known as the Greenburger building.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 0
B. Building	\$ 165,000

Construction Costs:

A. Renovation or Building Costs:	\$1,704,929
B. On-Site Improvements:	\$
re-platting, demo, asbestos removal, tree removal, etc.	

Soft Costs:

A. Architectural & Engineering Fees:	\$85,246
B. Financing Fees:	\$
Closing costs, filing fees	
C. Legal/Developer/Audit Fees:	\$
D. Contingency Reserves:	\$ 85,246
E. Other (Please Specify)	\$87,517
See attached	
TOTAL	\$2,127,939

Total Estimated Market Value at Completion: \$ 1,930,101

Source of Financing:

A. Developer Equity:	\$ 165,000
B. Commercial Bank Loan:	\$ 1,533,366
Tax Credits:	
1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance:	\$ 354,573
F. Other	
Life Safety Grant	\$75,000

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

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

Structural Engineer: Mike Spilinek, Olsson Associates 201 E. Second Street Grand Island, NE 68801 308-384-8750

Architect: Toby Gay, Gay and Associates, 1470 31st ave. Columbus Ne 68601

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

See attached

Project Construction Schedule:

Construction Start Date: Q1 2019

Construction Completion Date: Q4 2019

If Phased Project:

_____ Year 50 % Complete

_____ Year 50% 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:

Wald 12 Properties is asking for \$530,004 in TIF. The purpose for the request is to get a loan against the TIF bond for construction. This will allow the project to cash flow and therefore be a success.

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed
Project: Without TIF assistance the project will not cash flow enough to justify the massive investment
and therefore will not be a successful business venture. See attached pro forma.

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:

NA

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

TIF CALCULATIONS

2017 Assessed Value
\$ 100,943

Finished Value
\$ 1,669,590

Increment
\$ 1,568,647

Tax Entity	Bond	2017 Levy	2017 Base Taxes	Total
City Levy		0.349845	\$353	
	City Bond	0.025768	\$26	\$379
CRA		0.02243	\$23	\$23
Hall County		0.390571	\$394	\$394
Rural Fire			\$0	
	Fire Bond*		\$0	\$0
GIPS School		1.08	\$1,090	
	2nd Bond	0.06834	\$69	
	4th Bond	0.034813	\$35	
	5th Bond	0.109327	\$110	\$1,304.67
ESU 10		0.012375	\$12	\$12
CCC		0.094302	\$95	\$95
CPNRD		0.03239	\$33	\$33
Ag Society		0.002828	\$3	\$3
Airport		0.009564	\$10	
	Airport Bond	0.019938	\$20	\$30
Total Combined		2.252491	\$2,274	\$2,274

Years

Tax Entity	Bond	2017 Levy	2017 Taxes
City Levy		0.349845	\$5,488
	City Bond	0.025768	\$404
CRA		0.02243	\$352
Hall County		0.390571	\$6,127
Rural Fire			\$0
	Fire Bond*		\$0
GIPS School		1.08	\$16,941
	2nd Bond	0.06834	\$1,072
	4th Bond	0.034813	\$546
	5th Bond	0.109327	\$1,715
ESU 10		0.012375	\$194
CCC		0.094302	\$1,479
CPNRD		0.03239	\$508
Ag Society		0.002828	\$44
Airport		0.009564	\$150
	Airport Bond	0.019938	\$313
Total Combined		2.252491	\$35,334

15 Total Incr

\$530,004

Effective useable percent	66.9%
Loan amount	\$354,573
Annual interest rate	5.750%
Loan period in years	15
Monthly payment	\$ 2,944.41
Total amount paid	\$529,993.80

Construction costs per square foot

	\$/s.f	s.f	
Main	\$86.30	5588	\$ 482,244
Apartments	\$118.81	5588	\$ 663,885
Basement	\$50.00	5588	\$ 279,400
Roof	\$50.00	5588	\$ 279,400
<u>Total</u>			<u>\$1,704,929</u>

