



Community Redevelopment Authority (CRA)

**Wednesday, October 9, 2019
Regular Meeting**

Item I3

Redevelopment Plan - Prairie Common's Phase 2 CRA Area #17

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area 17
October 2019**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 17 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 17.

Executive Summary:

Project Description

PHASE 2 OF THE REDEVELOPMENT OF PROPERTY LOCATED SOUTH OF HUSKER HIGHWAY AND WEST OF U.S. HIGHWAY 281 THE PROJECT SITE CONSISTS OF 3 LOTS WITHING THE PRAIRIE COMMONS 3RD SUBDIVISION IMMEDIATELY WEST OF THE NEW HOSPITAL.. THE PROJECT WILL CONSIST OF SITE WORK AND GRADING TO PROMOTE AND ENHANCE DRAINAGE ACROSS THE SITE, INTALLATION OF PUBLIC AND PRIVATE ROADS, SEWER, WATER AND OTHER UTILITY INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF THE SITE. THIS PHASE OF THIS DEVELOPMENT WILL CONSIST OF THE CONSTRUCTION 3 BUILDINGS FOR MULTIPLE USERS ON 3 LOTS. THE BUILDINGS ARE A COMBINATION OF 1 AND 2 STORY BUIDINGS RANGING IN SIZE FROM 6400 SQUARE FEET TO 20,500 SQUARE FEET FOR OFFICE USES.

The use of Tax Increment Financing to aid in necessary infrastructure and grading improvements to redevelop the southwest corner of Husker Highway and U.S. Highway 281 currently platted as Prairie Commons Third Subdivision in the City of Grand Island. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project economically feasible. The first phase of this development including the Hospital and Medical Office Building to the east of this site is currently underway. It was anticipated when that project was approved that subsequent phases of the remainder of the site would include housing, office space and retail development. This second phase will extend the office development. The developer has indicated that this development would not be considered nor financially feasible for at this location without the use of TIF.

Prataria Ventures L.L.C., a wholly owned subsidiary of Chief Industries, Inc., owns the subject property. Chief Industries was founded in 1954 and is headquartered in Grand Island. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the site work and redevelopment. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2021 towards the allowable costs.

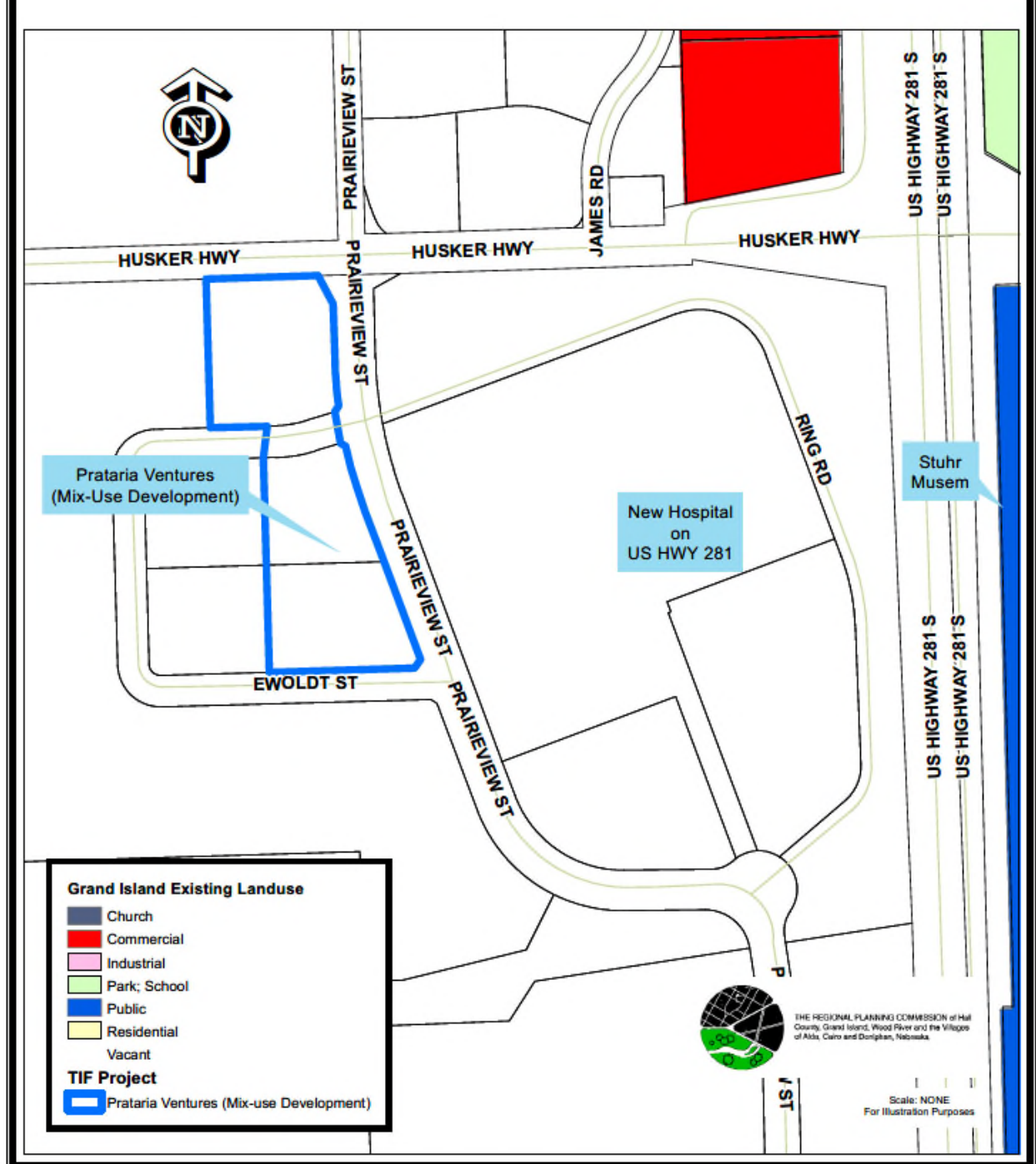
TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE
PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

