



# Community Redevelopment Authority (CRA)

**Wednesday, September 23, 2020**  
**Regular Meeting**

## **Item I1**

**Redevelopment Plan Amendment for CRA Area #25 - J&L  
Westward Enterprises LLC. CAAP**

Staff Contact:

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

**RESOLUTION NO. 342**

**A RESOLUTION APPROVING A MINOR AMENDMENT TO A  
REDEVELOPMENT PLAN AS APPROVED BY THE CITY OF GRAND  
ISLAND, NEBRASKA**

**WHEREAS**, the Mayor and Council of the City of Grand Island, Nebraska (the “**City**”), upon the recommendation of the Planning Commission of the City of Grand Island, Nebraska (the “**Planning Commission**”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), duly declared the redevelopment area legally described on **Exhibit A** attached hereto (the “**Redevelopment Area**”) to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, pursuant to and in furtherance of the Act, a Redevelopment Plan (the “**Redevelopment Plan**”), has been prepared by Community Redevelopment Authority of Grand Island, Nebraska, (the “**Authority**”) pursuant to an application by **J & L Westward Enterprises LLC** (the “**Redeveloper**”), in the form attached hereto as **Exhibit B**, for the purpose of redeveloping Redevelopment Area legally described on **Exhibit A**, referred to herein as the Project Area (the “**Project Area**”); and

**WHEREAS**, pursuant to the Redevelopment Plan, the Authority would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “**Project**”), in accordance with and as permitted by the Act; and

**WHEREAS**, the Authority has conducted a cost benefit analysis of the Project (the “**Cost Benefit Analysis**”) pursuant to Section 18-2113 of the Act, a which is included in the Redevelopment Plan attached hereto as **Exhibit B**; and

**WHEREAS**, the Authority has made certain findings and pursuant thereto has determined that it is in the best interests of the Authority and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

**WHEREAS**, the Grand Island City Council Approved this Redevelopment Plan and said plan must contain statements on the impact to local schools and no impacts to local schools have been identified.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:**

**Section 1.** The Authority has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, 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 in 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 provisions 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,

J & L Westward Enterprises LLC Area 25 CAAP Amendment

recreational and communitive 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.

**Section 2.** The Authority has conducted a Cost Benefit Analysis for the Project, included in the Redevelopment Plan attached hereto as Exhibit B, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing and the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, have been analyzed and have been found to be in the long term best interests of the community impacted by the Project.

**Section 3.** In compliance with section 18-2114 of the Act, the Authority finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Authority and the Authority shall receive no proceeds from disposal to the Redeveloper; (b) the estimated cost of project acquisition and the estimated cost of preparation for redevelopment including site work, onsite utilities and private streets and related costs are described in detail in Exhibit B attached hereto; (c) the method of acquisition of the real estate shall be by private contract by the Redeveloper and not by condemnation; and (d) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the approximate amount of \$359,625, which shall be granted to the Redeveloper and from additional funds provided by the Redeveloper. No families will be displaced from the Redevelopment Project Area as a result of the project.

**Section 4.** The Authority hereby approves this plan with an amendment to include the impact of this project on local schools.

**Section 5.** All prior resolutions of the Authority in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

**Section 6.** This resolution shall be in full force and effect from and after its passage and approval.

**PASSED AND APPROVED** this 23<sup>rd</sup> day of September, 2020.

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

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Secretary

J & L Westward Enterprises LLC Area 25 CAAP Amendment

**EXHIBIT A**

**LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA**

**LEGAL DESCRIPTION**

A tract of land being a part of the Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4), Section Seventeen (17), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> P.M. , Hall County, Nebraska, and more particularly described as follows:

Beginning at a Survey Marker Spike and L.S. Washer at the Southeast Corner of the Southeast Quarter of Section 17 and assuming the South line of said Southeast Quarter bearing S 89° 32' 20" W and all bearings contained herein are relative thereto; thence S 89° 32' 20" W on said South line distance of 600.00 feet; thence N 00° 08' 28" E parallel with the East line of said Southeast Quarter a distance of 735.00 feet to a 5/8" rebar w/cap; thence N 89° 32' 20" E parallel with said South line of the Southeast Quarter a distance of 600.00 feet to the East line of said Southeast Quarter; thence S 00° 06' 28" W on said East line a distance of 735.00 feet to the Point of Beginning.