WITH TIF LOAN

USE OF FUNDS		TOTAL
PURCHASE OF BUILDING		\$165,000
CONSTRUCTION		\$1,704,929
CONTINGENCY		\$85,246
TENANT ALLOWANCE		\$0
A&E		\$85,246
SOFT COSTS		\$87,517
TOTAL		\$2,127,939
SOURCE OF FUNDS		
BANK		\$1,533,366
TIF LOAN		\$354,573
FEDERAL HISTORIC TAX CREDITS		\$0
STATE HISTORIC TAX CREDITS		\$0
CRA GRANTS		\$75,000
OWNER EQUITY&CASH		\$165,000
TOTAL		\$2,127,939
OPERATING PROFORMA		
ANNUAL RENTAL INCOME		
Rooftop	\$29,040	
5-One Bed apartm	\$72,864	
1st Floor	\$83,820	
Basement	\$50,292	
	GROSS INCOME	\$236,016
	VACANCY	\$7,080
	EXPENSES	\$74,527
		\$81,608
DSCR	1.20	
	NET OPERATING INCOME	\$154,408
	DEBT SERVICE	\$129,186
	CASH FLOW	\$25,222

WITHOUT TIF LOAN

USE OF FUNDS		TOTAL
PURCHASE OF BUILDING		\$165,000
CONSTRUCTION		\$1,704,929
CONTINGENCY		\$85,246
TENANT ALLOWANCE		\$0
A&E		\$85,246
SOFT COSTS		\$87,517
		\$0
TOTAL		\$2,127,939
SOURCE OF FUNDS		
BANK		\$1,784,810
TIF LOAN		\$0
FEDERAL HISTORIC TAX CREDITS		\$0
STATE HISTORIC TAX CREDITS		\$0
CRA GRANTS		\$75,000
OWNER EQUITY&CASH		\$268,129
TOTAL		\$2,127,939
OPERATING PROFORMA		
ANNUAL RENTAL INCOME		
Rooftop	\$29,040	
5-One Bed apartm	\$72,864	
1st Floor	\$83,820	
Basement	\$50,292	
	GROSS INCOME	\$236,016
	VACANCY	\$7,080
	EXPENSES	\$74,527
		\$81,608
DSCR	1.03	
	NET OPERATING INCOME	\$154,408
	DEBT SERVICE	\$150,370
	CASH FLOW	\$4,038

SOFT COSTS

Legal	\$5,000
Consulting	\$6,000
Environmental	\$1,500
Accounting	\$2,000
Interest	\$49,017
Loan fee	\$5,000
Appraisal	\$5,000
Title and recording	\$1,500
Marketing	\$2,500
Insurance	\$10,000
Total	\$87,517

EXPENSES

Property Taxes	\$35,334
BID Taxes	\$9,876
Parking Taxes	\$597
Insurance	\$10,000
Utilities	\$1,200
Management	\$11,801
Maintenance	\$4,720
Elevator	\$1,000
Total	\$74,527



www.5pointsbank.com

February 15, 2019

To Whom It May Concern,

This letter is to confirm Five Points Bank extended credit to Wald 12 Properties LLC in connection with the renovation of 221-223 W. Third St., Grand Island NE 68801. To date, Five Points Bank has extended the following:

- \$133,000 for the purchase of the building

We believe in the project and continue to work closely with Thomas J. Wald and Wald 12 Properties LLC. If you have any questions or concerns, please feel free to contact me directly at 308.389.8718

Sincerely,

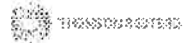
Kevin R. Werner
Vice President

KRW/df.

HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card



Data Provided By: KRISTI WOLD County Assessor. Printed on 02/12/2019 at 03:17:58P

Parcel Information

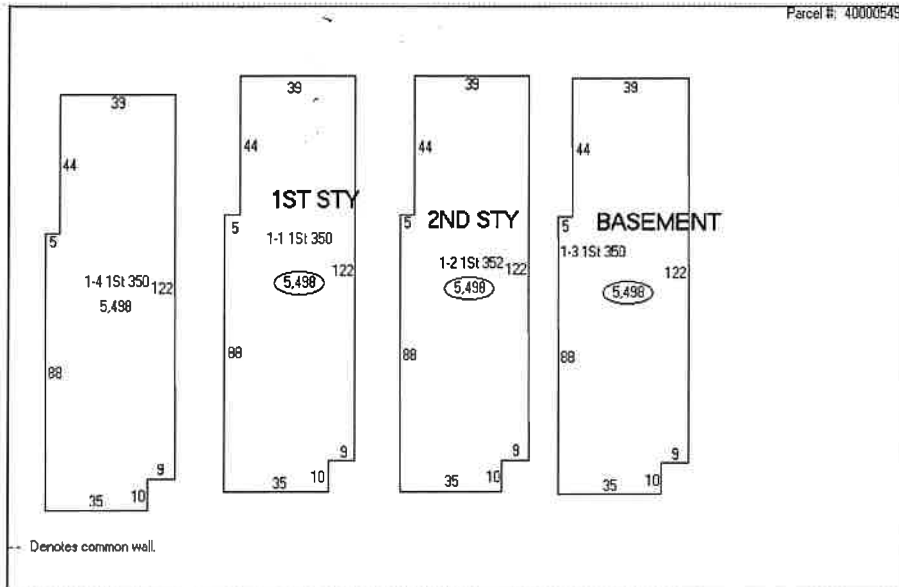
Parcel Number 400005492
Map Number 3315-00-0-10001-065-0009
Situs 221-00223 W 3RD
Legal ORIGINAL TOWN W 2/3 LT 4 BLK 65

