

Community Redevelopment Authority (CRA)

Wednesday, September 8, 2021 Regular Meeting

Item I2

Redevelopment Plan Amendment Area #32 -3MJRm LLC

Staff Contact:

Redevelopment Plan Amendment Grand Island CRA Area 32 September 2021

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 32 with in the city, pursuant to the Nebraska Community Development Law (the "Act") and provide for the financing of a specific infrastructure related project in Area 32.

Executive Summary:

Project Description

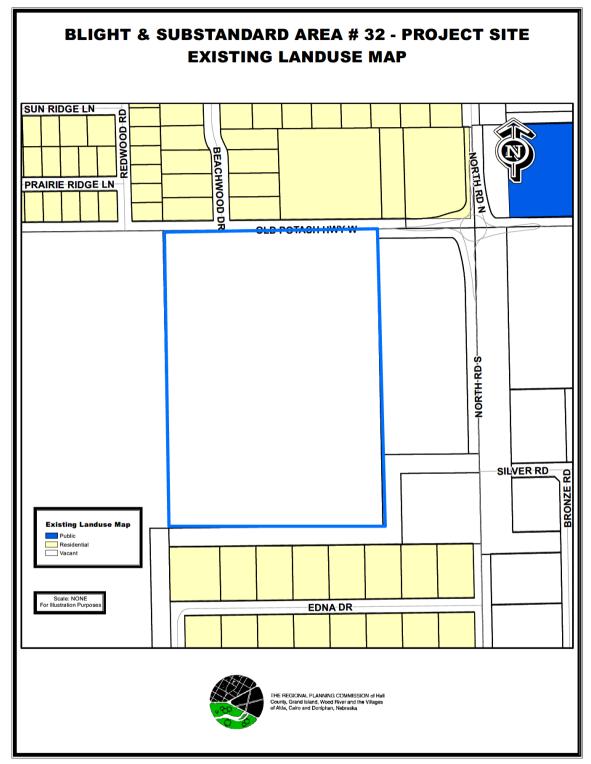
THE REDEVELOPMENT APPROXIMATELY 26 ACRES OF PROPERTY LOCATED BETWEEN WEST OF NORTH ROAD AND SOUTH OF OLD POTASH HIGHWAY NORTHWEST GRAND ISLAND FOR THE DEVELOPMENT OF 192 UNITS OF 55 PLUS AGE RESTRICTED HOUSING IN THREE AND FIVE UNIT BUILDINGS.

The use of Tax Increment Financing to aid in redevelopment expenses associated with platting and installing the necessary infrastructure (streets, sanitary sewer, water, and storm sewer) for the development of 192 units of age restricted housing in 48 three and five unit buildings on property being platted as Jaxson Subdivision in northwest Grand Island. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The 2020 Housing Study for the City of Grand Island identified a need of 222 owner occupied and 237 rental units for the 55+ population by 2024. This project with rents commensurate with market conditions would not be possible without the use of Tax Increment Financing.

3MJR LLC – has an option to purchase this property that will expire in November of 2021 if the project is not approved. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the construction of units. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over multiple 15 year periods beginning January 1, 2022 towards the allowable costs and associated financing for the development of this property.

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

Legal Descriptions: Property being platted as Jaxson Subdivision in the City of Grand Island, Hall County, Nebraska. Parcel Number 400200929



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2022 through 2049 inclusive. The TIF contract will be structured so it can be amended each year for up to twelve years to add the housing units to be completed during that year. No single property will be eligible for TIF for a period of more than 15 years.

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 development of the property for residential uses and the construction of three and five unit buildings for persons 55 and older.

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 or any amendment to the redevelopment contract, consistent with this Redevelopment Plan. The plan anticipates that each phase of the development will constitute new effective date for the purposes of determining the period of fifteen years. 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 22, 2021.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

<u>2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13)</u> (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 October 6, 2021 and passed Resolution 2021-01 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island. The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving a housing subdivision and/or apartment complex is proposed within the District. The school district was notified of this plan amendment prior to it being submitted to the CRA for initial consideration.

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

a. Land Acquisition:

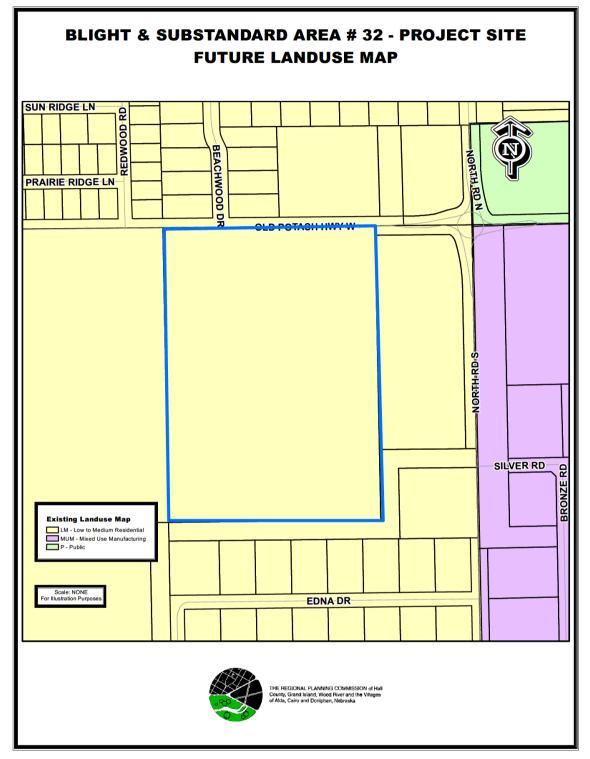
This Redevelopment Plan for Area 32 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

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

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for low to medium density residential development. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

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

The area is zoned LLR Large Lot Residential but the future land use map calls for low to medium density residential. The applicant has submitted a plan for a residential development zone that would not exceed the density allowed in the medium density zoning district (14 units per acre on 26 acres would be 364 units). The plan for the residential development zone will be presented to planning commission and council along with the request for TIF. New private streets are anticipated and needed to support this project and it is anticipated that TIF revenues will offset the costs of those improvements. No changes are anticipated in building codes or other ordinances. No other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The proposed zoning as an RD zone allows for up to 42 units per acre if approved. The proposed development will be 7.38 units per acre. The proposed development if approved as submitted will meet those coverage and intensity of use requirements of the RD zone. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sanitary sewer and water are available to support this development. Both sanitary sewer and water will need to be extended throughout the site. TIF revenues will be used to offset the cost of these public utility improvements.

Electric utilities are sufficient for the proposed use of this property. Electric lines, transformers, and conduit will need to be extended throughout the property.

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

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This property is vacant and has 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 purchase price of the property is \$780,870 as an eligible expense. The estimated costs of utilities including sewer, water and electric is \$3,054,580. The cost of grading, and streets/trail/sidewalks and drainage is \$4,289,446. Planning activities including engineering, architecture, legal fees and government fees are estimated at \$157,148. The total of the eligible expenses for this project is estimated by the developer at over \$8,280,000.

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

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$7,460,038 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 2047.

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. 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 increasing the number of residential units within the City of Grand Island and encouraging infill development.

8. Time Frame for Development

Development of this project is anticipated to begin in the 2022 year. The subdivision will likely be built in six phases with approximately 8 buildings per phase and two phases at a time. The developer is anticipating construction of 32 units per year though this may be adjusted for market demand. It is anticipated that the units in this development will be built in 2034 with the tax increment on those homes extending to 2049. Excess valuation should be available for the first homes built with this project for 15 years beginning with the 2023 tax year.

9. Justification of Project

The 2020 housing study for the City of Grand Island projected that by 2024 we would need an additional 1361 new housing units, 222 of those should be 55+ owner occupied and 237 should be 55+ rental units. Between January 1 of 2020 and July of 2021 permits for 305 new housing units had bee issued. The current housing market, a combination of the cost of producing housing and the prevailing wages, has not created a situation that gives the markets sufficient incentive to build the number housing units required to meet community needs. This lack of housing options impacts a variety of other areas within the community including work force development, overcrowding, maintenance of residential units and rents. This project will create new housing options for the 55+ citizens of Grand Island and will likely result in the sale of existing homes around the city.