J & L Westward Enterprises LLC Are 25 CAAP

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**EXHIBIT B**

**FORM OF REDEVELOPMENT PLAN**

J & L Westward Enterprises LLC Are 25 CAAP

**Site Specific Redevelopment Plan  
Grand Island CRA Area 25 (CAAP)  
July 2020**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to approve a Redevelopment Plan for a specific project for Area 25 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 25.**

**Executive Summary:**

**Project Description**

THE REDEVELOPMENT OF THE PROPERTY (10 ACRES LOCATED IN PART OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION (17) SEVENTEEN, TOWNSHIP ELEVEN (11) NORTH, RANGE TEN (10) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA) 6060 W. OLD POTASH HIGHWAY (NORTHWEST CORNER OF 60TH ROAD AND OLD POTASH HIGHWAY) FOR INDUSTRIAL USES, INCLUDING CONSTRUCTION OF A 25,000 SQUARE FOOT BUILDING FOR EXPANSION OF THE J&L WESTWARD ENTERPRISES, LLC SICKLE SHARPENING BUSINESS

The use of Tax Increment Financing to aid in development expenses associated with redevelopment of the property located at 6060 W. Old Potash Highway. The proposed plans would include the development of a 25,000 square foot building and associated private streets and parking to accommodate the business. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The use of this property for industrial non-residential uses is consistent with the Cornhusker Army Ammunition Plant (CAAP) reuse plan as approved and adopted by the CAAP Reuse Committee and the Hall County Board of Supervisors. This project would not be feasible without the use of TIF.

J & L Westward, LLC owns approximately 10 acres in the Southern Public Power Industrial Park. Development of the property and expansion of the business is contingent on Tax Increment Financing. J & L Westward, LLC has been located in Grand Island since 1991 and has 30 full time employees. This is an opportunity for them to expand both their business and their employee base, further supporting the local agricultural community. The \$108,000 purchase price of this property is a TIF eligible activity. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with this project. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15-year period beginning January 1, 2022 towards the allowable costs and associated financing for the acquisition and site work.

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

Property Description (the “Redevelopment Project Area”)