Ownership Information

Current Owner WALD 12 PROPERTIES LLC
Address 4061 SANDALWOOD DR
City St. Zip GRAND ISLAND NE 68803-
Cadastral # 0001-0050-0152

Property Data

Neighborhood	105	Topography		Number of Units	5808
Lot Width	44	Street		Unit Value	2.68
Lot Depth	132	Utilities		Adjustment	
Units Buildable	5808	Amenities 1		Lot Value	15,561
Value Method	SF	Amenities 2			



Building Data

Bldg.	Sec.	Code	Description	Year	Cts.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys.	Func.	RCNLD
			ELEV, ELEC, PASSNG	2019				1				110,100			110,100
1	1	350	RESTAURANT	1890	C	200	40	5,498	352	1	16	634,194	35%		412,226
1	2	352	RESIDENCE, MULTIPLE	1890	C	200	40	5,498	352	1	14	351,762	35%		228,645
1	3	350	RESTAURANT	1890	C	200	40	5,498	352	1	14	610,113	35%		396,573
1	4	350	RESTAURANT - Roof	1890	C	200	30	5,498	352	1		547,876	35%		356,119

Cost Approach From Marshall & Swift

Total Building Area	21,992
Total Building RCN	2,143,945
Total Refinements	110,100
Total Replacement Cost New	2,254,045
Total Phys. & Func. Depreciation	(750,382)
RCN Less Phys. & Func.	1,503,663
Economic Depreciation	-10%
Accrued Economic depreciation	150,366
Total RCN Less Depreciation	1,654,029
Additional Lump Sums	
Land Value	15,561
Total Cost Value	1,669,590
Value Per Res Unit	
Value Per Sq. Ft.	75.92

Potential Gross Income

Contract	Market
Vacancy & Collection Loss	10.00% 1,429
Effective Income	12,866
Total Expenses	35.00% 4,503
Net Operating Income	8,363
Capitalization Rate	12.00%
Income Approach	69,692
Final Value Reconciliation	1,669,590

