



# City of Grand Island

Tuesday, November 22, 2022

Council Session

## Item E-4

**Public Hearing on Redevelopment Plan for CRA No. 28 for  
Property Located between Webb Road and U.S. Highway 281  
North of 13th Street for Commercial and Residential Purposes  
(Woodsonia Acquisitions)**

*Council action will take place under Resolutions item I-1.*

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Chad Nabity, AICP

**Meeting:** November 22, 2022

**Subject:** Redevelopment Plan for CRA Area #28 Woodsonia Hwy. 281, LLC – Conestoga

**Presenter(s):** Chad Nabity, AICP CRA Director

## Background

Woodsonia Hwy. 281, LLC is proposing to redevelop the Conestoga Mall property at 3404 W. 13<sup>th</sup> Street for commercial and residential purposes. The property is currently zoned CD Commercial Development District with proposed changes to amend the current plan and rezone a portion of the property to RD Residential Development zone for residential development. Staff has prepared a redevelopment plan for this property consistent with the TIF application.

The CRA reviewed the proposed development plan on November 9, 2022 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on November 14, 2022. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on November 14, 2022. The Planning Commission approved Resolution 2023-05 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island. The CRA approved Resolution 416 forwarding the redevelopment plan along with the recommendation of the planning commission to the City Council for consideration.

## Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment that would authorize a redevelopment contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area #28 and authorizes the CRA to execute a contract for TIF based on the plan and to find that this project would not be financially feasible at this location without the use of TIF. The redevelopment plan amendment specifies that the TIF will be used to offset allowed costs including but not limited to: acquisition of the property as well as the site work, grading, streets, renovation, utilities, and drainage improvements. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. This redevelopment plan also includes designation of an Enhance Employment Area. The developers are proposing and asking Council to approve an ordinance placing a 1.5% occupation tax on sales of items subject to sales tax in the area as allowed by state law.

The TIF bond(s) for this project will be issued for to facilitate the development and no structure will be eligible for TIF for more than the 20 years allowable in an extremely blighted area. The proposed bonds for this project will be issued for the amount of \$26,257,000. The EEA bond(s) will be issued for a period of 30 years in an amount of \$36,763,000. The CRA will issue the bonds per the redevelopment agreement approved by Council, the CRA and the developer.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the resolution
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

### **Sample Motion**

Move to approve the resolution as submitted.

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

**RESOLUTION NO. 416**

**A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN TO THE CITY OF GRAND ISLAND, NEBRASKA; RECOMMENDING APPROVAL OF A REDEVELOPMENT PROJECT TO THE CITY OF GRAND ISLAND, NEBRASKA; APPROVING A COST BENEFIT ANALYSIS FOR SUCH PROJECT; AND APPROVAL OF RELATED ACTIONS**

**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 WOODSONIA HWY. 281, 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.

**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, recreational and communitive facilities, and other public requirements, the promotion of sound design and arrangement, the wise and

Area 28 Conestoga Woodsonia Hwy. 281 LLC

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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. The Authority finds and accepts that the rate of return analysis as submitted by the developer shows that this Project is not feasible without the use of tax increment financing.

**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 site purchase, preparation for redevelopment including site work, public utilities and streets, renovation, trails and sidewalks 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 bonds issued in the approximate amount of \$26,257,000 and issuance of enhanced employment area bonds in the approximate amount of \$36,763,000 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 recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

**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 16<sup>th</sup> day of November, 2022.

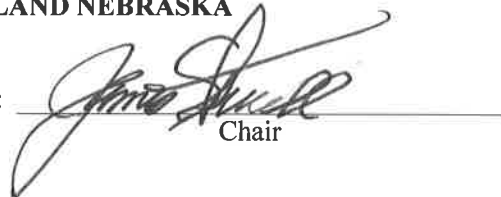
**COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF GRAND  
ISLAND NEBRASKA**

ATTEST:

By:

  
Secretary

By:

  
Chair

Area 28 Conestoga Woodsonia Hwy. 281 LLC

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**EXHIBIT A**

**LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA**

**Legal Descriptions:** Lots 1, 4 and 5 of Conestoga Eighth Subdivision in the City of Grand Island, Nebraska (PID 400037106, 40037107, and 400457694) Area to be replatted with development.