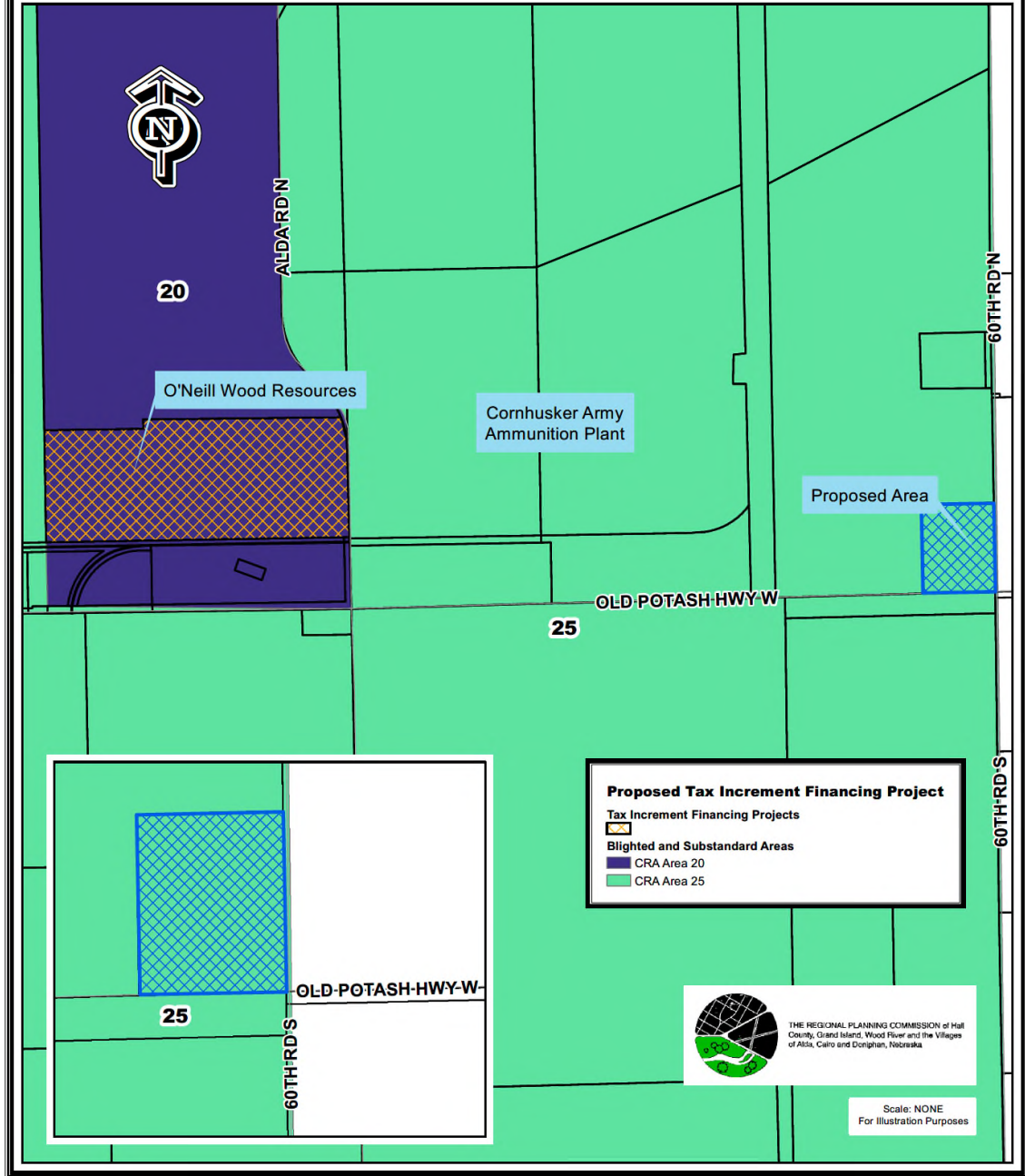
**LEGAL DESCRIPTION**

A tract of land being a part of the Southeast Quarter of the Southeast Quarter (SE 1/4 SE 1/4), Section Seventeen (17), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> P.M. , Hall County, Nebraska, and more particularly described as follows:

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# Proposed Tax Increment Financing Project

A tract of land located at 6060 W Old Potash Highway



**Location Map**



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2023 through 2037 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 the construction of a building to house the J & L Westward business. This use is permitted at this location.**

**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 July 25, 2017.[§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 property is not located within Grand Island or the 2 mile extraterritorial jurisdiction of Grand Island. Hall County adopted their comprehensive plan including the CAAP redevelopment plan on April 20, 2004. This redevelopment plan amendment and project are consistent with the Hall County Comprehensive Plan and the CAAP Reuse Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to develop property with 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 August 5, 2020 and passed Resolution 2020-08 confirming that this project is consistent with the Comprehensive Plan for the Hall County.

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

***a. Land Acquisition:***

This Redevelopment Plan provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. Property acquisition is an eligible activity for this project.

