



Community Redevelopment Authority (CRA)

**Wednesday, September 18, 2019
Regular Meeting**

Item I1

Redevelopment Plan - Copper Creek Phase 3

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area #12
September 2019**

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 WAS 208 INSTEAD OF 239 AS THE LOT SIZES WERE INCREASED SLIGHTLY. THE SECOND PHASE OF THIS DEVELOPMENT ANTICIPATES THE USE OF TAX INCREMENT FINANCING FOR THE NEXT 80 UNITS OF SINGLE FAMILY HOUSING. THE PROPOSED THIRD PHASE OF THE PROJECT WILL BE BETWEEN 212 AND 226 HOMES. THIS WILL FINISH THE PROJECT WITH A MAXIMUM NUMBEROF 514 UNITS, 106 LESS THAN ORIGINALLY PLANNED. 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 212-226 UNITS OF SINGLE FAMILY HOMES. THE HOMES TO BE CONSTRUCTED WILL HAVE AN INTIAL SALE PRICE OF BETWEEN \$189,500 AND 4218,850 IN 2019 THAT MEET THESE MINIMUM SPECIFICATIONS

1200-1,450 SQUARE FEET FINISHED FIRST FLOOR, FULL UNFINISHED BASEMENT, 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 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 1450 square feet on each lot. The 2019 sale price of these homes will be range from \$189,850 for homes built on 40' wide lots in the R3-SL zoning district to \$218,850 for lots in the R2 zoning district. The developer expects to build between 212 and 226 units in as many as fifteen 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 proposed plan to develop this with 514 units of housing is largely consistent with current approved preliminary plat for the Copper Creek Subdivision.

The developer intends to install the infrastructure for phase three of this project in as many as fifteen intervals to create the 212 to 226 additional lots south of the existing streets. The third phase is designed to serve the next 226 lots and finish out the development. 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, 2021 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 DEVELOPMENT OF THE PROPERTY WITH STREETS, SANITARY SEWER, STORM SEWER, WATER OTHER UTILITIES AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

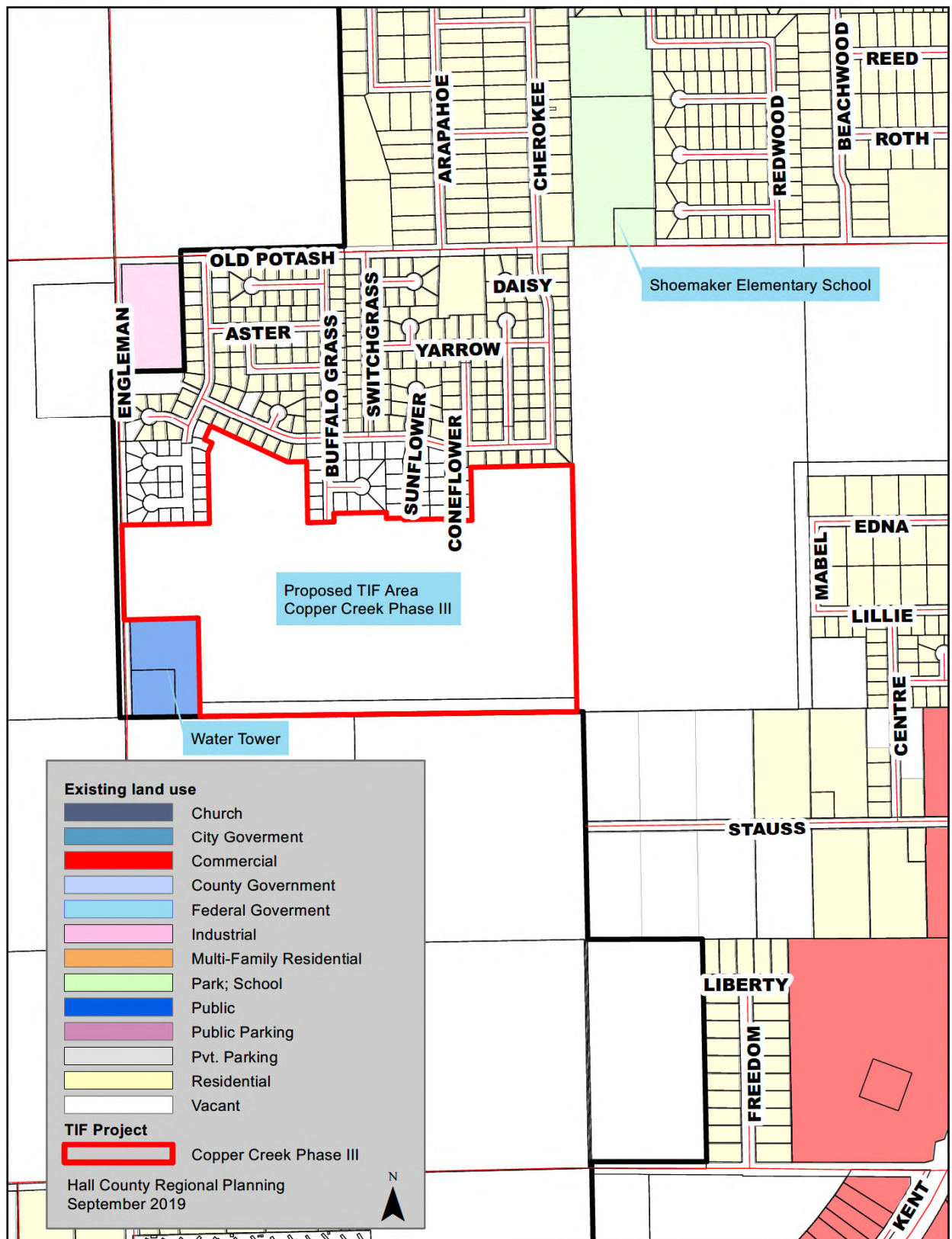
Property Description (the "Redevelopment Project Area")