<u>10.</u> 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.* (2019), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$7,460,038 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 \$27,654,611 in private sector financing; a private investment of \$3.71 for every TIF dollar invested.

Use of Funds.	Source of Funds						
Description	TIF Funds	Private Funds	Total				
Site Acquisition	\$ 780,870		\$780,870				
Building Costs		\$23,122,640	\$23,122,640				
Sewer	\$1,658,457		\$1,654,457				
Water	\$806,794		\$806,794				
Electric	\$589,329		\$589,329				
Public Streets/Sidewalks	\$1,319,540	\$822,006	\$2,141,546				
Private Streets		\$1,596,432	\$1,596,432				
Trails	\$87,413		\$87,413				
Site preparation/Dirt Work	\$2,060,487		\$2,060487				
Architecture/Engineering	\$81,800		\$81,800				
Financing Fees/ Audit		\$1,511,980	\$1,511,980				
Legal/TIF Contract	\$72,248		\$72,248				
other (ROW Landsjacaping/Parks)		\$601,553	\$601,553				
Govt. Fees and Expenses	\$3,100		\$3,100				
Total	\$7,460,038	\$27,654,611	\$35,114,649				

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2020, valuation of approximately \$114,694. Based on the 2020 levy this would result in a real property tax of approximately \$2,263. It is anticipated that the assessed value will increase by \$25,805,306 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$497,000 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for the period of the bonds, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2020 assessed value:	\$ 114,694
Estimated value after completion	\$ 25,920,000
Increment value	\$ 25,805,306
Annual TIF generated (estimated)	\$ 497,336
TIF bond issue	\$ \$7,460,038

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

The redevelopment project area currently has an estimated valuation of \$114,694. The proposed redevelopment will create additional valuation of \$25,805,306 over the course of the next twelve years. The project creates additional valuation that will support taxing entities long after the project is paid off along with providing 192 additional housing for persons 55 and older. The tax shift from this project will be equal to the total of the bond principal of \$7,460,038 if fully funded and any associated interest on the bond to be assigned with contract approval.

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

Existing water and waste water facilities will not be negatively impacted by this development. The electric utility has sufficient capacity to support the development. This is infill development with services connecting to existing line with capacity. This development is unlikely to result in a larger number of students in the Shoemaker Elementary School service area since it is restricted to individuals 55 years old and older. Fire and police protection are available and should not be negatively impacted by this development though there will be some increased need for officers and fire fighters as the City continues to grow whether from this project or others.

Housing of the type proposed is unlikely to attract families to the neighborhood. It is unlikely that this housing bring additional school age children to the area.

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

This will provide additional housing options for the residents of Grand Island. The National Homebuilders Association estimated in a 2008 study that each unit of multifamily housing resulted in 1.16 full time equivalent jobs so this development at 32 units per year would represent an additional 37 FTE's within the city for the next six years.

(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 different from any other expanding business within the Grand Island area. Grand Island does have tight labor market and part of that is due to the availability and cost of housing. This development may help alleviate some of those pressures.

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

This development will have a minimal impact on the Grand Island School system and will likely not result in additional students at the elementary and secondary school levels.

All of the units in this development will be restricted to persons 55 and over. This housing will not provide housing for any school age children. The Grand Island Public School System was notified on August 24, 2021 that the CRA would be considering this application at their September 8, 2021 meeting.

(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 2020 Housing Study for the City of Grand Island to create more than 1361 new housing units, 222 of those should be 55+ owner occupied and 237 should be 55+ rental units. Between January of 2020 and July of 2021 the City of Grand Island has issue permits for 305 housing units. The local housing market is not capable of producing the number of units needed at market rate given the costs of building and development.

Time Frame for Development

Development of this project is anticipated to be completed during between Spring of 2022 and the end of 2034. The base tax year should be calculated on the value of the property as of January 1, 2022 for the first phase with each phase based on the preceding year's valuation of the property included in the amendment for that year. Excess valuation should be available for this project 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 on each property or an amount not to exceed \$7,460,038 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 \$8,200,000 on TIF eligible activities.



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name: 3MJR, LLC	
Address: PO Box 5616, Grand Island	d, NE 68802
Telephone No.: <u>308-391-2959</u> Email: ^{rhoads} jr@charter.net	Fax No.: <u>308-381-6557</u>
Contact: Josh Rhoads	
Application Submission Date:	

Brief Description of Applicant's Business:

3MJR, LLC is organized as a Nebraska LLC. Subsequent to project completed (pending TIF approval), the company will operate and lease housing units for those aged 55+ located at the project site (Jaxson Subdivision). Upon completion of all phases of the proposed project, a total of 48 buildings housing 192 units will be available.

Legal Description/Address of Proposed Project

Jaxson Subdivision, Hall County Nebraska (Parcel 400200929)

Community Redevelopment Area Number

Form Updated 7-25-2019cn

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Present Ownership Proposed Project Site: Eric & Kenda Pollock Trust

Is purchase of the site contingent on Tax Increment Financing Approval? Yes 🗹 No 🗖

Proposed Project: Building square footage, size of property, description of buildings -

materials, etc. Please attach site plan, if available.

Site preparation at Jaxson Subdivision, including concrete work, infrastructure (sewer and electric), landscaping, fencing, etc. and the construction of 48 housing units intended for residential living by those aged 55+. Phases will each consist of 32 housing units, either 2-bedroom or 3-bedroom floor plans. Once all six phases are completed over twelve years there will be 192 housing units, 96 2-bedroom floor plans and 96 3-bedroom floor plans

If Property is to be Subdivided, Show Division Planned: N/A

Estimated Project Costs:

A. Land	\$ <u>780,870</u>
B. Building	\$_0
Construction Costs:	
A. Renovation or Building Costs:	\$
B. On-Site Improvements:	
Sewer	\$
Water	\$ 806,794
Electric	\$ <u>589,329</u>
Gas	\$
Public Streets/Sidewalks	\$ 2,228,959

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VI.

	Private Streets	\$	1,596,432
	Trails	\$	
	Grading/Dirtwork/Fill	\$	2,060,487
	Demolition	\$	
	Other	\$	601,553
	Total	\$	33,445,522
So	t Costs:		
A.	Architectural & Engineering Fees:	\$	81,800
В.	Financing Fees:	\$	1,511,980
C.	Legal	\$	72,248
D.	Developer Fees:	\$	
E.	Audit Fees	\$	
F.	Contingency Reserves:	\$	
G.	Other (Please Specify)	\$	
	TOTAL	\$	1,666,028
			05 000 000
Total Esti	nated Market Value at Completion:	\$	25,920,000
Source fo	r Estimated Market Value	e provided I	by Hall County Assessor divided by 92%
Source of	Financing:		
A.	Developer Equity:	\$	1,604,661
В.	Commercial Bank Loan:	\$	28,089,239
C.	Tax Credits:		
	1. N.I.F.A.	\$	
	2. Historic Tax Credits	\$	
	3. New Market Tax Credits	\$	
	4. Opportunity Zone	\$	
D.	Industrial Revenue Bonds:	\$	
E.	Tax Increment Assistance:	\$	5,417,649
F.	Enhanced Employment Area	\$	

Form Updated 7-25-2019cn Note 1: TIF requested at zero percent lending rate is \$7,460,038. Amount financed in item E above is principal only portion after applying a 4.5% lending rate on a 15-year term note with monthly payments (interest component is \$2,042,389).