***b. Demolition and Removal of Structures:***

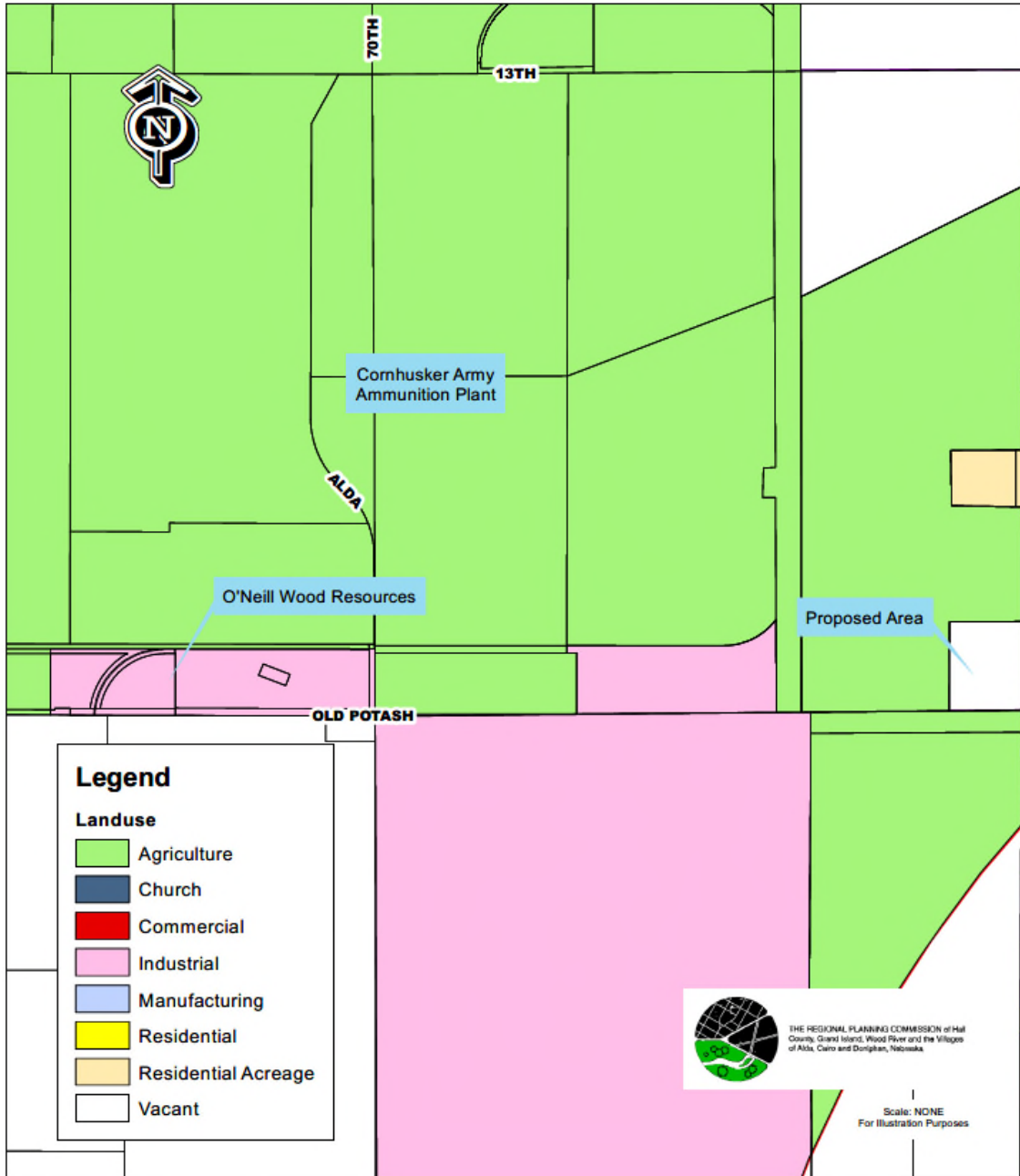
The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