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.



Existing Land Use

The tax increment will be captured for the tax years the payments for which become delinquent beginning in years 2021 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 212-226 houses to be built. The anticipated taxable valuation of this project at completion of the phase three, 212-226 homes is \$41,340,000. 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, 2020 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 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:

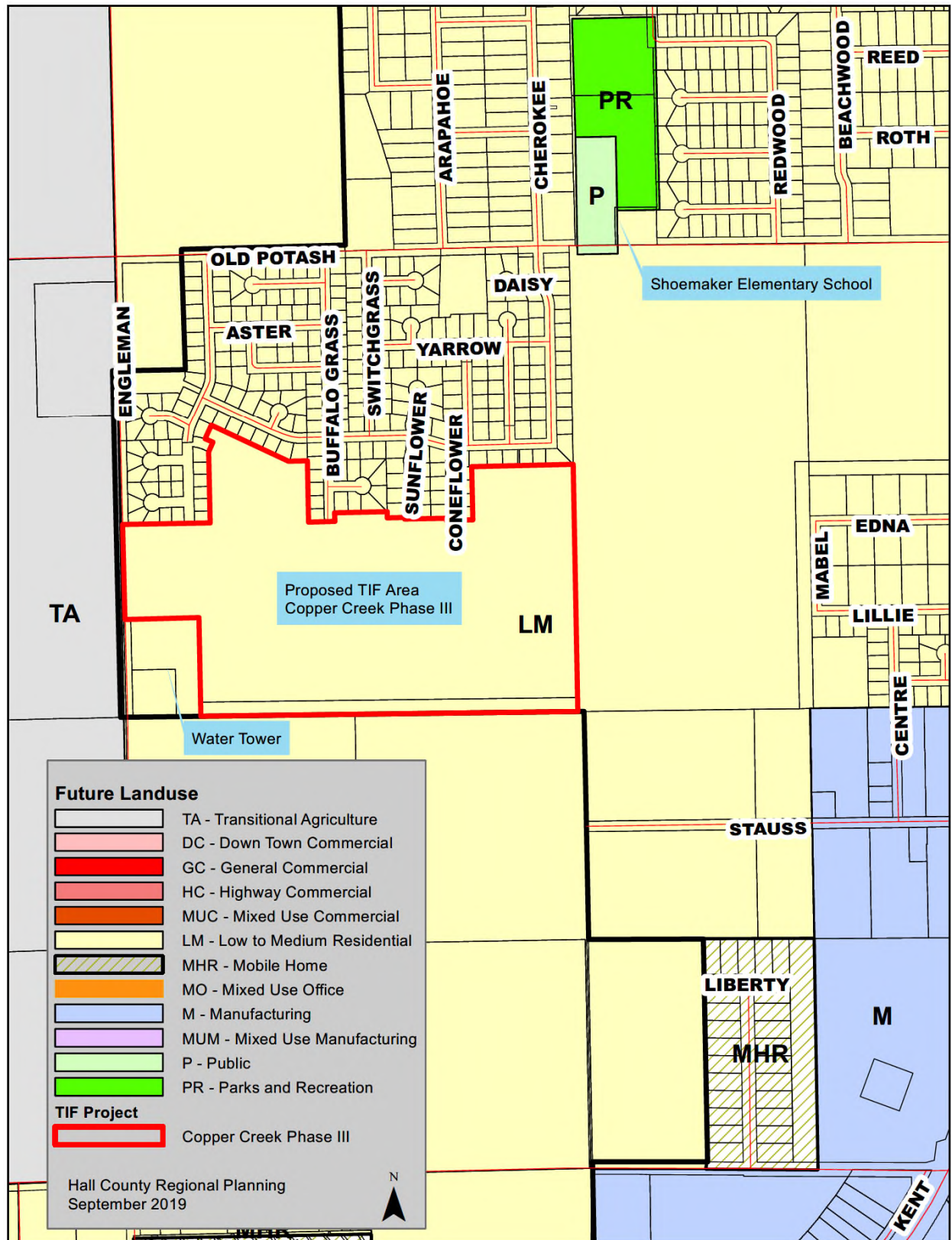
This amended Redevelopment Plan for Area #12 does not provide for real property acquisition. There is no proposed acquisition by the authority. The developer acquired the property as an expense included in the first redevelopment plan after approval of the first TIF contract.