Legal Descriptions: Lot 1 of Block 1, and Lots 2 and 3 of Block 2 of Prairie Commons
Third Subdivision in the City of Grand Island, Hall County, Nebraska.

Proposed Zoning Change Existing Landuse Map

Prairie Commons Third Subdivision, Block 1 Lot 1, Block 2 Lot 2 & Lot 3 in the City of Grand Island, Nebraska



Existing Land Use and Subject Property

This plan amendment provides for the issuance TIF Notes, the proceeds of which will be granted to the Redeveloper. The tax increment will be captured for up to 15 tax years the payments for which become delinquent in years 2021 through 2034 inclusive or as otherwise dictated by the contract.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The incremental value for the first phase will be created by the construction commercial/office buildings ranging in size from 6400 square feet to 20,500 square feet. This area is planned for commercial development with the Grand Island Comprehensive Plan and is currently zoned RO Residential Office, a variety of office and medical uses are permitted in this 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 June 9, 2015.[§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 November 6, 2019 and passed Resolution 2020-03 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.**

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

a. Land Acquisition:

This Redevelopment Plan for Area 17 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

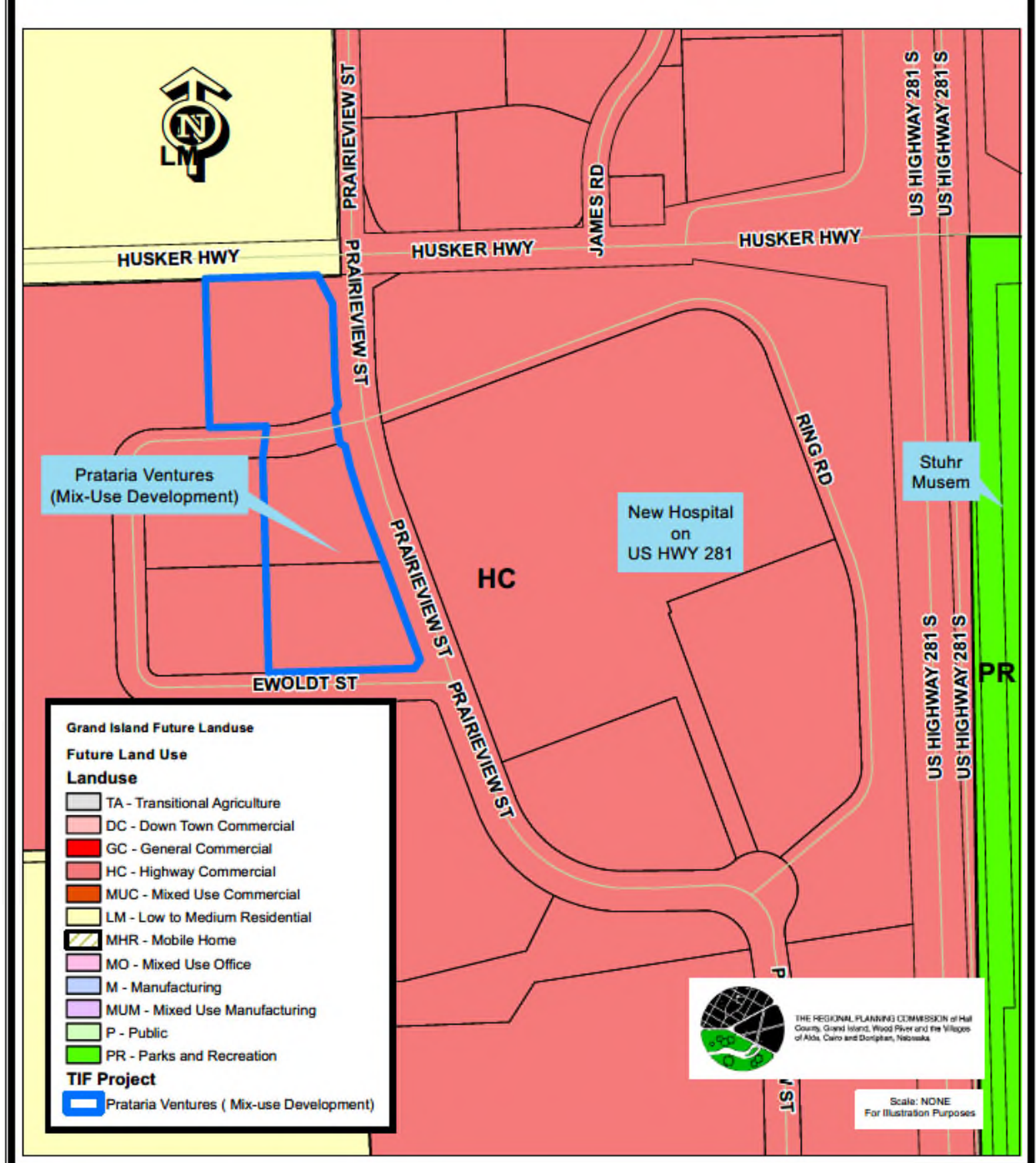
The project does not provide for the demolition or removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and is planned for commercial uses [§18-2103(b) and §18-2111]. A site plan of the area after the proposed redevelopment is also attached. [§18-2111(5)]

Proposed Zoning Change Future Landuse Map

Prairie Commons Third Subdivision, Block 1 Lot 1, Block 2 Lot 2 & Lot 3 in the City of Grand Island, Nebraska



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 property is currently platted as Prairie Commons Third Subdivision. The property will be developed in substantial compliance with the existing plat. No changes in zoning are anticipated for the expected uses.