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

HALL COUNTY ASSESSOR'S OFFICE

TerraScan Sketch Form

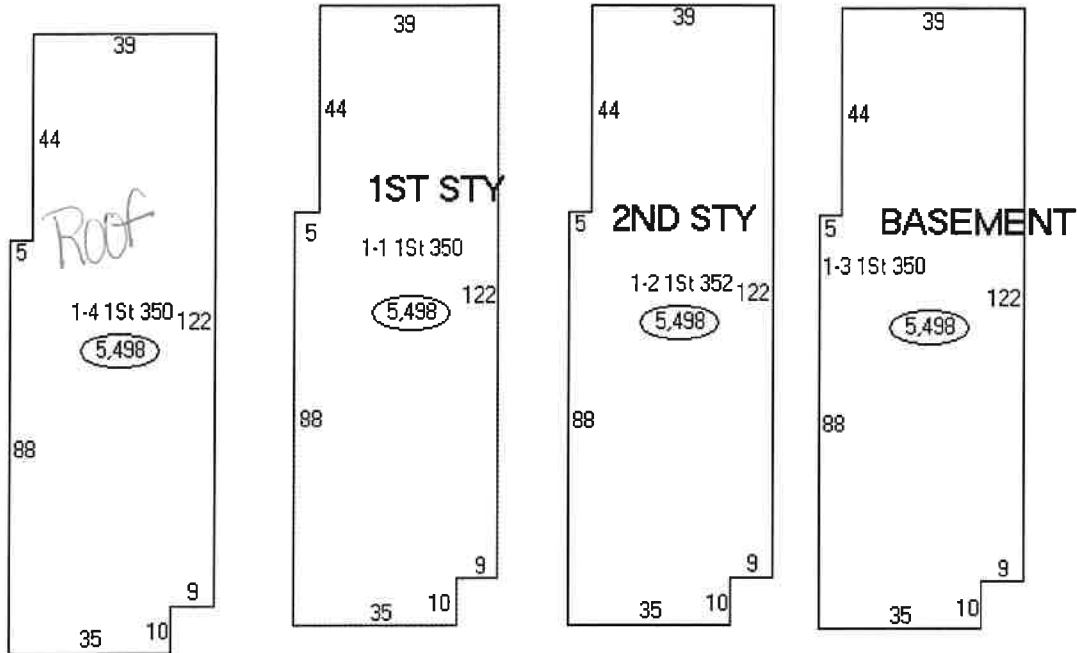


Data Provided By: KRISTI WOLD County Assessor. Printed on 02/12/2019 at 03:18:46P

Parcel # 400005492
Owner WALD 12 PROPERTIES LLC
Address 4061 SANDALWOOD DR
 GRAND ISLAND NE 68803-

Map # 3315-00-0-10001-065-0009
Situs 221-00223 W 3RD
Legal ORIGINAL TOWN W 2/3 LT 4 BLK 65

Parcel #: 400005492



-- Denotes common wall.

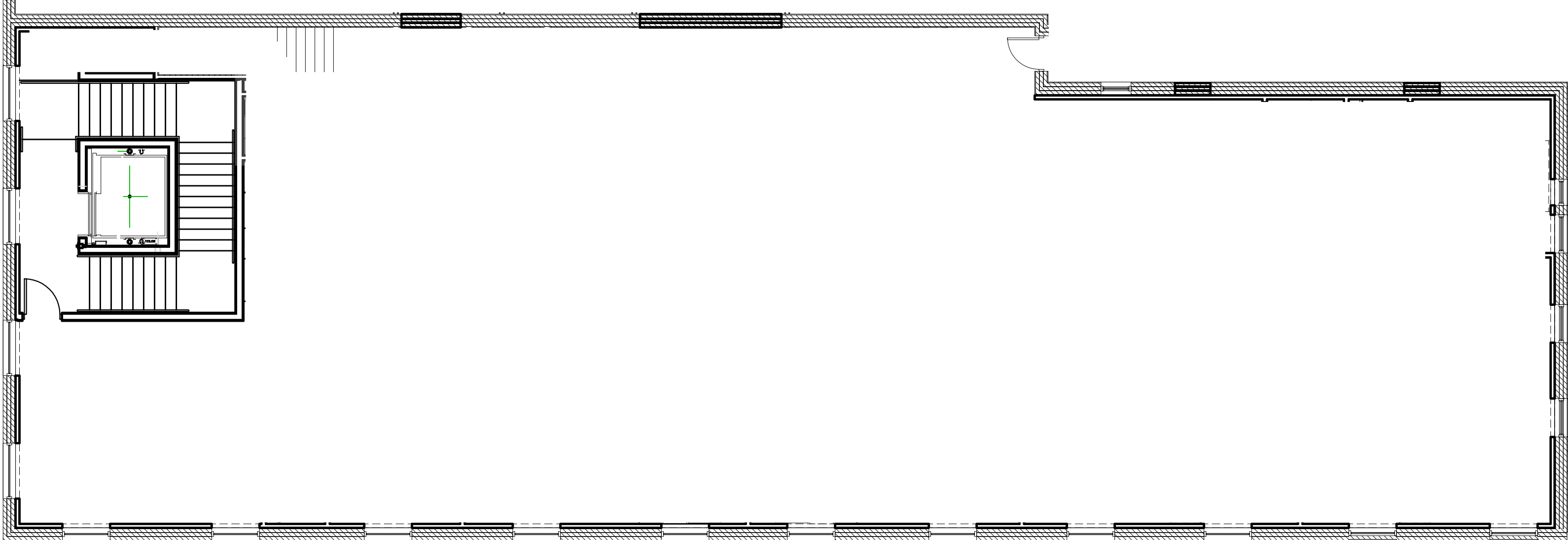
Description	Base Area	Total Area
Restaurant	5,498	5,498
Residence, Multiple	5,498	5,498
Restaurant	5,498	5,498
Restaurant	5,498	5,498
Area Summary		
Base Area		21,992
Total Area		21,992
Basement Area		0
Garage Area		0
Porches/Other		0