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. It is anticipated that the developer may request that portions of this property be rezoned to R3-SL Medium Density Small Lot Residential Zone to accommodate houses with a 2019 price point of under \$190,000. This will depend on market conditions. 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 proposed single family residential uses are 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. The R3-SL zoning district would permit one dwelling unit per 3000 square foot lot. [§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 3 activities as shown below:

Cost for Tax Increment Financing Eligible Activities		
Planning (Architecture and Engineering)		860,745
Land	Acquired with Phase 1 \$561,190	
Legal/Developer/Audit Fees		51,900
City Fees		3,100
Subtotal		915,745
Grading and Infrastructure Phase 3		
Sanitary Sewer	1,517,587.76	
Water Main	1,636,454.27	
Paving and Storm	3,163,352.73	
Grading and Fill	1,967,486.13	
Subtotal		8,284,881
Total Eligible Expenses		9,200,626

The estimated costs for the eligible activities of this project are \$9,203,726. Site improvements including: utility improvements and site grading and fill of \$8,284,881 Architectural and Engineering planning services of \$860,745 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$55,000 are included as TIF eligible expense. The total of eligible expenses for this project is \$9,200,626.

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 \$9,200,626 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, 2021 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 the spring of 2020. Infrastructure for this phase of the development, including the final 226 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 2025 and 2035. Excess valuation should be available for this project beginning with the 2020 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 \$250,000 plus price range and almost 300 market rate apartments have been

built in the last 3 years and there are currently plans for upwards of 250 new additional market rate apartments. Plans have been approved for 88 subsidized duplex units. 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 (September 6, 2019), there 107 housing units (single family) on the market based on the Multiple Listing Service, at all price ranges (\$69,900 to \$2,300,000). Grand Island has more than 13,300 single family housing units, so less than 0.8% 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 \$9,200,626 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$49,802,443 in private sector equity investment plus interest on the financing; a private investment of \$5.41 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Site Acquisition	Acquired with Phase I value of 561,190		
Site Improvements/Utilities	\$8,284,881		\$8,284,881
New Construction Costs		\$47,008,000	\$47,008,000
Legal and Plan	\$51,900		\$51,900
Engineering/Arch	\$860,075		\$860,075
City Fees/Reimbursements	\$3,100		\$3,100
Financing Fees/Interest		\$2,794,443	\$2,794,443
TOTALS	\$9,200,626	\$49,802,443	\$59,002,399

Tax Revenue. The property to be redeveloped has January 1, 2019, valuation of approximately \$316,500 for the approximately 60 acres of undeveloped land in phase 2.