Draft Only

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**EXHIBIT B**

**FORM OF REDEVELOPMENT PLAN**

Draft Only

**Redevelopment Plan  
Grand Island CRA Area 28  
Conestoga Marketplace  
October 2022**

**The Community Redevelopment Authority of the City of Grand Island (“CRA”) seeks to approve this Redevelopment Plan for Area 28 within the City of Grand Island, Nebraska (“City”), pursuant to the Nebraska Community Development Law and provide for the financing of specific costs related to Conestoga Marketplace Redevelopment Project located within Area 28.**

**Introduction:**

The Conestoga Mall (“**Existing Mall Property**”) has been an integral part of Grand Island’s community for nearly 50 years, dating back to its original construction in 1971. However, with the rise of e-commerce, the loss of three of the four primary mall anchors and the lack of investment, the Existing Mall Property has struggled to thrive in this changing retail environment. The Existing Mall Property has been in steady decline with property tax valuations dropping approximately \$10,000,000 (50%) over the past 20 years and tenant sales falling 40% over the prior eight years.

Through this Conestoga Marketplace Redevelopment Project (“**Redevelopment Project**”), Woodsonia Hwy 281, LLC and its successors and assigns (collectively “**Woodsonia**” or “**Redeveloper**”), CRA and the City of Grand Island, Nebraska (“**City**”) have the unique partnership opportunity to breathe new life into Grand Island’s key landmark asset by attracting one of the premier retailers in the United States, which will serve as the new retail anchor for the Redevelopment Project. As described in the Redevelopment Project Description section below, the future Conestoga Marketplace will be re-positioned as a true mixed-use development with shopping, dining, entertainment and housing. Furthermore, Conestoga Marketplace will be a catalyst to drive additional development / redevelopment in the immediate area and attract new concepts and companies to the Grand Island community.

With the adoption of this Redevelopment Plan, the City and CRA recognize the need to utilize appropriate private and public resources to eliminate or prevent the development or spread of urban blight, encourage needed urban rehabilitation, provide for the redevelopment of blighted and substandard area, and/or undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the goals and objectives set forth herein.

**Redevelopment Project Description:**

Woodsonia is an Omaha, NE based development firm that is excited to propose the Redevelopment Project, which will convert the 60-acre Existing Mall Property into a future \$220M + mixed-use, life-style project called “**Conestoga Marketplace**”. Conestoga Marketplace will be anchored by a new to market approximately 150,000 SF retailer

positioned on the southern portion of the redevelopment site. The remaining portion of the mall will be completely modernized with exterior facing storefronts, updated façades, new tenant signage and a state-of-the-art entertainment offering, including a new cinema with in-theater dining, indoor / outdoor pickleball courts and a first-class bar / restaurant facility. The Redevelopment Project will include improved parking facilities available to the public.

Conestoga Marketplace will also include 300 + Class A market rate multi-family housing units, a new hotel and pad sites along Hwy 281 and 13<sup>th</sup> Street. The pad sites will be comprised of new restaurants and multi-tenant retail buildings. The Redevelopment Project may be developed as five Sub-Redevelopment Project Areas described below. With the City's and CRA's support, the Redevelopment Project hopes to commence in Q2 of 2023 with the new to market 150,000 SF retailer anticipated to open in 2025. The proposed site plan ("**Site Plan**") is illustrated below:

Draft Only



**Extremely Blighted and Substandard:**

On November 8, 2022 the City approved the Blight and Substandard Study – Area 28 prepared by Marvin Planning Consultants (“**Blight and Substandard Study**”). Subsequently, the City also approved the Extremely Blighted Determination Study, City of Grand Island, Nebraska, dated August, 2022, prepared by Marvin Planning Consultants, Inc. and Kurt Elder, AICP for Area 28 (“**Extremely Blighted Determination Study**”).