***c. Future Land Use Plan***

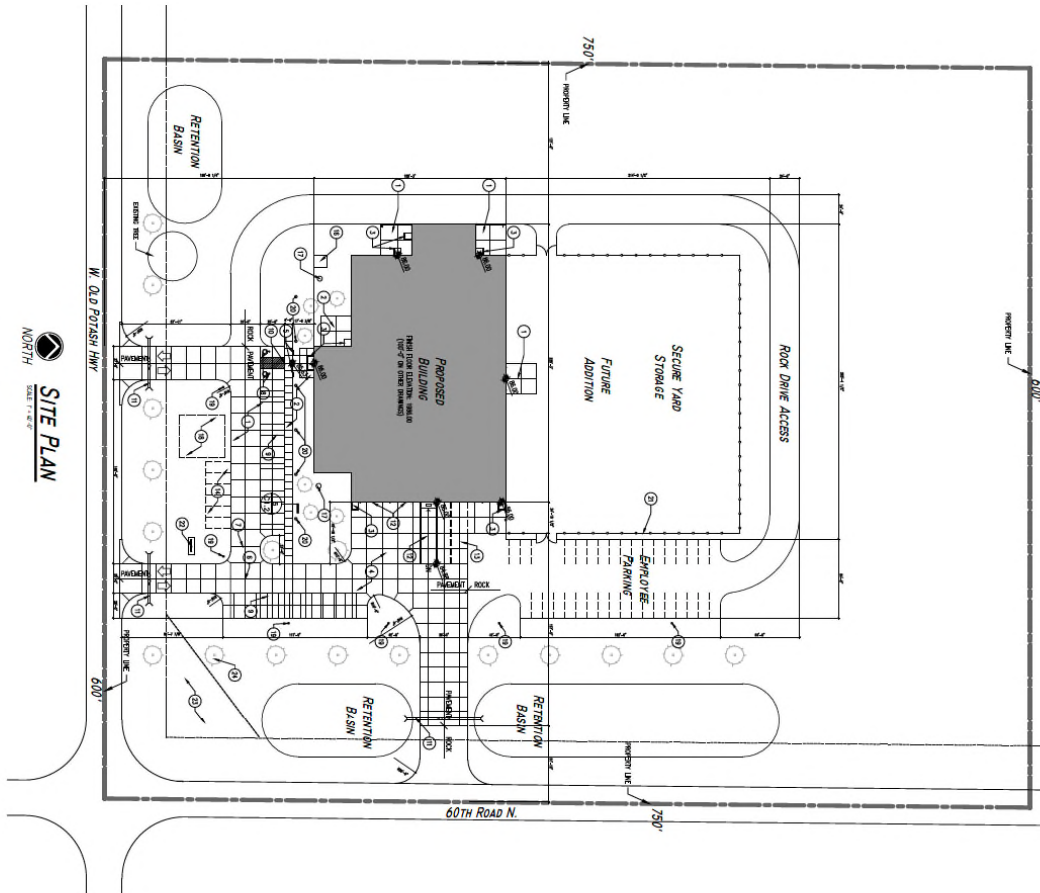
Within the Hall County Comprehensive Plan as adopted and updated since 2004 this area and all of the CAAP grounds are designated as CAAP Reuse Area. According to the CAAP Reuse Plan this particular area is planned for Agriculture and Special Industrial Uses. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]

# Hall County Existing Land Use Map

Proposed Tax Increment Financing Project  
A tract of land located at 6060 W Old Potash Highway



# Site Layout



**SITE PLAN**  
SCALE: 1" = 40'-0"

- PLAN NOTES**
- 1) CONCRETE FINISH WITH CORNER CHAMFER AS SHOWN
  - 2) FINISH FLOOR - SEE SPECIFICATIONS
  - 3) CONCRETE FINISH WITH CORNER CHAMFER AS SHOWN
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Project Number:  
**2019WCC-020**