Based on the 2018 levy this would result in a real property tax of approximately \$7100. It is anticipated that the assessed value will increase by \$41,000,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$924,000 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:	\$ 316,000
Estimated taxable value after completion	\$ 41,340,000
Increment value	\$ 41,024,000
Annual TIF generated (estimated)	\$ 916,000
TIF bond issue	\$ \$9,200,626

(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 \$41,340,000 of taxable valuation based on an initial 2019 sale price of homes between \$189,850 and \$218,850 including the value of the lot to bring total valuation to between \$225,000 and \$255,000 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 2013 to 2017 according the American Community Survey is 2.6. Two Hundred and Twenty-Six additional household would house 588 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 113 school age children generated by this development. These numbers are consistent with the 99 students that were generated according to the information provided by the Grand Island Public School system in a map dated October 1, 2018 as attached.

According to the National Center for Educational Statistics¹ the 2016-17 enrollment for GIPS was 9,905 students and the cost per student in 2015-16 was \$13,104 of that \$5,936 is generated locally. The Grand Island Public School District was notified of this request by letter and email on September 9, 2019.

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

Fire and police protection are available. Additional houses and people throughout the city may impact response times and will over time result in the need to add additional staffing for emergency response teams.

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

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, 2015²). 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 attainable for those at the median income in Grand Island. The median income in Grand Island for 2017 according to the U.S. Census is \$51,627³.

(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 (usually single family) by the end of 2019. Between 2015 and July of 2019 a total of 455 permits were issued for new single family homes in Grand Island. Even with the TIF for the first two phases of the Copper Creek development almost 300 housing units (about 270 of the 455 permits) the total number of new owner occupied housing units built in Grand Island is less than ½ of the projected need over the same time period. The market is not capable of producing new housing at a price that is attainable by the average working family in Grand Island without some form of assistance. The recently completed 2019 housing study identified a need for 1,361 new and rehabilitated units by the end of 2024 including 740 owner occupied and 621 rental units.

The cost for the required infrastructure for these 212-226 lots is estimated at \$9,200,626 or between \$43,399 and \$40,710 plus the cost of the land. The estimated cost

² https://www.nahb.org/-/media/Sites/NAHB/economic-studies/1-REPORT_local_20150318115955.ashx?la=en&hash=EC5B551CA8B53B1526B423BF22542B55AF2053E5

³ <https://censusreporter.org/profiles/16000US3119595-grand-island-ne/>

of construction of these houses is \$178,000 to \$208,000. 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 Spring of 2020. Infrastructure for this phase of the development, including completing streets and utilities for these 226 lots is expected to be complete by 2028. The base tax year should be calculated beginning in 2020 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 2025 and 2030. Excess valuation should be available for this project beginning with the 2021 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 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