The Blight and Substandard Study and the Extremely Blighted Determination Study are collectively referred to as the “**Extreme Blight Study**”.

Upon the recommendation of the Hall County Regional Planning Commission, the City Council held a public hearing and upon consideration of the record before it, including the Extreme Blight Study, the City Council declared Area 28, the boundaries of which are shown below, as “**Extremely Blighted and Substandard**”.



The Existing Mall Property is sometimes referred to herein as the “**Project Site**”. The Project Site (defined below) comprises most of the southern portion of Area 28 and thus, has been declared to be Extremely Blighted and Substandard. The designation of Area 28 as Extremely Blighted and Substandard enables the City to undertake the Redevelopment Project pursuant to the Nebraska Community Development Law (“**Act**”).

A map of the condition of Area 28, is shown below:

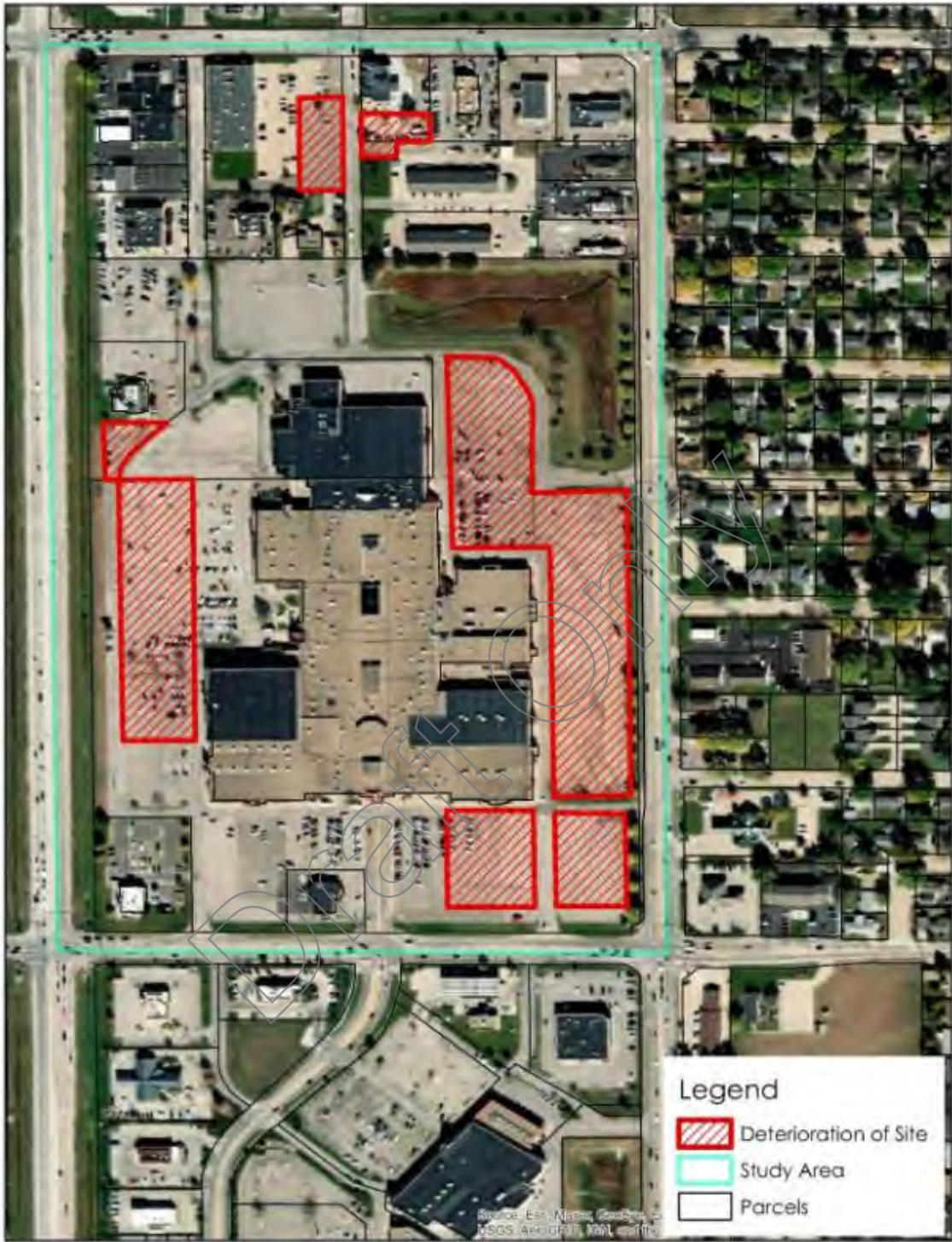












A map of the existing land uses for Area 28 is shown below:



**Proposed Private and Public Improvements and Uses of Funds:**

Proposed expenditures for the Redevelopment Project improvements and enhancements are identified in Exhibit A. Such private and public improvements and enhancements will include the removal of the southern portion of the Existing Mall Property to make way for a new to market approximately 150,000 SF retail building. Other portions of the Existing Mall Property buildings will be renovated with new façade and store fronts and reconstructed to have exterior pedestrian access rather than the current interior hallway entrances. Other new land use improvements will be made, such as a hotel, multi-family dwellings, restaurants, entertainment, retail and services. Existing asbestos conditions and other environmental issues will be corrected and remediated. Significant portions of the

site will be regraded and reshaped. Utilities will be added, updated and extended. Major portions of the parking area will be removed, updated and/or resurfaced. Certain common access drives and street improvements will be improved to address the inadequacies described in the Blight and Substandard Study. New signage and improved landscaping and streetscape will also be updated and enhanced.

**Proposed Funding Sources:**

Proposed funding sources for the Redevelopment Project improvements identified in the Redevelopment Project Area include the following five proposed sources:

Estimated Total Project Cost:	\$ 221,585,000	100.00%
Private Investment and Debt:	\$ 148,065,000	66.82%
TIF Reimbursement:	\$ 26,257,000	11.85%
EEA / Occupation Tax:	\$ 36,763,000	16.59%
CRA Funding Contribution:	\$ 4,000,000	1.81%
Grow Grand Island Funding Contribution:	\$ 1,000,000	0.45%
City of Grand Island Contribution:	\$ 5,500,000	2.48%

- Tax Increment Financing (Extreme Blight) – for 20 Year Term divided potentially into five Sub-Redevelopment Project Areas.
- Enhanced Employment Area (EEA) / Occupation Tax – for 30 Year Term, 1.50% add-on tax within the EEA District boundaries including all Conestoga Marketplace property. The 1.50% EEA / Occupation Tax would be imposed on the gross receipts resulting from the sale, lease or rental of any products or services within the EEA District and divided potentially into five Sub-Redevelopment Project Areas.
- Community Redevelopment Authority (CRA) Funding Contribution – Redirection of \$200,000 from the current generated CRA levy for 20 years.
- Grow Grand Island, Inc. Funding Contribution – Funding contribution of \$1,000,000
- City of Grand Island Funding Contribution – Funding contribution of \$5,500,000 used towards required public infrastructure eligible project expenses

Lastly, upon opening of all the Sub-Project Redevelopment Areas as described below, this Redevelopment Project would create approximately **\$3,061,125** in Annual Sales Tax Revenue for the City of Grand Island, **\$252,525** in additional Food & Beverage tax receipts shortly after the opening of Conestoga Marketplace and beginning in year 21 approximately **\$2,803,189** in additional property taxes. Woodsonia has the necessary properties under control until year end 2022 and has requested City to expedite the incentive and entitlement process to be completed while still controlling the Project Site.