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- G. Nebraska Housing Trust Fund
- H. Other

\$ _____ \$ _____

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

Engineer: Olsson Associates 201 E 2nd St Grand Island, NE 68801 (308)384-8750

General Contractor:

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

\$445,997 (see exhibit B for detailed calculation)

Project Construction Schedule:

Construction Start Date: January 1, 2022

Construction Completion Date: December 31, 2033

If Phased Project:

Phase 1 - 1/1/2022 - 12/31/2023	Year
Phase 2 - 1/1/2024 - 12/31/2025	
Phase 3 - 1/1/2026 - 12/31/2027	
Phase 4 - 1/1/2028 - 12/31/2029	
Phase 5 - 1/1/2030 - 12/31/2031	
Phase 6 - 1/1/2032 - 12/31/2033	

16.67	% Complete
16.67	% Complete
16.67	% Complete
16.67	% Complete
16.66	% Complete
16.66	% Complete

Form Updated 7-25-2019cn

XII. Please Attach Construction Pro Forma See Exhibit C
XIII. Please Attach Annual Income & Expense Pro Forma See Exhibit D
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

\$6,689,959 of tax increment financing (based on a 0% lending rate) is being requested to assist in the construction of 48 housing units to be located in the Jaxson Subdivision of Hall County which are intended to create a total of 192 homes for those 55+ upon completion. The six-phase project involves the construction of the housing units, as well concrete work for the foundations and all necessary access roads, as well as appropriate sewer and electrical hookups to the city water and electric facilities.

The TIF funds will enable the project to be undertaken, resulting in vast improvements to the current location with the development of an area the will help to satisfy an underutilized occupancy demand of Grand Island.

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 assistance. Feasibility is dependent on TIF funds that will enable the creation of adequate economics in operating the new development at a competitive rate in the specified area (See Exhibit E for the capitalization rate analysis).

Form Updated 7-25-2019cn

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:

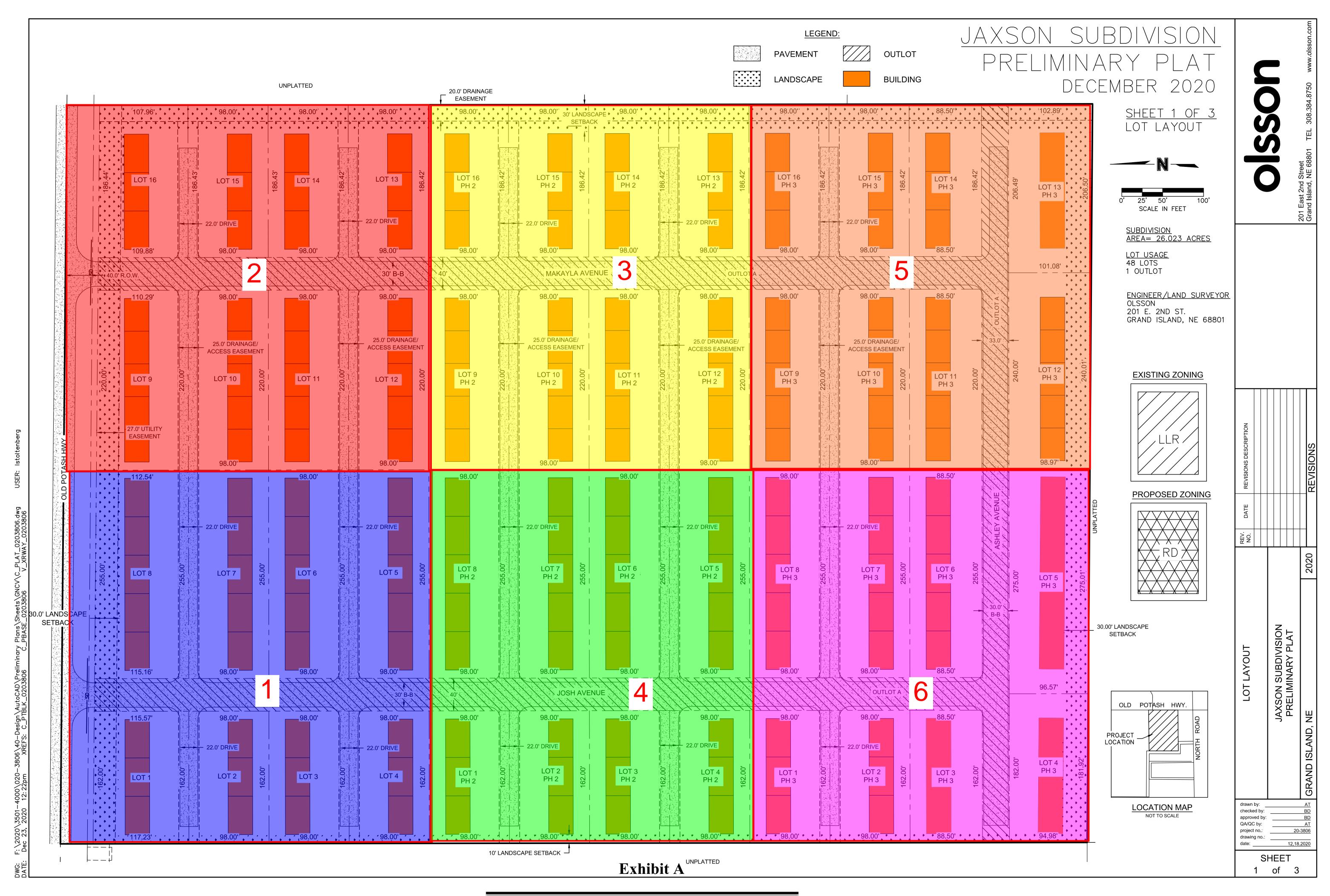
Tony Porter Exchange Bank 1204 Allen Dr Grand Island, NE 68803 (308) 382-2900

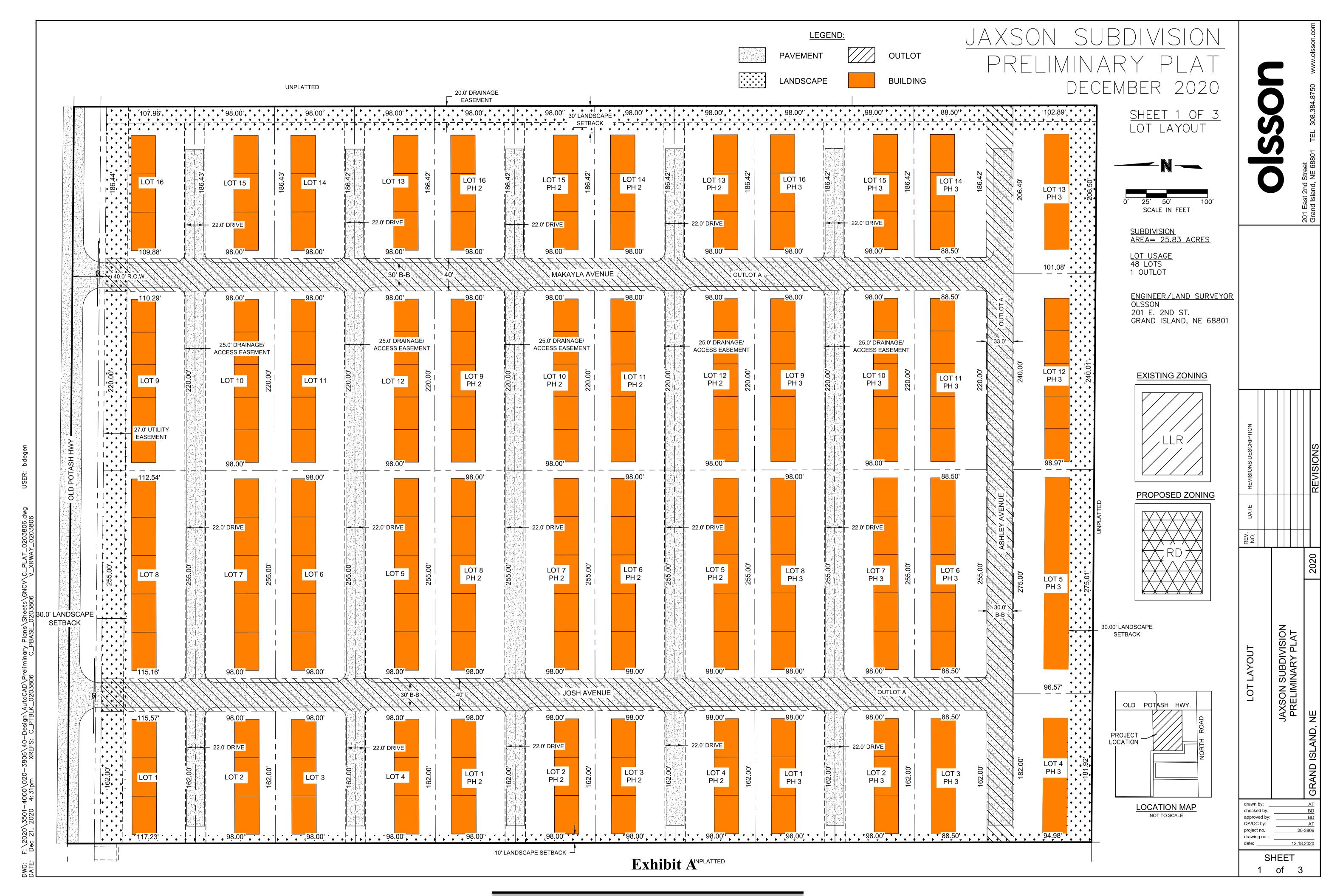
Ray O'Connor 2502 N Webb Rd Grand Island, NE 68803 (308) 381-2497