No other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the current zoning districts. The RO zoning district would allow up to 75% coverage. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Sufficient capacity exists within these systems to support this development at completion. Sewer, water will be extended throughout the site. The developer will be responsible for engineering and installation of all required utilities. Said utilities are expected to become part of the city infrastructure and will be accepted into the city systems after construction and inspection. Electric infrastructure will be extended throughout the site according to typical commercial installation requirements. Natural gas and communications infrastructure will be installed according to the agreements formed with the private companies that provide those services. The City of Grand Island will secure all necessary easements for utility infrastructure with the platting and development processes. [§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. No individuals or businesses will be relocated due to this development. [§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 has any ownership interest in this property at this time.

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 is showing a purchase price of this property of 1,147,000. The cost of property acquisition is not included as a TIF eligible expense but is included in the sources and uses of funds and overall investment calculations. Costs for site preparation

including, grading and fill is estimated at \$211,500. Utility extensions, storm water, sewer electrical and water are estimated at \$536,000, Building plans and engineering are expected to cost \$595,000. The cost of public roads is \$310,000 and private streets is \$222,600. An additional \$30,000 of expenses for legal work, fees and financial tracking of this project are also included as eligible expenses for a total maximum TIF request of \$1,905,100. It is estimated based on the proposed increased valuation to \$8,199,624 will result in \$178,697 of increment generated annually. Based on a TIF Bond of \$1,800,000 this project should pay off prior to the end of the 15 year period.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

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 \$1,800,000 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 through December 2034 or such term as identified within the approved contract with no portion to exceed a term of 15 years. The developer will use the TIF Note to secure debt financing in an amount not to exceed \$1,800,000 to be paid to the note holder during the term of the financing.

c. Statement of feasible method of relocating displaced families.

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 blighted and substandard conditions within the area.

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

8. Time Frame for Development

Development of this project is anticipated to be completed between December of 2019 and December of 2020. Excess valuation should be available for this project for 15 years beginning with the 2021 tax year. This is the second phase of development of this property and it is anticipated that additional projects will be brought forward for separate consideration on other lots within this and adjacent subdivisions.

9. Justification of Project

Extension of utilities, substantial site grading and installation of streets are necessary to facilitate redevelopment of this site. The redevelopment of this property by Prataria Ventures, LLC, will result in increased employment opportunities. This is development is a continuation of efforts to extend development south along U.S. Highway 281 toward U.S. Interstate 80. The Grand Island City Council has made in the past made it clear through previous decisions that they support development toward the I-80/281 interchange.

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 project, including:

Project Sources and Uses. A maximum of \$1,800,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$11,632,000 in private sector financing and investment; a private investment of \$6.46 for every TIF dollar investment. It is estimated this will pay off in less than 15 years.

Use of Funds.	Source of Funds		
Description	TIF Funds	Private Funds	Total
Site Acquisition		\$1,147,000	\$1,147,000
Utilities	\$536,000		\$536,000
Public Streets	\$310,000		\$310,000
Private Streets	\$117,500	\$105,100	\$222,600
Site preparation/Dirt Work	\$211,500		\$211,500
Façade Enhancement		\$352,000	\$352,000
Financing Fees		\$645,000	\$645,000
Legal and Plan	\$30,000	\$119,000	\$149,000
Architecture/Engineering	\$595,000		\$595,000
Building Costs		\$8,612,000	\$8,612,000
Parking Lot		\$281,900	\$281,900
Contingency		\$270,000	\$270,000
Other		\$100,000	\$100,000
TOTALS	\$1,800,000	\$11,632,000	\$13,432,000

Tax Revenue. The property to be redeveloped is has a January 1, 2019, valuation of approximately \$34,624. Based on the 2019 levy this would result in a real property tax of approximately \$773. It is anticipated that the assessed value will increase by \$8,165,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$182,387 annually resulting in approximately \$2,736,000 of increment over the 15 year period. 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:	\$ 34,624
Estimated value after completion	\$ 8,199,624
Increment value	\$ 8,165,000
Annual TIF generated (estimated)	\$ 178,697
TIF bond issue	\$ 1,800,000

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

The redevelopment project area currently has an estimated valuation of \$34,624. The proposed extension improvements at this location will result in at least an additional \$8,165,000 of taxable valuation based on the Hall County Assessor's office evaluation of the project. 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. The project will not add any tax burdens to taxing entities. Therefore no tax shifts will occur.

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

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

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

The proposed uses at this site would provide for expansion of office jobs within the and compete with similar located in and locating in the City.

(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 is unlikely to have an impact on other employers and employees within the city.

(e) Impacts on the student population of school districts within the city or village; and

This project is unlikely to create any direct increase in cost for schools in the area.