Copper Creek Estates Subdivisions



Taxable

- Not taxed
- Up to \$40,000
- Greater Than \$40,000

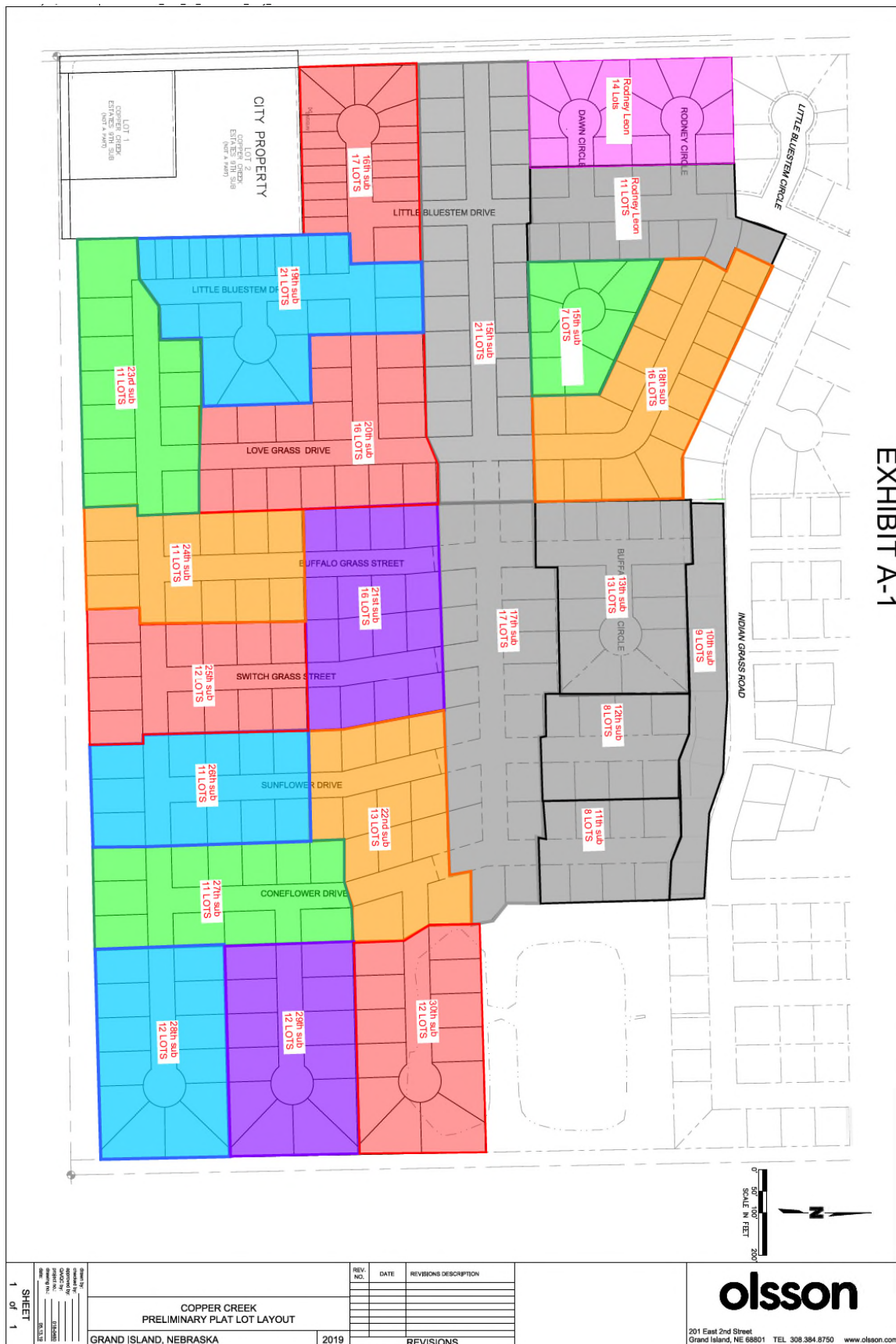
Taxable Value: 34,760,624

☆ Addresses with GIPS Students

Student Count (October 1, 2018):

ELC - 3
 Dodge - 2
 Engleman - 2
 Jefferson - 1
 Newell - 4
 Shoemaker - 48
 Starr - 1
 Barr - 2
 Walnut - 2
 Westridge - 10
 GISH - 19
 CNSSP - 5
Total - 99

EXHIBIT A-1





BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: [The Guarantee Group LLC](#)
Address: [PO Box 5916, Grand Island, NE 68802-5916](#)
Telephone No.: [308.379.1482](#)
Fax No.: [NA](#)
Contact: [Sean O'Connor](#)

Brief Description of Applicant's Business:

[The Guarantee Group LLC develops land to bring affordable workforce housing to communities.](#)

Present Ownership Proposed Project Site:

[The Guarantee Group LLC](#)

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

[We propose to use Tax Increment Financing to develop land for 212 - 226 homes. The homes will be approximately 1,200 sqft. – 1,450 sqft. and will have full unfinished basements. These homes, built with quality products, will have two starting prices. Homes built on 40' wide lots using R3-SL zoning will start at \\$189,850. Homes built on lots using R2 zoning will start at \\$218,850 and correspond with the current Copper Creek housing project. The price points match the \(61%-80%\) and \(81%-125%\) of Area](#)

Median Income need noted in the current but not finalized Housing Study prepared by Hanna:Keelan Associates, P.C dated July, 2019. This project will provide affordable workforce housing and address the need of "795 housing units for both existing and future local employees by 2024" per the 2019 Housing Study prepared by Hanna-Keelan Associates P.C.