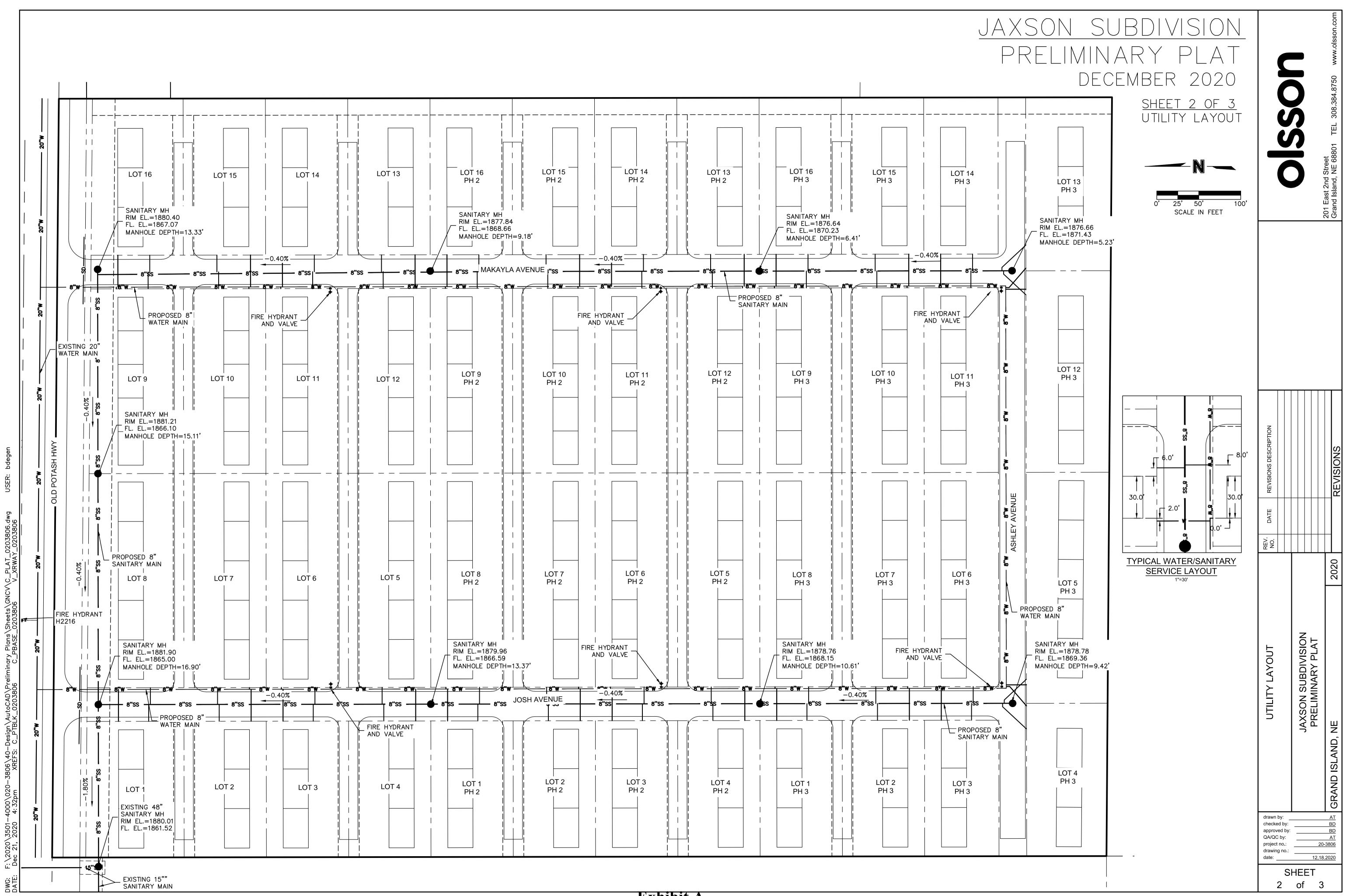
Jeff Vinson 1527 Stagecoach Rd Grand Island, NE 68801 (308) 379-6836

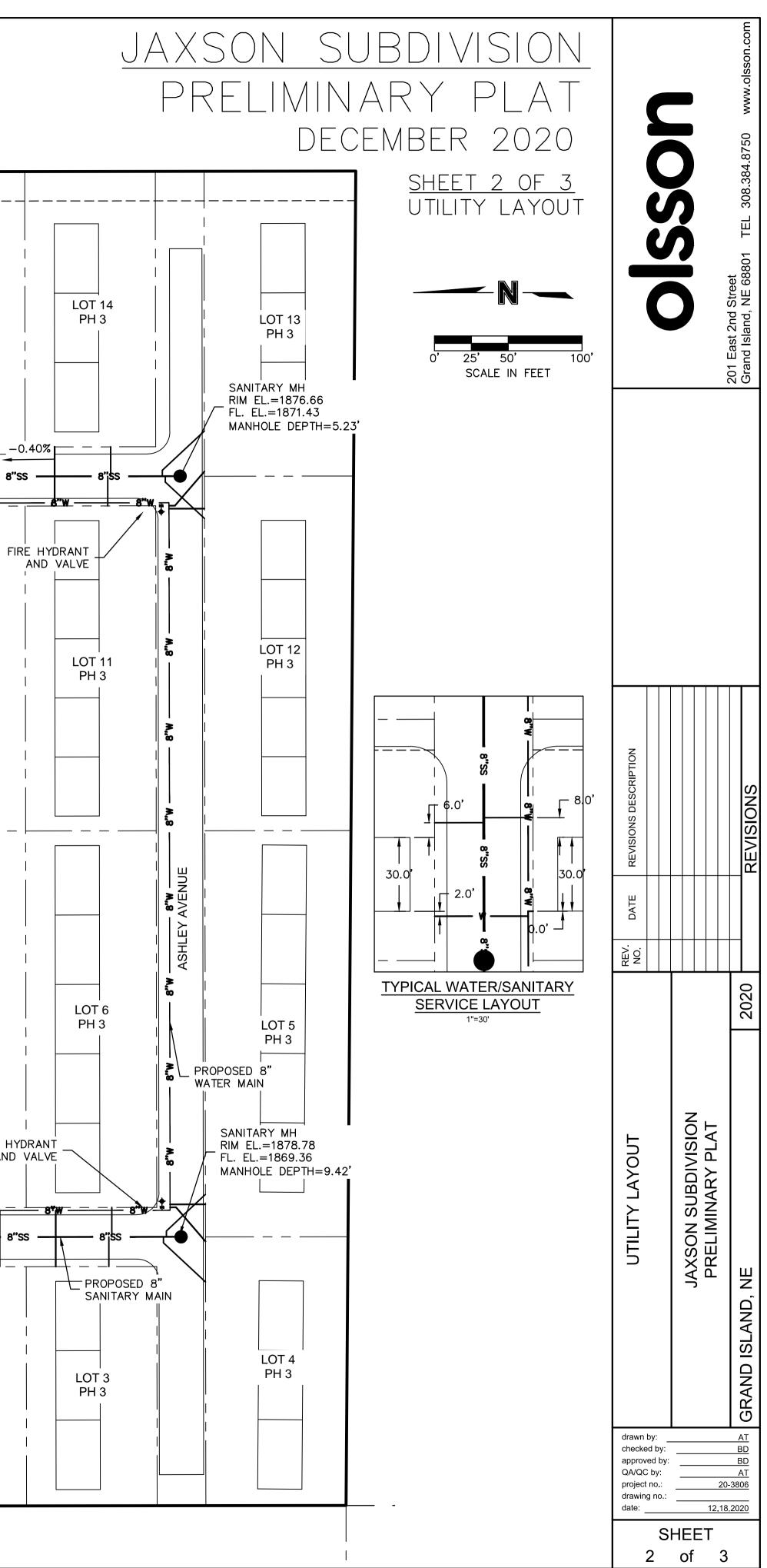
> Post Office Box 1968 Grand Island, Nebraska 68802-1968 Phone: 308 385-5240 Fax: 308 385-5423 Email: cnabity@grand-island.com