**Project Site:**

The Redevelopment Project site shall be limited to the following geographic area (“**Project Site**”):

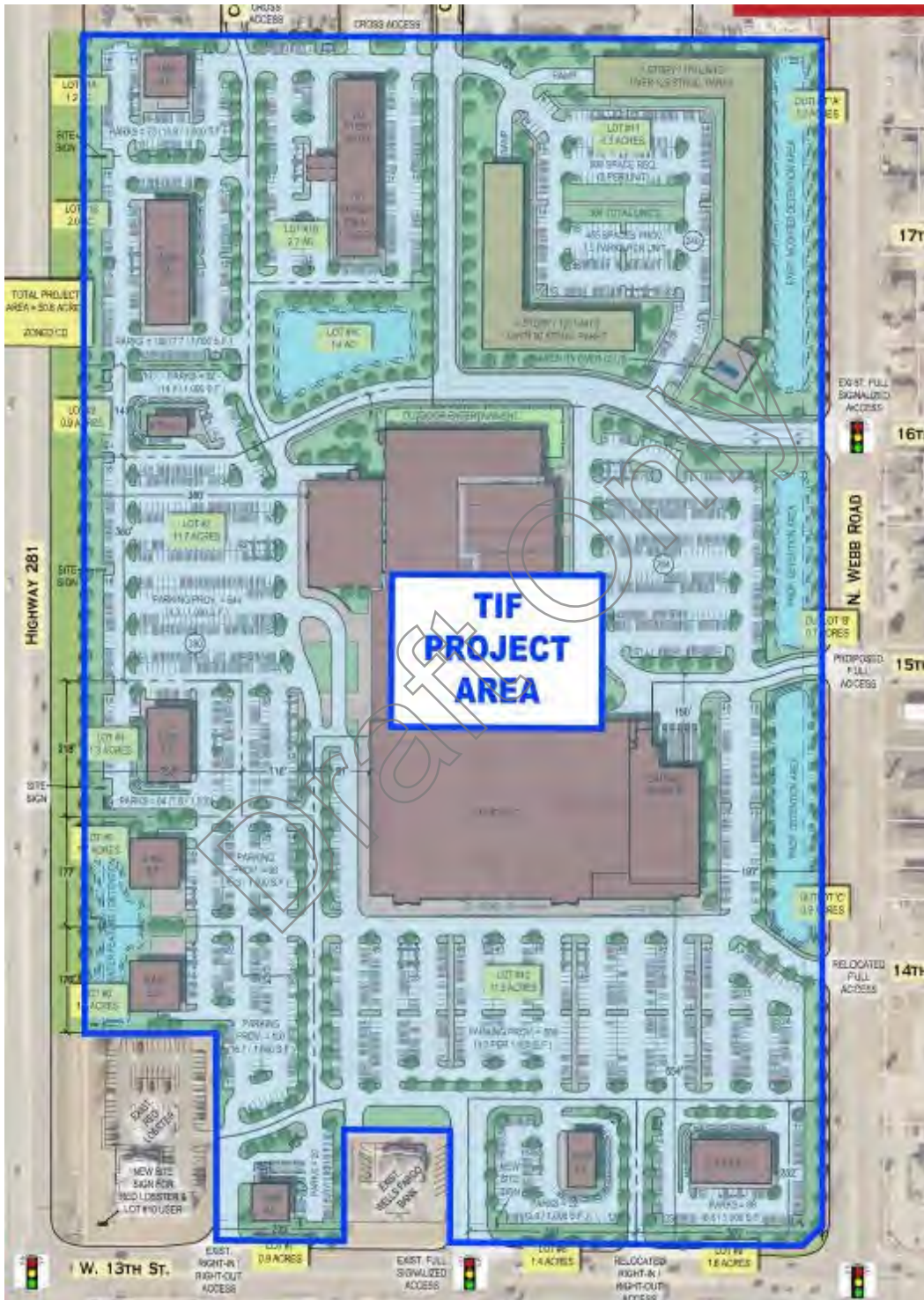
Lots 1, 4 and 5, Conestoga Mall Eighth Subdivision, In The City Of Grand Island, Hall County, Nebraska.