(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 will continue growth along the 281 corridor in the direction of I-80.

Time Frame for Development

Development of this project is anticipated to be completed between Winter of 2019 and Winter of 2020. The base tax year should be calculated on the value of the property as of January 1, 2020. Excess valuation should be available for this project for 15 years beginning in 2022 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 \$1,800,000 the projected amount of increment based upon the anticipated value of the project and current tax rate.



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: Prataria Ventures, LLC

A wholly owned limited liability company of Chief Industries, Inc.

Address: 3942 W Old Highway 30

P.O. Box 2078

Grand Island, NE 68803

Grand Island, NE 68802

Telephone No.: 308-389-7200

Fax No.: 308-389-7352

Email: Chris.Wissing@chiefind.com

Contact: Chris Wissing

Direct: 308-389-7243

Brief Description of Applicant's Business:

Prataria Ventures is the development business unit of Chief Industries. This entity provides development services for projects. Prataria holds the real estate holding for potential real estate and development investments, and is a premier real estate developer in the Midwest providing innovative and progressive developments through public and private partnerships. Our development portfolio includes projects for public and private institutions as well as for our own use. Our projects range from small properties to expansive developments throughout diverse communities from small towns to metropolitan communities.

Chief Industries, Inc. is a diverse company headquartered in Grand Island. Founded in 1954, Chief has been a community leader in Grand Island and Central Nebraska and is a privately owned entity.

Legal Description/Address of Proposed Project

Lot 1, Block 1, Prairie Commons Third Subdivision
Lot 2, Block 2, Prairie Commons Third Subdivision
Lot 3, Block 2, Prairie Commons Third Subdivision

Community Redevelopment Area Number

#17

Present Ownership Proposed Project Site:

Prataria Ventures, LLC
C/O Chief Industries, Inc.
P.O. Box 2078
Grand Island, NE 68802

Is purchase of the site contingent on Tax Increment Financing Approval?

No

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

Building square footage: Three (3) buildings total approx. 41,500 SF

Size of property: Phase 2, Approx. 5.00 acres

Description of buildings:

Prataria owns a 96 acre parcel of land that originally included a farm homestead, farmland and pasture land. Prataria proposes to develop this parcel in multiple separate phases. The first phase of the redevelopment has commenced pursuant to that Redevelopment Contract between Prataria and the Community Redevelopment Authority of the City of Grand Island dated September 26, 2017. This application sets forth the proposed phase two of the redevelopment of the Prataria property. The second phase will be on 5 acres that will include multiple office users. The private improvements will be constructed on Lot 1, Block 1, and Lots 2 and 3, Block 2 of Prairie Commons Third Subdivision. The private improvements will be constructed in three

subphases, and Prataria desires to establish a separate effective date for each lot/subphase, similar to the Phase One Redevelopment Contract.

Lot 2, Block 2, Prairie Commons Third Subdivision

The first office user will house their corporate headquarters in this location and is comprised of a traditional steel framed building with two stories. The exterior will be a mix of stone, metal panel, and storefront and will be approximately 14,600 square feet and sit on 1.25 acres of land with a dedicated parking lot contained on the site. The selected site enables future growth opportunities for this particular company.

Lot 3, Block 2, Prairie Commons Third Subdivision

The second and third users will be two business that will be housed in the same building and share a common area. This building will be composed of metal panel, stone, and storefront that is unique from the other building and will be approximately 20,500 square feet over two stories and sit on 1.65 acres of land with a dedicated parking lot contained on the site. The selected site enables future growth opportunities for these particular companies.

Lot 1, Block 1, Prairie Commons Third Subdivision

The fourth user will be approximately 6,400 square feet facility. The exterior materials will consist of mostly brick and stone with some accent features. This property is about 2.10 acres in size.

Additional phases will be forthcoming. The remainder of the Prairie Commons Third Subdivision is intended to be redeveloped as one or more additional phases of the overall redevelopment of the area.

If Property is to be Subdivided, Show Division Planned:

The property has been subdivided as Prairie Commons Third Subdivision. See conceptual plan submitted and Prairie Commons Third Subdivision final plat (Exhibit A).

VI. Estimated Project Costs:

The estimated project costs set forth below are for all three subphases described in this TIF application.

Acquisition Costs:

A. Land	\$ 1,147,000
B. Building	\$ 0

Construction Costs:

A. Renovation or Building Costs:	\$ 8,964,000
B. On-Site Improvements:	
Sewer	\$ 378,000
Water	\$ 158,000
Electric	\$ 0
Gas	\$ 0
Public Streets/Sidewalks	\$ 310,000
Private Streets	\$ 504,500
Trails	\$ 0
Grading/Dirtwork/Fill	\$ 211,500
Demolition	\$ 0
Other	\$ 0
Total	\$ 11,673,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 595,000
B. Financing Fees:	\$ 645,000
C. Legal	\$ 149,000
D. Developer Fees:	\$ 0
E. Audit Fees	\$ 0
F. Contingency Reserves:	\$ 270,000
G. Other (Please Specify) Real Estate Taxes During Construction	\$ 100,000
TOTAL	\$ 13,432,000

Total Estimated Market Value at Completion: \$ 8,163,592

Source for Estimated Market Value: Estimated Market Value is based on preliminary estimates given by Kristi Wold, Hall County Assessor, using schematic drawings of conceptual designs. The building values were added to the land values to arrive at the estimated market value.