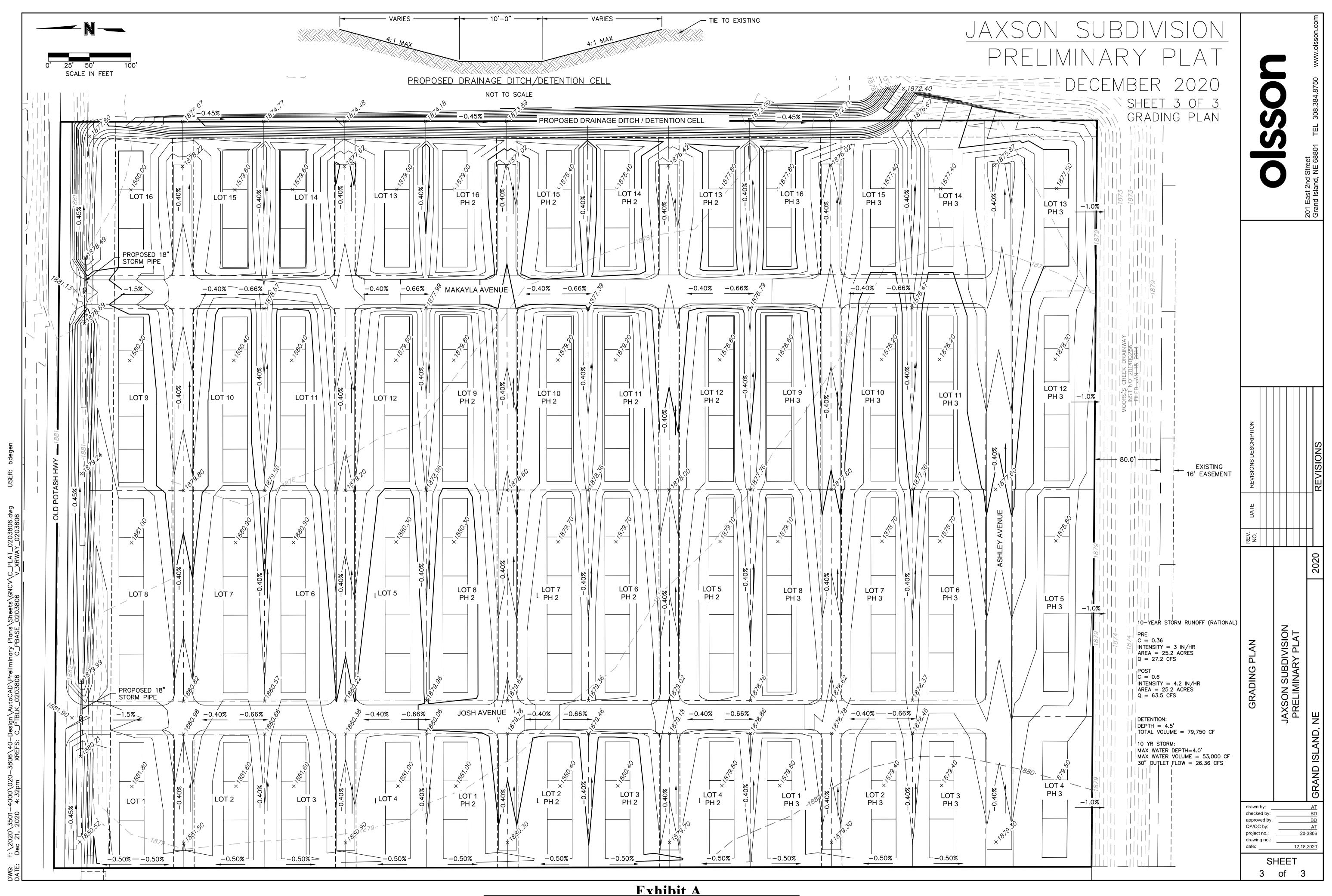
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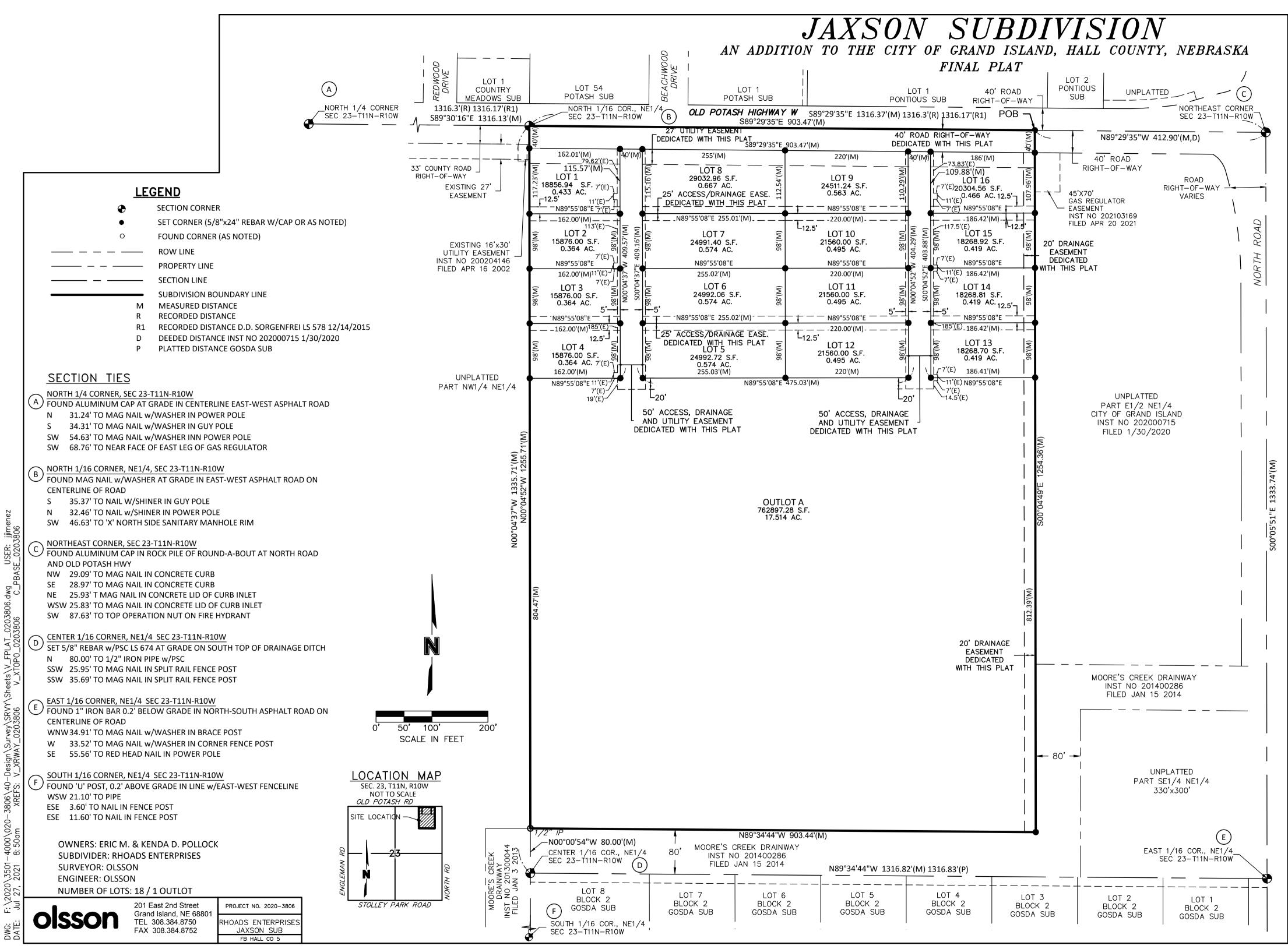