If Property is to be Subdivided, Show Division Planned:

See Exhibit A

VI. Estimated Project Costs:

Acquisition Costs:

A. Land *\$ 561,190.00

*This cost was an eligible expense on a prior TIFF project and will not be eligible on this project.

B. Building \$0

Construction Costs:

A. Renovation or Building Costs: \$0

B. On-Site Improvements: \$8,284,881

Soft Costs:

A. Architectural & Engineering Fees: \$860,745

B. Financing Fees: 9% Rate on Bond will cover Fees.

C. Legal/Developer/Audit Fees: \$55,000

D. Contingency Reserves: \$0

E. Other (Please Specify) \$0

TOTAL \$9,200,626

Total Estimated Market Value at Completion: \$41,340,000

Source of Financing:

A. Developer Equity: \$0

B. Commercial Bank Loan: \$0

C. Tax Credits:

	1	N.I.F.A.	\$0
	2	Historic Tax Credits	\$0
D.		Industrial Revenue Bonds:	\$0
E.		Tax Increment Assistance:	\$9,200,626
F.		Other	\$0

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

Olsson, 201 E. 2nd St. Grand Island, NE 68801 – (308) 384-8750

Diamond Engineering Co., 1521 W. Anna St. Grand Island, NE 68801 – (308) 382-8362

Thriv' Construction Inc., 1912 W. Anna St. Grand Island, NE 68803 – (308) 675-3600

Reynolds Construction Inc., 2204 2nd Ave. Boelus, NE 68820 – (308) 750-3174

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

\$41,340,000.00 (\$195,000 X 212 Homes)

Project Construction Schedule:

Construction Start Date:

March, 2020

Construction Completion Date:

December, 2028

If Phased Project:

This project will most likely not be phased, the need for workforce housing is high.

XII. Please Attach Construction Pro Forma

See Exhibit B

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

See Exhibit C

TAX INCREMENT FINANCING REQUEST INFORMATION

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

A bond with the face value of \$9,200,626 and rate of 9% is requested to assist in site preparation for construction of new residential housing.

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

Tax increment financing is an integral and essential component to project completion, which is contingent upon receipt of the expected tax increment financing assistance. Grand Island is currently suffering from a shortage of available residential housing in a price range consistent with the proposed homes to be constructed. Project feasibility is dependent of TIF funds that will enable The Guarantee Group LLC. To provide potential homebuyers with housing options at an affordable cost falling within the 2019 Housing Study parameters. Absent TIF, the infrastructure improvement costs necessary to develop the land would be cost prohibitive without charging substantially more for the homes, creating an untenable cost burden to the buyers within the 61% - 125% Area Median Income range.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

Roger Heffelfinger, Exchange Bank	308.382.2900
Bruce Schreiner, Schroeder & Schreiner, PC	308.381.1355
Andy Baack, Leininger Smith Law Firm	308.382.0280
Sharon Hueftle, South Central Economic Development District (SCEDD)	308.455.4770
Chad Nabity, Grand Island Community Redevelopment Authority (CRA)	308.385.5240

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

N/A ?

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

Guarantee Group LLC
308-379-1482

PO Box 5916
Grand Island, NE 68802-5916

Job #
4301
Gran

Print

Price Breakdown

2019 - COPPER CREEK ESTATES 10TH
SUBDIVISION - 9 LOTS

Group

COST OF LAND, ENGINEERING & IMPROVEMENTS. DOES NOT INCLUDE OVERHEAD.