Source of Financing:

A. Developer Equity:	\$ 2,908,000
B. Commercial Bank Loan:	\$ 8,724,000
C. Tax Credits:	
1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
3. New Market Tax Credits	\$ 0
4. Opportunity Zone	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance:	\$ 1,800,000
F. Enhanced Employment Area	\$ 0
G. Nebraska Housing Trust Fund	\$ 0
H. Other	\$ 0

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

Architect

Name: Chief Construction
Phone: 308-389-7222
Fax Number: 308-389-7393
Address: 3935 Westgate Road
Grand Island, NE 68803

Engineer

Name: Olsson Associates
Phone: 308-384-8750
Fax Number: 308-384-8752
Address: 201 E. 2nd Street
Grand Island, NE 68801

General Contractor

Name: Chief Construction
Phone: 308-389-7222
Fax Number: 308-389-7393
Address: 3935 Westgate Road
Grand Island, NE 68803

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

Please See Exhibit B

Project Construction Schedule: The Construction shall be completed in phases, similar to phase one of the overall redevelopment. The construction of the private improvements shall be completed in three phases, with each lot identified herein having a separate effective date.

PUBLIC IMPROVEMENTS:

Construction Start Date:

November 2019

Construction Completion Date:

Fall 2020

PRIVATE IMPROVEMENTS:

This will be a phased project with multiple individual users. The projects are planned and the times and sequencing of each respective project will be dependent on market conditions. Without an approved redevelopment agreement, construction of the project

(including all the subphases) will not be feasible, and the timing will be determined and redeveloper cannot proceed with finalizing any scheduling at this time.

If Phased Project:

_____	Year	_____	% Complete
_____	Year	_____	% Complete

XII. Please Attach Construction Pro Forma

Due to confidential nature of the projects, construction proforma available for discussion.

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

Due to confidential nature of the projects, proforma available for discussion.

TAX INCREMENT FINANCING REQUEST INFORMATION

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

\$1,800,000 dollars of tax increment financing is being requested to assist in the site preparation, grading, utilities, paving, landscaping, façade enhancements, architectural, engineering, and legal fees, public parking enhancements, and other necessary site preparation and development expenditures. This is a green field site that will need complete site work done before it is ready for any construction to commence. The TIF funds will enable project completion of phase 2, which will result in an improvement to the economic condition of the land and become a tax generating entity for the city of Grand Island. The opportunity to continue development in south Grand Island down corridor 281 towards the interstate has been a key objective for the city. This site will not only generate additional taxes for the city, but it will provide ample employment opportunities and quality of life features.

Statement Identifying Financial Gap and Necessity for use of Tax Increment

Financing for Proposed Project:

The proposed site work and construction costs will result in an overall improvement to the area and allow for additional goods and services and employment opportunities. Tax increment financing is an integral and essential component to the project completion which is contingent upon receipt of the expected tax increment assistance. Feasibility is dependent upon TIF funds that will enable the creation of adequate economics to make the necessary site improvements, utility extensions and new construction costs at a competitive rate in the area. Without TIF, the cost of the public improvements is too high to make development of the project site for any purpose feasible. Additionally, Prataria intends to include substantial façade enhancements for the public benefit. The façade enhancements are not required by and exceed local building codes. Because the façade enhancements are not required by building codes, the costs of these enhancements are not necessary for the Project and would not occur without the use of tax increment financing. The aesthetic benefits serve to decrease the blighted and substandard condition of an area and will benefit all the property in the Redevelopment Area and the City in general. The beautification of a blighted and substandard area is a useful tool to combat blight and substandard conditions and it is further expected to raise the quality and value of other properties in the Redevelopment Area.

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:

Green Line Redevelopment

Current site of the Chief Construction Campus and Christensen Concrete.

Contact:

David Ostdiek

Chief Industries

Phone: 308-389-7246

David.Ostdiek@Chiefind.com

Aurora Co-Op Redevelopment

Current site of Goodwill Industries Warehouse and Chief Fabrication.

Contact:

David Ostdiek
Chief Industries, Inc.
Phone 308-389-7246
David.Ostdiek@Chiefind.com

Contact:

Chad Nabity
Grand Island Regional Planning Director
Phone: 308-385-5444 Ext 210
ChadN@grand-island.com

Lincoln West Haymarket Phase 1 & Phase 2

Includes Canopy Lofts, The Railyard, The Hobson Place and the Hyatt hotel.

Contact:

David Ostdiek
Chief Industries, Inc.
Department Phone 308-389-7246
David.Ostdiek@Chiefind.com

Contact:

Hallie Salem
Lincoln NE Urban Development
Phone: 402-441-7864
hsalem@lincoln.ne.gov

Fountain Point Development

Includes Norfolk Medical Real Estate Medical Office Building / Surgical Center and Heritage Assisted Living Facility

Contact:

David Ostdiek
Chief Industries, Inc.
(308) 389-7246
David.Ostdiek@Chiefind.com

Contact:

Andy Colvin
Norfolk City Administrator
(402) 844-2000
acolvin@ci.norfolk.ne.us

Contact:

Steven Rames
Norfolk City Eng.
(402) 844-2035
srames@ci.norfolk.ne.us

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

Exhibit B

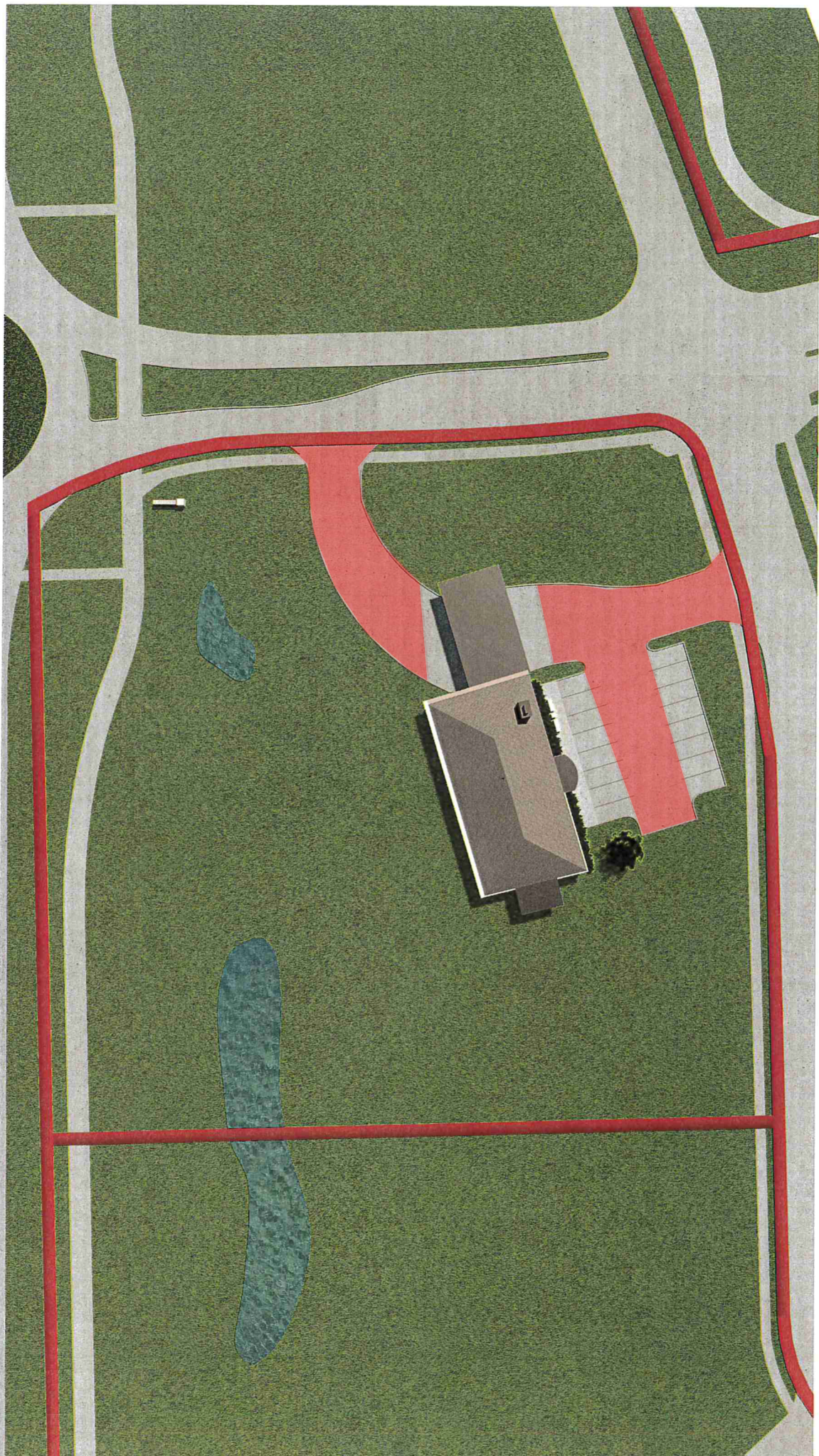
Prataria Ventures, LLC
Tax Increment Financing Request
Estimated Real Estate on Project Site

Existing Assessed Value and Real Estate on Project Site

Total Investment:	\$13,431,650
Property Tax Basis:	\$34,624
Total Increment Created (Investment-Current Value):	\$13,397,026
Assess Tax Base	61%
Total Value:	\$8,165,000
Tax Rate	2.197896%
Number of Payments (Years)	15
Increased Property Tax Revenue	\$178,697
Current Property Tax Revenue	\$761
Total Estimated Tax Bill	\$179,458
Requested TIF Assistance	\$1,800,000

Project TIF Eligible Expenses

Private Parking & Paving for Fire Lanes & Truck Access	\$ 222,600
Grading / Dirtwork / Fill	\$ 211,500
Utilities & Storm Drain	\$ 536,000
Façade Enhancement	\$ -
Architecture/Engineering	\$ 595,000
Public Streets	\$ 310,000
Legal	\$ 30,000
Summary Total	<u><u>\$ 1,905,100</u></u>



No.	Description	Date

ADDRESS: 7777 PRAIRIEVIEW STREET
GRAND ISLAND, NEBRASKA 68803

ZONED: RO RESIDENTIAL OFFICE ZONE

LANDSCAPE REQUIREMENTS:

CANOPY TREES @ PRAIRIEVIEW STREET
AND EWOLDT ROAD = 10,215 SF
10,215 * 30% (.30) = 3,065 SF REQUIRED (MIN. 10' DEPTH)
TOTAL LANDSCAPE AREA SHOWN = 9,233 SF