Grand Island

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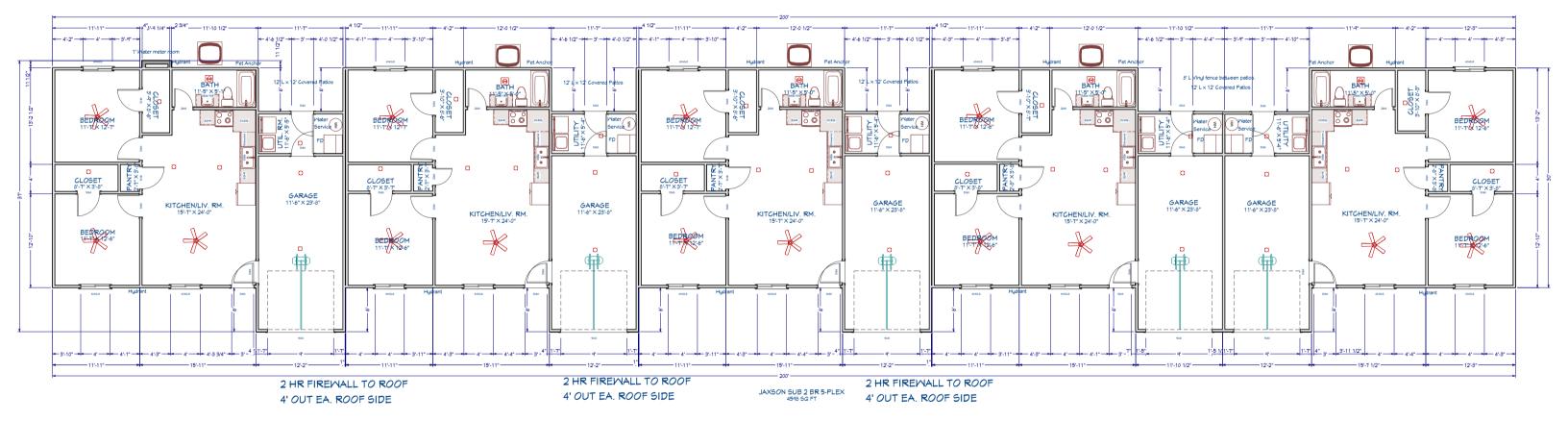


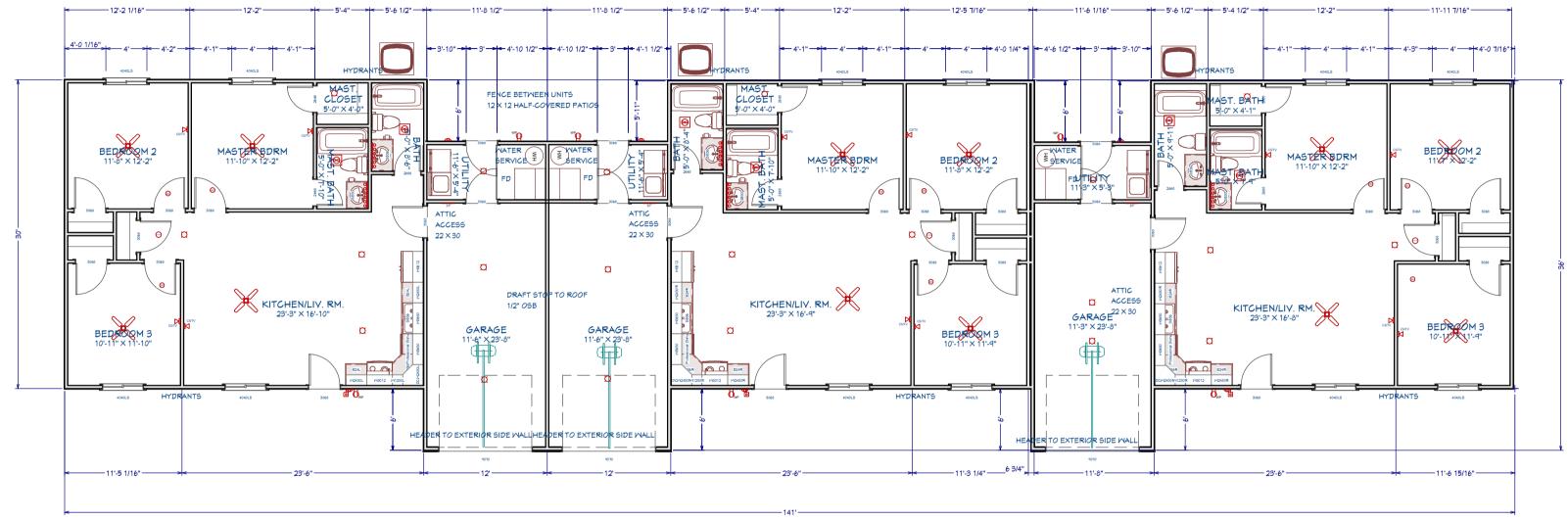








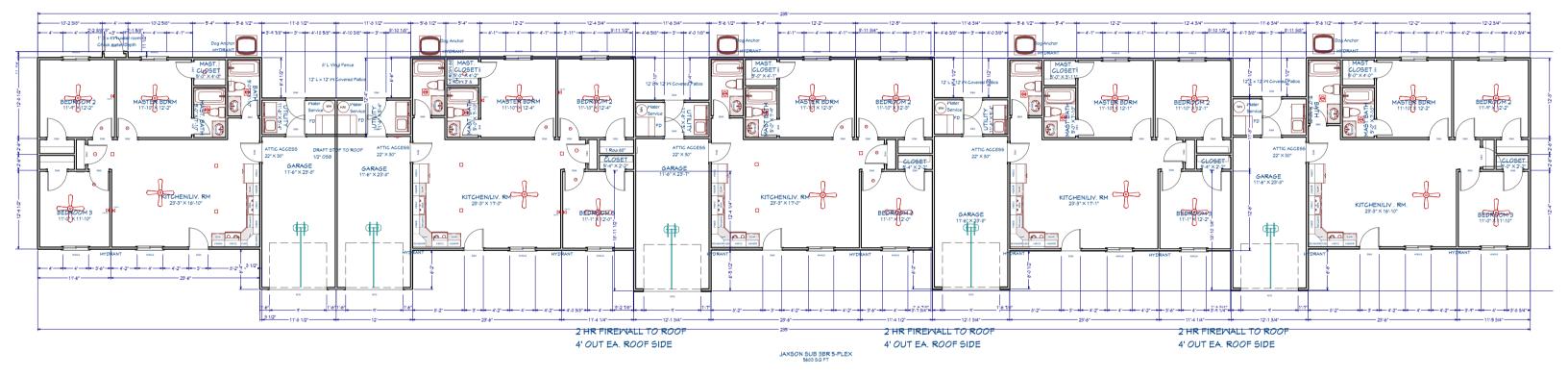




2 HR FIREWALL TO ROOF 4' OUT EA. ROOF SIDE

Exhibit A

JAXSON SUB. 3BR 2BA 3PLEX W/ UTILITY/GARAGE COUNTED IN SQFT. 3374 5Q FT



3MJR, LLC Tax Increment Financing Request Estimated Real Estate Taxes on Project Site Upon Completion of Project