Sheet Number:  
**C1.1**

Sheets Title:  
**SITE PLAN**

Date:  
**4-17-16**

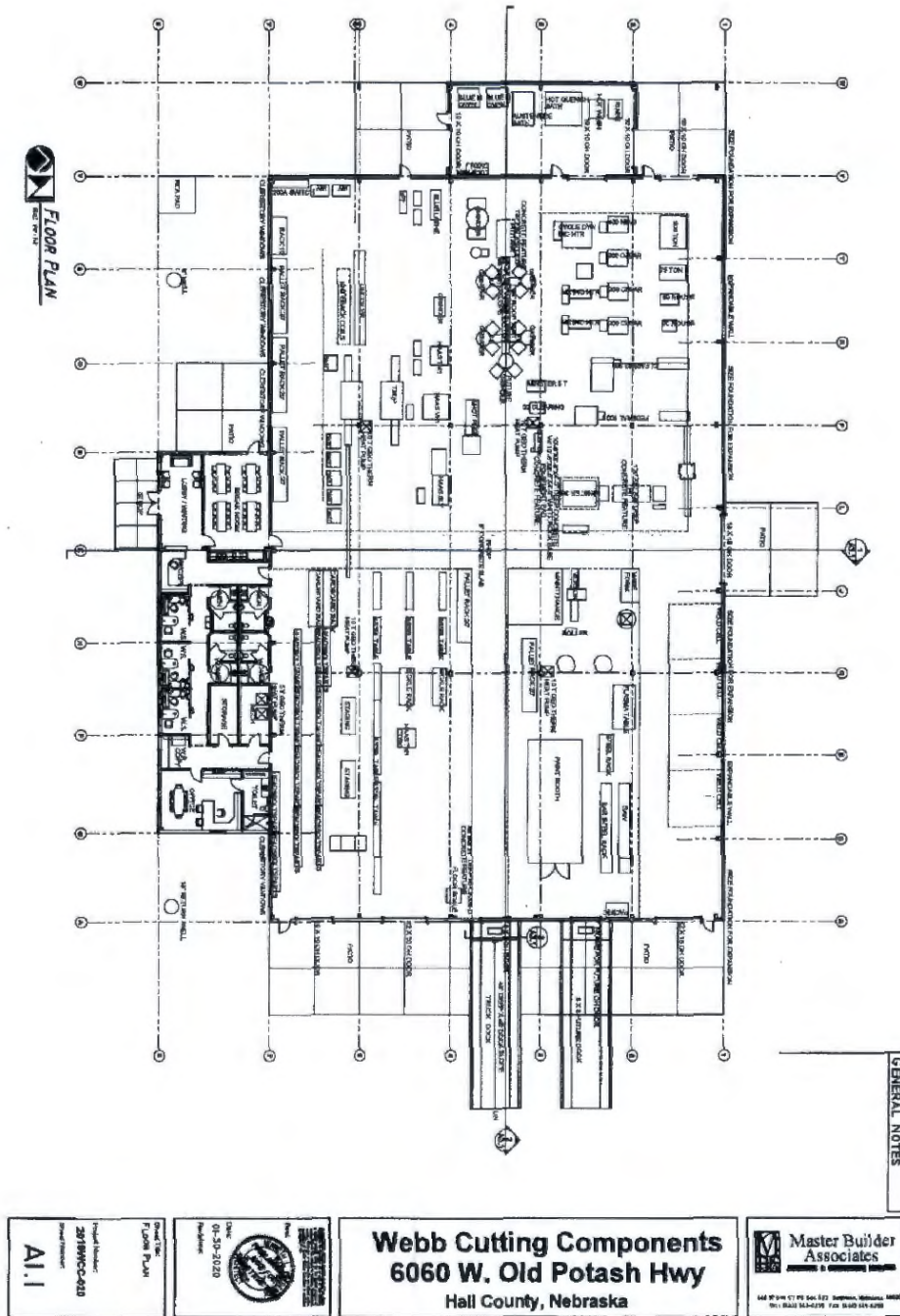
Revision:  
**6-8-2020**

**Webb Cutting Components**  
**6060 W. Old Potash Hwy**  
**Hall County, Nebraska**

**Master Builder Associates**  
ARCHITECTS & CONSTRUCTION MANAGERS

602 W 6TH ST PO BOX 433 DODDMAN, NEBRASKA 68832  
TEL: (402) 845-6335 FAX: (402) 845-6256

Proposed Building



***d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.***

The area is zoned AG/SI-Special Agriculture/Industrial 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 proposing to construct a 25,000 square foot manufacturing facility. The proposed development is within the site coverage and intensity of use limits of the district. This is a permitted use at this location. [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Municipal sewer and water are not available to this development.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property, owned by the developer, is vacant and has been vacant for more than 1 year; no relocation is contemplated or necessary. [§18-2103.02]**

**5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]** 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 owns this property and acquisition is part of the request for tax increment financing. The estimated costs of redevelopment of this property is \$2,042,483 Acquisition of the property was \$108,000 along with site prep cost of \$52,700. A total of \$111,373 will be spent on improvements to street maintained publicly and privately. Planning related expenses for Architectural and Engineering services of \$79,375 and are included as a TIF eligible expense. Legal, Fees including a reimbursement to the City and the CRA of \$12,100 are included as TIF eligible expense. The total of the TIF eligible

expenses is \$363,548. The CRA will issue a zero percent interest bond in the amount of \$359,625 the total TIF requested and expected over the 15 year period. It is anticipated that this will generate \$252,647 of capital at the beginning of this project if the borrower can finance the debt at 5% interest over 15 years.