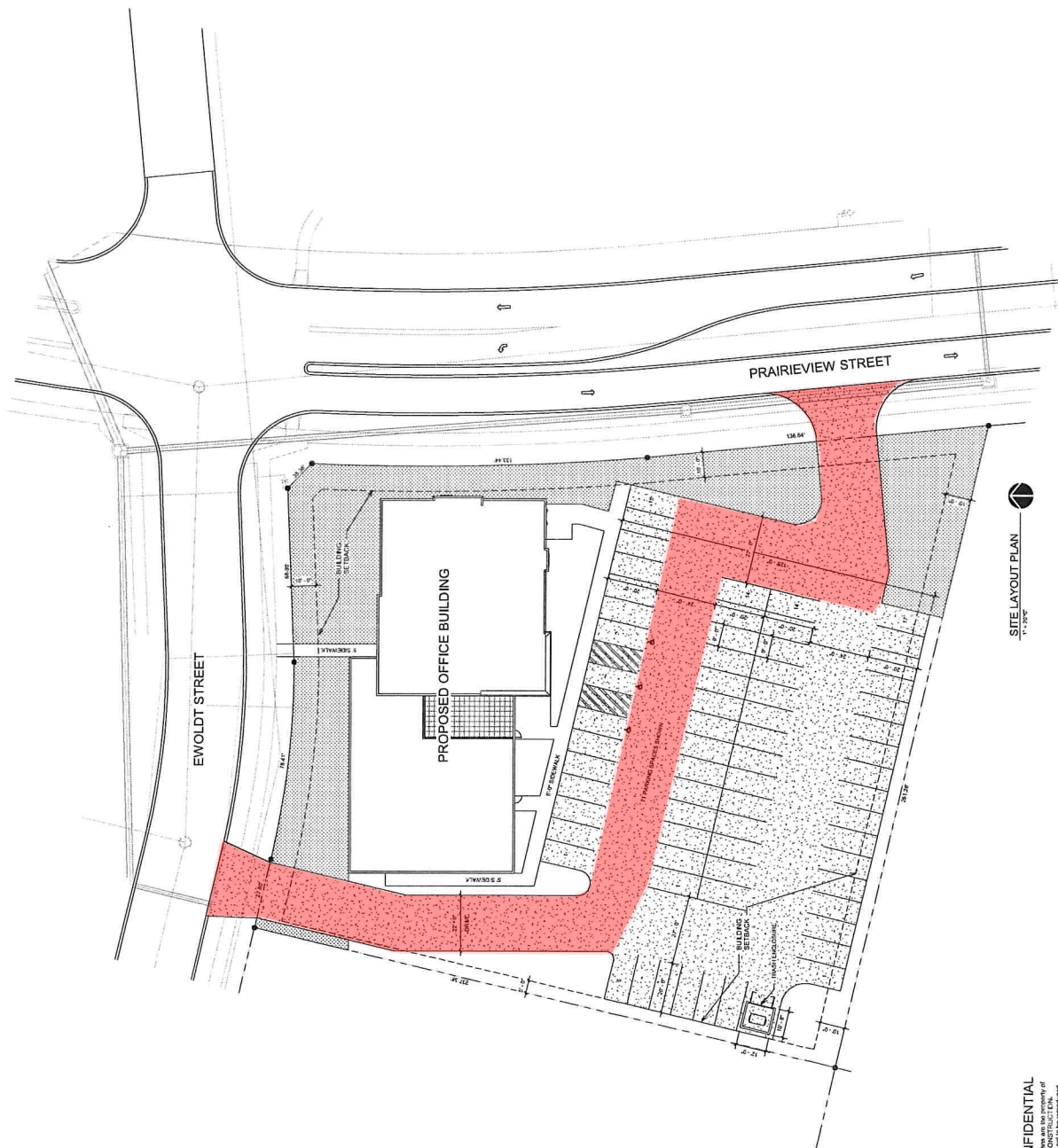
MINIMUM SHRUB & TREE PLANTINGS:

PER 100' OF PROPERTY LINE ADJACENT TO A PUBLIC R.O.W.
(1) CANOPY TREE = (6) TOTAL
(1) ORNAMENTAL OR EVERGREEN = (5) TOTAL
(5) SHRUBS = (15) TOTAL
NOTE: PER GRAND ISLAND ZONING ORDINANCE
CHAPTER 36-102 LANDSCAPING REQUIREMENTS FOR
DEFINITIONS AND ADDITIONAL INFORMATION.

PARKING REQUIREMENTS:

OFFICES AND PROFESSIONAL BUILDINGS - (1) SPACE PER
200 SQ. FT. OF NET FLOOR AREA = 8,705 SQ. FT.
FIRST FLOOR NET AREA = 4,107 SQ. FT.
TOTAL NET FLOOR AREA = 12,812 SQ. FT.
REQ'D PARKING = 12,812 / 200 = 64.06 (64) SPACES
WHICH INCLUDES (5) ADA REQ'D SPACES.