Existing Assessed Value and Real Estate Tax on Project Site

	Asse	ssed Value (20	20)					
Parcel Number	Improvements	Land	Total	Taxes	Sq Feet	Mil Rate	Sublot	Phase
400200929	-	114,694	114,694	2,403.60	1,133,431	2.0956632%	Sublot 1	Phase 2
Before subdivision	•	114,694	114,694	2,403.60	1,133,431			
Subdivided Sq Ft	1,133,431	1,133,431	1,133,431	1,133,431				
Divided by total existing	1,133,431	1,133,431	1,133,431	1,133,431				
Ratio	1.000000	1.000000	1.000000	1.000000				
Estimated subdivision	•	114,694	114,694	2,404				

Estimated Real Estate Taxes on Project Site Upon Completion of Project

			2020 Assessment							Note 1
			Phase 1	Phase 2	Phase 3	Phase 4	Phase5	Phase 6	Total	Limitation
2020 taxes assessed on site prior to project commencement	ent		401	401	401	401	401	401	2,404	
Divided by base assessed value			19,116	19,116	19,116	19,116	19,116	19,116	114,694	
Estimated tax rate			2.095660%	2.095660%	2.095660%	2.095660%	2.095660%	2.095660%	2.095660%	
Proposed assessed value			4,121,600	3,827,200	4,121,600	3,827,200	4,121,600	3,827,200	23,846,400	
Estimated annual real estate tax after project completion			86,375	80,205	86,375	80,205	86,375	80,205	499,739	
Less existing annual real estate tax			(401)	(401)	(401)	(401)	(401)	(401)	(2,404)	
Estimated increase in annual real estate tax			85,974	79,805	85,974	79,805	85,974	79,805	497,336	
			15	15	15	15	15	15	15	
Requested TIF assistance at zero percent lending rate			1,289,612	1,197,068	1,289,612	1,197,068	1,289,612	1,197,068	7,460,038	8,278,944
								7,460,038		
Principal debt service at indicated rate		Rate	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
With annual note payments	PVA	4.50%	923,323	857,064	923,323	857,064	923,323	857,064	5,341,161	-
With monthly note payments	PVA	4.50%	936,545	869,338	936,545	869,338	936,545	869,338	5,417,649	-

Notes:

1.)

This column represents requested financing in the event the tax increment over 15 years exceeds actual qualified TIF costs. Requested TIF assistance is limited to qualified costs.

3MJR, LLC Project Cost Summary

Description	Phase #1 Amount	Phase #2 Amount	Phase #3 Amount	Phase #4 Amount	Phase #5 Amount	Phase #6 Amount	Total	TIF Qualified (Q) Non-Qualified (NQ)
TIF non-qualified building construction costs	3,486,057	3,200,241	3,809,309	3,923,588	4,287,411	4,416,034	23,122,640	NQ
TIF qualified sitework	265,594	308,894	341,286	352,802	389,473	402,438	2,060,487	Q
Landscaping	78,080	80,422	85,320	87,880	96,029	98,909	526,640	NQ
Fencing	9,440	9,723	10,315	10,625	11,610	11,959	63,672	NQ
TIF qualified concrete	274,839	321,396	355,310	367,139	404,780	418,082	2,141,546	Q
TIF qualified concrete - Potash Trail	14,568	14,569	14,569	14,569	14,569	14,569	87,413	Q
TIF non-qualified concrete	236,688	243,788	258,635	266,395	291,097	299,829	1,596,432	NQ
Subtotal	526,095	579,753	628,514	648,103	710,446	732,480	3,825,391	
Signage	1,667	1,717	1,821	1,876	2,050	2,110	11,241	NQ
TIF qualified plumbing	317,767	369,573	408,328	422,107	465,981	481,495	2,465,251	Q
TIF qualified electrical	75,964	88,348	97,613	100,906	111,395	115,103	589,329	Q
Total project costs per construction pro-forma	4,760,664	4,638,671	5,382,506	5,547,887	6,074,395	6,260,528	32,664,651	
Other costs:								
Land	130,145	130,145	130,145	130,145	130,145	130,145	780,870	Q
Financing	227,019	214,597	248,069	255,511	279,204	287,580	1,511,980	NQ
Professional Fees	154,048						154,048	Q
Total project costs	5,271,876	4,983,413	5,760,720	5,933,543	6,483,744	6,678,253	35,111,549	
Total TIF qualified costs (Q)	1,232,925	1,232,925	1,347,251	1,387,668	1,516,343	1,561,832	8,278,944	
Total TIF non-gualified costs (NQ)	4,038,951	3,750,488	4,413,469	4,545,875	4,967,401	5,116,421	26,832,605	
Total project costs	5,271,876	4,983,413	5,760,720	5,933,543	6,483,744	6,678,253	35,111,549	
	5,271,070	7,505,715	5,700,720	5,555,575	0,403,744	0,070,233	33,111,343	
All subsequent phased cost increase percentage	3%	3%	3%	3%	3%	3%		

Exhibit C

Exhibit D Annual Income & Expense Pro Forma

PROJECTED STATEMENTS OF RECEIPTS AND DISBURSEMENTS UNDER VARIOUS TAX INCREMENT FINANCING SCENARIOS DETAILED IN NOTE A – CASH BASIS

Twelve Months Ending After Project Phase 1 Completion

INTRODUCTION

The projection in this illustration presents the entity's, 3MJR, LLC's, projected receipts and disbursements under the hypothetical assumptions in Note A on the cash basis for the twelve months ending after project phase 1 completion.

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SCHROEDER & SCHREINER, P.C.

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To Management of 3MJR, LLC Grand Island, NE

Management is responsible for the accompanying projection of 3MJR, LLC, which comprise projected statements of receipts and disbursements under various tax increment financing scenarios detailed in Note A – cash basis of 3MJR, LLC (see introduction), for the twelve months ending after project phase 1 completion, and the related summaries of significant assumptions in accordance with guidelines for the presentation of a projection established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this projection.

Even if the tax increment financing (TIF) scenarios outlined occurred, the projected results may not be achieved, as there will usually be differences between the projection and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management has elected to omit substantially all disclosures and the summary of significant accounting policies required by the guidelines for presentation of a projection established by the AICPA other than those related to the significant assumptions. If the omitted disclosures and accounting policies were included in the projection, they might influence the user's conclusions about 3MJR, LLC's net cash receipts and disbursements for the projection period. Accordingly, this projection is not designed for those who are not informed about such matters.

This accompanying projection and this report are intended solely for the information and use of 3MJR, LLC, the Grand Island Community Redevelopment Authority, the Grand Island City Council, and certain individuals and organizations involved in the tax increment financing application process and are not intended to be and should not be used by anyone other than these specified parties.

Schroeder ; Selveinen, P.C.