2019 - COPPER CREEK ESTATES 11TH
SUBDIVISION - 8 LOTS

Group

COST OF LAND, ENGINEERING & IMPROVEMENTS. DOES NOT INCLUDE OVERHEAD.

2019 - COPPER CREEK ESTATES 12TH
SUBDIVISION - 8 LOTS

Group

COST OF LAND, ENGINEERING & IMPROVEMENTS. DOES NOT INCLUDE OVERHEAD.

2019 - COPPER CREEK ESTATES 13TH
SUBDIVISION - 13 LOTS

Group

COST OF LAND, ENGINEERING & IMPROVEMENTS. DOES NOT INCLUDE OVERHEAD.

2019 - COPPER CREEK ESTATES RODNEY
LEON SUBDIVISION PHASE 2 - 11 LOTS

Group

COST OF LAND, ENGINEERING & IMPROVEMENTS.

2020 - LEGAL & AUDIT FEES

Group Price

THESE COST INCLUDE: TIFF CONTRACT & BOND COST, ATTORNEY FEES, ACCOUNTING FEES

**2020 - COPPER CREEK ESTATES 16TH
SUBDIVISION - 17 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2020 - REMOVE CONCRETE TRENCH FROM
FIELD SOUTH OF RE-USE PIT**

Group Price: \$

**2021 - COPPER CREEK ESTATES RODNEY
LEON SUBDIVISION FINAL PHASE - 14 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2021 - COPPER CREEK ESTATES 15TH
SUBDIVISION FINAL PHASE - 7 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2021 - COPPER CREEK ESTATES 17TH
SUBDIVISION - 17 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2022 - COPPER CREEK ESTATES 18TH
SUBDIVISION - 16 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2023 - COPPER CREEK ESTATES 19TH
SUBDIVISION - 21 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2024 - COPPER CREEK ESTATES 20TH
SUBDIVISION - 16 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2024 - COPPER CREEK ESTATES 23RD
SUBDIVISION - 11 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2025 - COPPER CREEK ESTATES 24TH
SUBDIVISION - 11 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2025 - COPPER CREEK ESTATES 25TH
SUBDIVISION - 12 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2026 - COPPER CREEK ESTATES 22ND
SUBDIVISION - 13 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2026 - COPPER CREEK ESTATES 26TH
SUBDIVISION - 11 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2027 - COPPER CREEK ESTATES 27TH
SUBDIVISION - 11 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2027 - COPPER CREEK ESTATES 30TH
SUBDIVISION - 12 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2027 - FILL SOUTH END OF RE-USE PIT FOR
THE CONSTRUCTION OF THE 30TH
SUBDIVISION**

Group Price: \$

FILL SOUTH END OF RE-USE PIT FOR THE CONSTRUCTION OF THE 30TH SUBDIVISION

**2028 - COPPER CREEK ESTATES 28TH
SUBDIVISION - 12 LOTS**

Group Price: \$

COST OF LAND, ENGINEERING & IMPROVEMENTS.

**2028 - COPPER CREEK ESTATES 29TH
SUBDIVISION - 12 LOTS**

Group Price: \$

CONSTRUCT PIPE BETWEEN RE-USE PIT
AND MORSE CREEK

Group Price

LAND COST

Group

Total Price: \$9



September 9, 2019

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 the final phases of the Copper Creek Housing Development in northwest Grand Island across from Shoemaker Elementary School.

The application seeks \$9,200,626 in TIF assistance for the development of the next phases of Copper Creek including 212 to 226 additional single family homes with a 2019 sales price of \$189,850 to \$218,850.

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

- CRA receives initial application, 4 p.m., September 18.
- Regional Planning Commission holds public hearing 6 p.m., October 2.
- CRA reviews Planning Commission recommendation, 4 p.m. October 9.
- Grand Island City Council holds public hearing and takes action, 7 p.m., October 22.
- CRA considers redevelopment contract, 4 p.m. November 13.

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

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

RESOLUTION NO. 316

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 18th day of September, 2019

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 3

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

RESOLUTION NO. 317

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 3 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 18th day of September, 2019.

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

By _____
Chairperson

ATTEST:

Secretary

Guarantee Group L.L.C. Copper Creek Phase 3