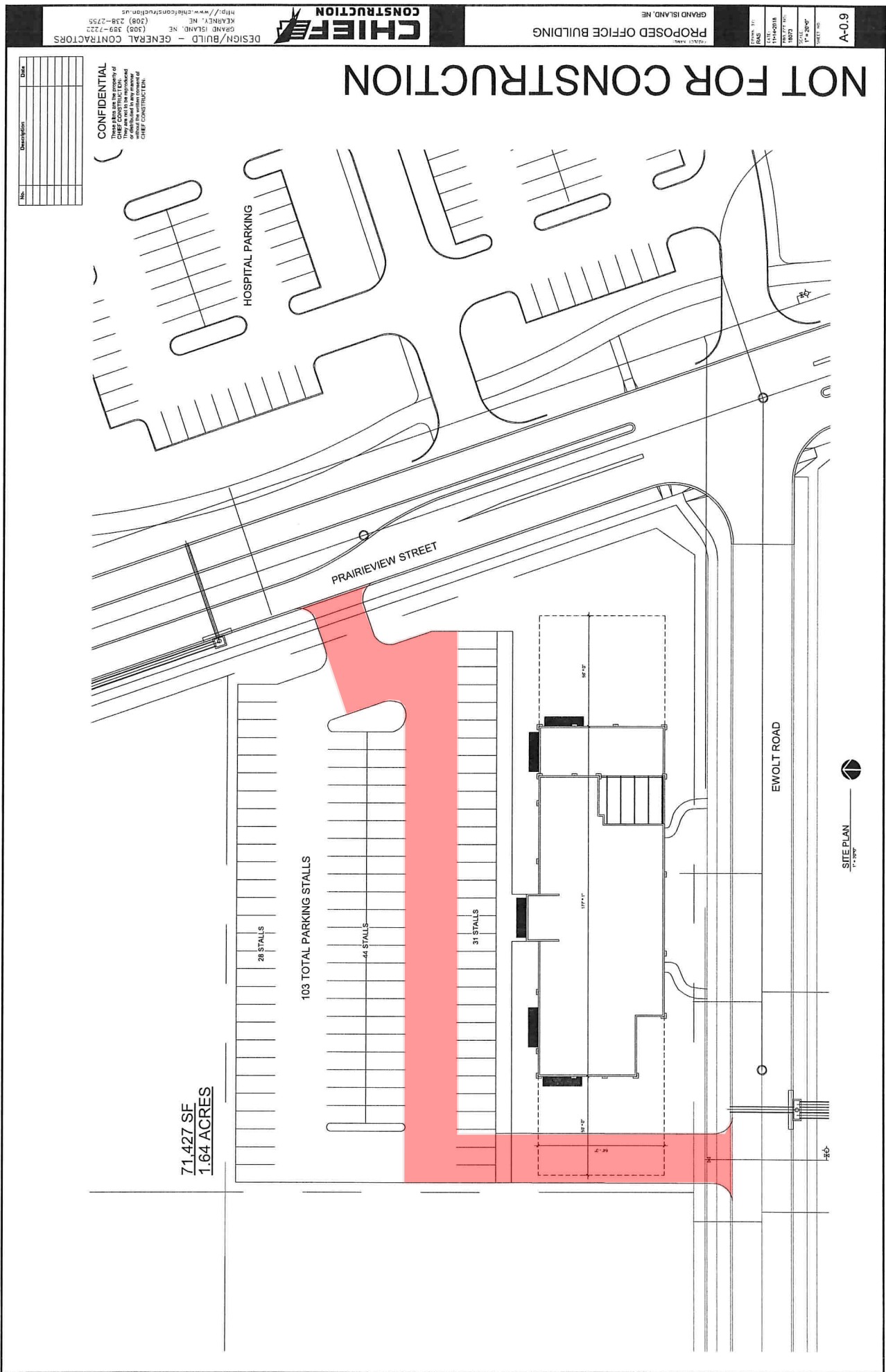
ZONED: RO - RESIDENTIAL OFFICE ZONE



SITE LAYOUT PLAN
1" = 100'

CONFIDENTIAL
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NOT FOR CONSTRUCTION



PRATARIA VENTURES, LLC
P.O. Box 2078
Grand Island, NE 68802

Prataria Ventures, LLC submits this letter to demonstrate to the City of Grand Island that the Project that is proposed within the Prairie Commons Subdivision would not occur at the proposed location if the project was not eligible for the use of tax increment financing.

The Redevelopment Plan for the project indicates that the incremental tax revenue generated by the construction of the commercial buildings on the project site shall be captured to pay for eligible costs as outlined in the Nebraska Community Development Law. The eligible costs for the project include street and utility improvements; site preparation and grading; and engineering and design fees.

In accordance with the requirements of the Nebraska Community Development Law, the project would not be economically feasible, and would not occur at the proposed location, without the assistance of the City of Grand Island and the capture of the incremental tax revenue. Specifically, the costs to install the necessary public street infrastructure and extend public utilities would make the project, as designed, not economically feasible for the developer, but for the assistance of tax increment financing to defray eligible costs. These upfront costs are a barrier to redevelopment, because they would require the redeveloper to charge land cost that would drive away the potential users, and the redeveloper is not willing to undertake this project without the users lined up. It is too costly and too big of an investment to undertake speculatively. Thus, the project as designed will not be constructed without the use of tax increment financing. This project consists of three potential users purchasing the properties and constructing buildings for their own use. Since the buildings will not be used for investment purposes a rate of return analysis is not warranted.

4844-1112-9256, v. 1

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

RESOLUTION NO. 321

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 9th day of October, 2019

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

By _____
Chairperson

ATTEST:

Secretary

Prairie Commons Phase 2 Prataria Ventures

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

RESOLUTION NO. 322

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 Prataria Ventures LLC, (The "Developer") for redevelopment of Lot 1 of Block 1, and Lots 2 and 3 of Block 2 of Prairie Commons Third Subdivision in 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 17;

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 9th day of October, 2019.

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

By _____
Chairperson

ATTEST:

Secretary

Prairie Commons Phase 2 Prataria Ventures