Grand Island, NE August 4, 2021

PROJECTED STATEMENTS OF RECEIPTS AND DISBURSEMENTS UNDER VARIOUS TAX INCREMENT FINANCING SCENARIOS DETAILED IN NOTE A - CASH BASIS

Twelve Months Ending After Project Phase 1 Completion

	Ir	With Tax acrement inancing	In	thout Tax crement nancing
Gross Taxable Income:				
Rental revenue	\$	537,600	\$	537,600
Tax increment financing (TIF) revenue		85,974		
		623,574		537,600
Tax Deductions:				
Interest expense - TIF debt		41,229		-
Interest expense - Non-TIF debt		186,359		227,588
Real estate tax (existing)		2,404		2,404
Real estate tax (TIF increment)		85,974		85,974
Insurance		20,369		20,369
Repairs and maintenance		86,016		86,016
Depreciation and amortization		552,960		552,960
		975,312		975,312
Taxable income (loss)		(351,737)		(437,712)
Adjustments to Arrive at Net Cash Receipts (Disbursements)				
Depreciation & amortization		552,960		552,960
Principal debt service - TIF		(44,745)		-
Principal debt service - Non-TIF		(132,618)		(177,363)
		375,597		375,597
Net cash receipts	<u>\$</u>	23,860	<u>\$</u>	(62,114)

See the summary of significant projection

assumptions and the independent accountants' compilation report.

Schroeder & Schreiner, P.C.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS

Twelve Months Ending After Project Phase 1 Completion

NOTE A - NATURE AND LIMITATION OF PROJECTIONS

The accompanying projection presents, to the best of 3MJR, LLC's knowledge and belief, cash receipts and disbursements for the twelve months ending after project phase 1 completion to be generated by housing units (e.g. "the project") located in Grand Island, Nebraska. Stated cash receipts and disbursements are intended to convey results of operations after the anticipated 2024 completion of phase 1 of the project, assuming funding of the estimated construction and acquisition costs of \$5,271,876 both with, and in the absence of, tax increment financing assistance. The projection reflects their judgment as of August 2, 2021, the date of this projection, of the expected conditions and their expected course of action. Actual results are likely to differ from the projected results because events and circumstances frequently do not occur as expected. Those differences may be material. The assumptions disclosed herein are those that management believes are significant to the projections. The projected information was prepared for use in a tax increment financing request to the Grand Island Community Redevelopment Authority.

NOTE B – BASIS OF ACCOUNTING

The presentations of cash receipts and disbursements for the projection period and the twelve months ending after project phase 1 completion portray results using the cash basis of accounting. The results of this basis differ from those using generally accepted accounting principles primarily because the cash basis does not recognize assets other than cash and the debt principal outstanding under the tax increment financing or construction or building loan(s).

NOTE C – CASH RECEIPTS

3MJR, LLC is the owner and operating entity for forty-eight buildings intended to house 192 housing units. This projection considers only expected operating results from the first phase of the project consisting of eight buildings housing 32 housing units. Revenue has been determined based on the knowledge and experience of the owners of 3MJR, LLC (and related parties) in the operation of similar facilities in the same locale. The projection assumes 100% occupancy of the 32 housing units at \$1,400 per month for 12 months per year.

The projection includes two scenarios dependent on whether or not the tax increment financing (TIF) request is approved. In the event of TIF approval, 3MJR, LLC will receive additional TIF revenue from the County based on the anticipated increase in the assessed value generated by the proposed project and the additional real estate tax that increase will generate. Both the TIF financing and real estate taxes are subject to the final determination of assessed value.

NOTE D – CASH DISBURSEMENTS

Interest expense and principal debt service are based on the assumption that with the exception of any TIF financing assistance, the entire construction project Phase 1 will be financed through \$133,722 of capital contributions from the owners of 3MJR, LLC with additional debt incurred to cover the remaining anticipated construction and improvement costs.

See independent accountants' compilation report Schroeder & Schreiner, P.C. 6

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS, Continued

Twelve Months Ending After Project Phase 1 Completion

NOTE D – CASH DISBURSEMENTS, Continued

Phase 1 TIF debt is based on an initial \$936,545 principal balance that can be serviced with the anticipated incremental real estate tax generated by the project. The loan is expected to have a 15-year term with scheduled monthly payments of \$7,165 (annual \$85,974) and an interest rate of approximately 4.5%. This debt reflects only that incurred to cover the first phase of the project.

The remaining construction and land acquisition costs, not funded through tax increment financing, will be satisfied with \$133,722 of additional capital contributions for land already owned and \$4,201,609 of bank debt for the residual obligation. All remaining non-TIF construction debt will have a 20-year term. All loans will have an annual interest rate of approximately 4.5%. Scenarios contemplating the denial of tax increment financing will assume bank debt replacing TIF financing at the same 15-year term and 4.5% annual interest rate as the equivalent TIF financing.

Projected real estate tax is expected to equal the current tax (for the 2020 year) plus additional tax generated by applying the current levy rate to the anticipated increase in assessed value to be generated by the construction project.

Projected costs for common area water, sewer and utilities; insurance; repairs and maintenance; professional fees; and other costs are all based on the experience of 3MJR, LLC's members and the expected occupancy of the facility.

This projection estimates a taxable loss under all reporting scenarios. Accordingly, in anticipation of passive activity loss limitations restricting the use of said losses, no member distributions to cover estimated individual income tax (or contributions to reflect estimated income tax benefits) based on tax law provisions expected to be in effect during the projection period have been considered. Although not a cash expenditure, estimated depreciation has been calculated and included in the projection to arrive at net taxable income. Estimated capitalized costs are depreciated under either the straight-line method for 27.5-year life building components or the 150 percent declining balance method for 15-year life paving and improvement components.

See independent accountants' compilation report Schroeder & Schreiner, P.C.

3MJR, LLC Tax Increment Financing Application Capitalization Rate Analysis

	With Tax Increment Financing	Without Tax Increment Financing
Net operating income	365,374	279,400
Divided by fair market value	4,480,000	4,480,000
Equals capitalization rate	8.16%	6.24%

Exhibit E



August 10, 2021

Dr. Ken Schroeder Chief Financial Officer Grand Island Public Schools 123 S. Webb Road P.O. Box 4904 Grand Island, NE 68802-4904

Dear Dr. Schroeder,

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 senior apartments in northwest Grand Island near Shoemaker elementary school.

The application seeks \$7,480,048 in TIF assistance for the development of the 192 units of rental housing (96 two bedroom units and 96 three bedroom units) for persons 55 years and older. It is estimated that 32 units will be constructed per year for a period of at least six years. The property is located south of Old Potash Highway west of the North Road.

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

- CRA receives initial application, 4 p.m., September 8.
- Regional Planning Commission holds public hearing 6 p.m., October 6.
- CRA reviews Planning Commission recommendation, 4 p.m. October 13.
- Grand Island City Council holds public hearing and takes action, 7 p.m., October26.
- CRA considers redevelopment contract, 4 p.m. on or after November 10.

Additional notification will be provided to the school board via certified mail prior to the public hearings before both planning commission and council. Should you have any questions or comments, please call me at (308) 385-5240.

Sincerely chad Nabity, AIC

Director

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 362

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 8th day of September, 2021

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

By_

Chairperson

ATTEST:

Secretary

3MJR, LLC Jaxson Area 32

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 363

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 3MJR, LLC, (The "Developer") for redevelopment of property proposed for platting as Jaxson Subdivision located west of North Road and south of Old Potash Highway, 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 5;

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 8th day of September, 2021.

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

By _

Chairperson

ATTEST:

Secretary

3MJR, LLC Jaxson Area 32

Exhibit 1

Legal Description:

Part of the NE ¹/₄ of the NE ¹/₄ of 23-11-10 (26 acres) in Hall County Nebraska (Parcel 400200929) proposed for platting as Jaxson Subdivision, in the City of Grand Island, Hall County, Nebraska.

3MJR, LLC Jaxson Area 32