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 \$359,625 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, 2022 through December 2037.

***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 encouraging appropriate industrial development at the CAAP.

## **8. Time Frame for Development**

Development of this project is anticipated to be completed between September 2020 and December of 2021. Excess valuation should be available for this project for 15 years beginning with the 2022 tax year.

## **9. Justification of Project**

The property at the Cornhusker Army Ammunition Plant has been touted as one of the premiere industrial sites in the State of Nebraska for more than 20 years. This property has developed slowly because of lack of municipal infrastructure and lack of activity at the site. This new manufacturing facility and the associated new building(s) may be the seeds that will create additional growth in this area. The Nebraska Legislature and Governor in approving the use of TIF within former military sites within the state recognized the challenges with redeveloping this large, mostly abandoned sites.

It is also anticipated that this project will create 6 full and 3 part time jobs with aggregate wages of \$267,000 and benefits.

**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 \$359,625 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 \$2,586,781 in private sector financing; a private investment of \$7.19 for every TIF dollar invested.

| <b>Description</b>         | <b>Use of Funds.</b> |                      |                    |
|----------------------------|----------------------|----------------------|--------------------|
|                            | <b>TIF Funds</b>     | <b>Private Funds</b> | <b>Total</b>       |
| Site Acquisition           | \$108,000            |                      | \$108,000          |
| Legal and Plan*            | 12100                |                      | \$12,100           |
| Engineering/Arch           | 79375                |                      | \$79,375           |
| Public and Private Streets | 107450               | \$3,923              | \$111,373          |
| Site Prep/Grading          | 52700                |                      |                    |
| New Construction           |                      | \$1,682,858          | \$1,682,858        |
| Equipment                  |                      | \$900,000            | \$900,000          |
| <b>TOTALS</b>              | <b>\$359,625</b>     | <b>\$2,586,781</b>   | <b>\$2,946,406</b> |



**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2019, valuation of \$94,373. Based on the 2019 levy this would result in a real property tax of approximately \$1,234. It is anticipated that the assessed value will increase by \$1,634,594 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of approximately \$23,600 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as 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:   | \$ 94,373    |
| Estimated value after completion | \$ 1,728,967 |
| Increment value                  | \$ 1,634,594 |
| Annual TIF generated (estimated) | \$ 23,600    |
| TIF bond issue                   | \$ 359,625   |

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

The redevelopment project area currently has an estimated valuation of \$94,373. The proposed redevelopment will create additional valuation of \$1,634,594. No tax shifts are anticipated from the project. This project will not have a direct negative impact on local schools systems. The school system will gain an immediate bump in personal property taxes from the new equipment purchases and a long-term benefit from the additional tax base created on the property. No new roads will be created for this 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.

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

This will create some additional employment in the area. Unemployment is low in this area. The impacts on existing employers in the area will be minimal as there are not many new employees.

*(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.

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

*This is a business relocating from the City of Grand Island to the CAAP property approximately 4 miles from the current location. The majority of the employees at this facility are already living in the area and will not create any additional strain on the schools due to this project. While they are expecting to increase the number of employees with this move and expansion the total number of employees to be added is 6 full time and 3 part time. Even if all of these were new residents attracted to this area for these jobs this would not impact the Grand Island Public school district or the Northwest School District.*

*(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 CAAP Reuse Plan and would be a step forward in creating the industrial district envisioned with that redevelopment. These types of uses that do not mix well with residential uses are ideal for property that is highly restricted for residential development.

### **Time Frame for Development**

Development of this project is anticipated to be completed during between September of 2020 and December 31 of 2021. The base tax year should be calculated on the value of the property as of January 1, 2021. Excess valuation should be available for this project for 15 years beginning in 2022 with taxes due in 2023. 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 \$359,625 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 \$363,548 on TIF eligible activities. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.