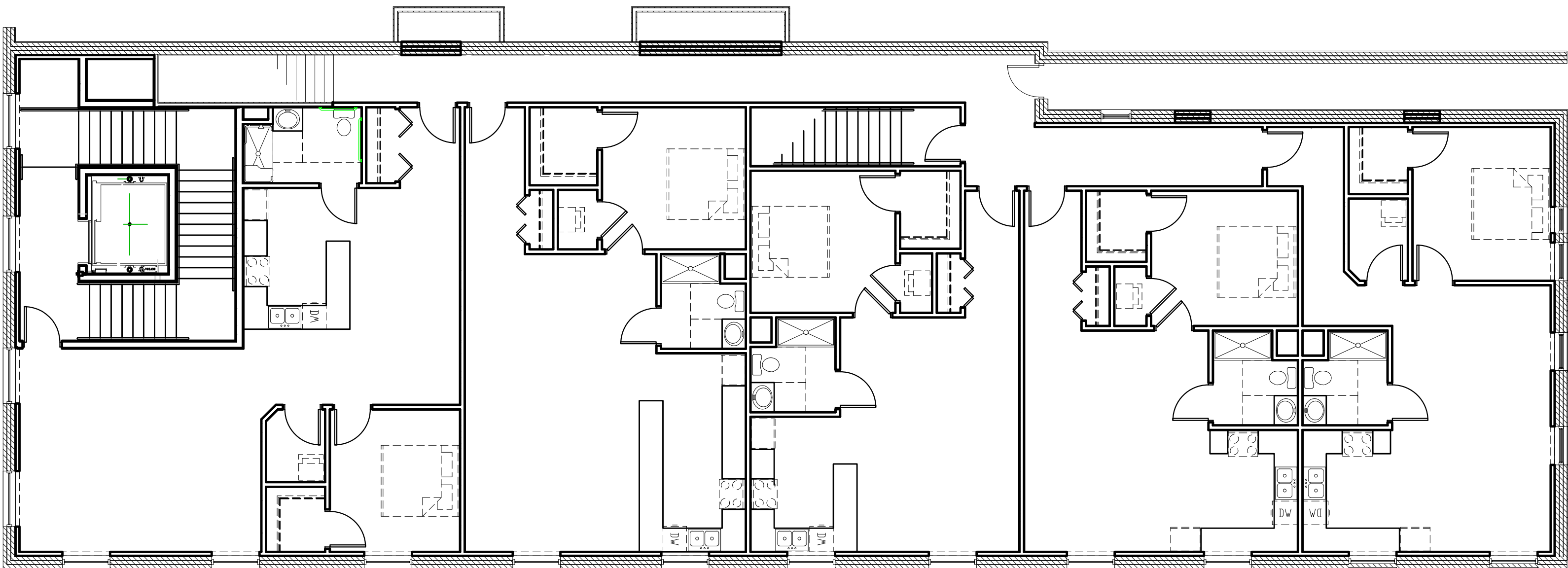
Scale : 1" = 40'

----- Denotes Upper Floor

Page 1 of 1

SKETCH-html-2001





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

RESOLUTION NO. 305

**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 20th day of March, 2019

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

By 
Chairperson

ATTEST:


Secretary

Wald 12 Properties, LLC 221-223 W 3rd

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

RESOLUTION NO. 306

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 1, from Wald 12 Properties, LLC., (The "Developer") for redevelopment of property located at 304 W 3rd Street, 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 20th day of March, 2019.

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

By 
Chairperson

ATTEST:


Secretary

Wald 12 Properties LLC 221-223 W 3rd

Resolution Number 2019-08

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF AN AMENDMENT TO A REDEVELOPMENT PLAN IN 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 **amendment of the Redevelopment Plan for CRA Area 1 requested by Wald 12 Properties 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 held a public hearing on the proposed plan on April 3, 2019, and

WHEREAS, the chair or president of Hall County Board, Grand Island School Board, Central Platte Natural Resources District, Educational Service Unit #10 and Central Community College were notified by certified mail of said hearing, and

WHEREAS, the Commission advertised the time, date and location public hearing in the Grand Island Independent on Friday March 15th and Friday March 22nd, and

WHEREAS, there are no Neighborhood Associations registered with the City of Grand Island, 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 finding that it is in conformance with the comprehensive development plan (general plan for development) for the City of Grand Island.

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: April 3, 2019

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: 
Chair

By: 
Secretary