Project Site

The **Project Site** is the area where it is proposed that:

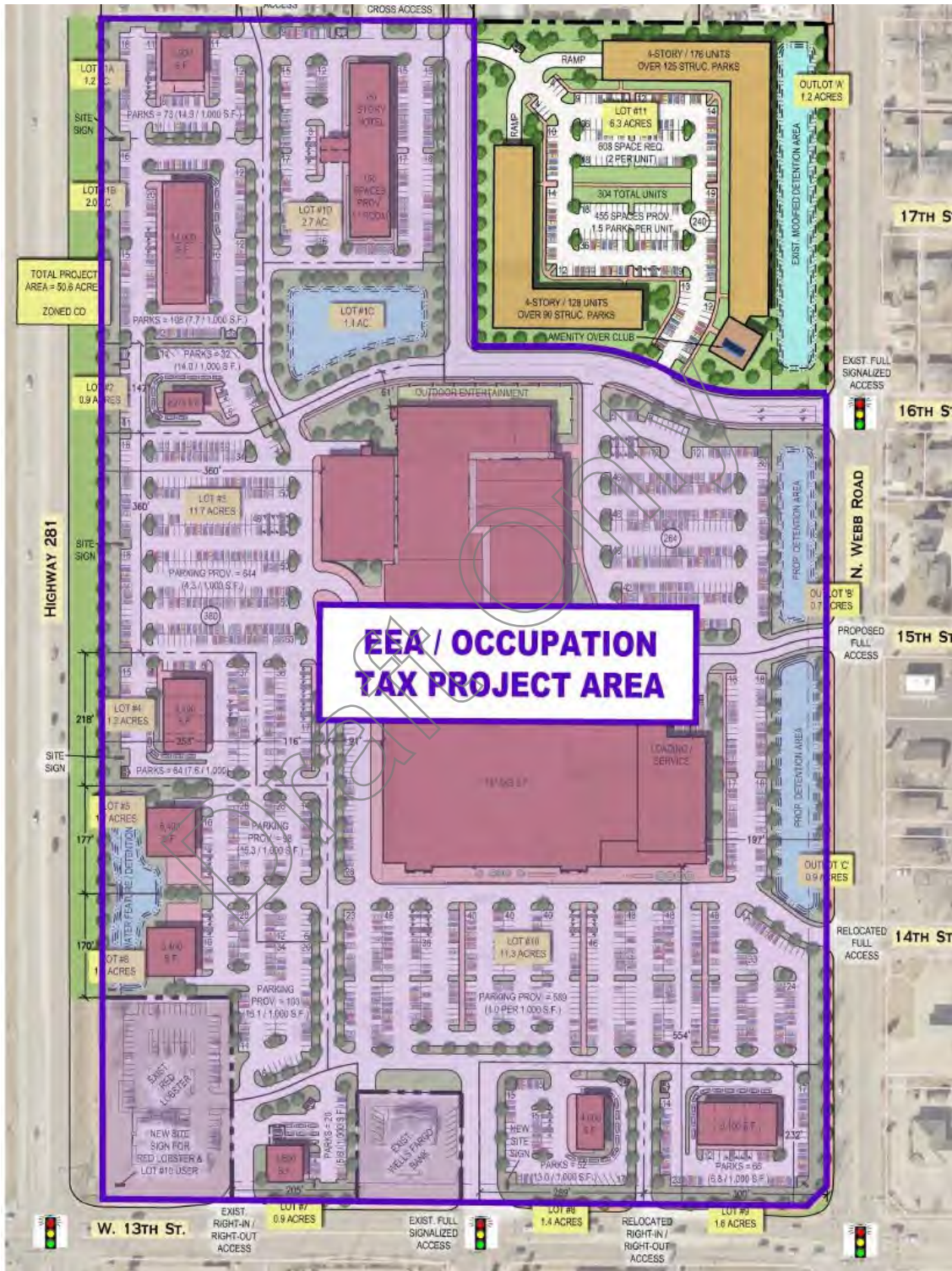
- The tax increment financing (“**TIF**”) will be applied to capture the tax increment to fund public improvements and enhancements; and



“TIF Area”



- The Enhancement Employment Area (“EEA”) will be designated which will allow the levy of the proposed 1.5% occupation tax (“EEA / Occupation Tax”).



“EEA/OccupationTaxArea”



**Redevelopment Project Area:**

The “Redevelopment Project Area” is the area where it is proposed that the Redevelopment Project’s public improvements and enhancements will be implemented:

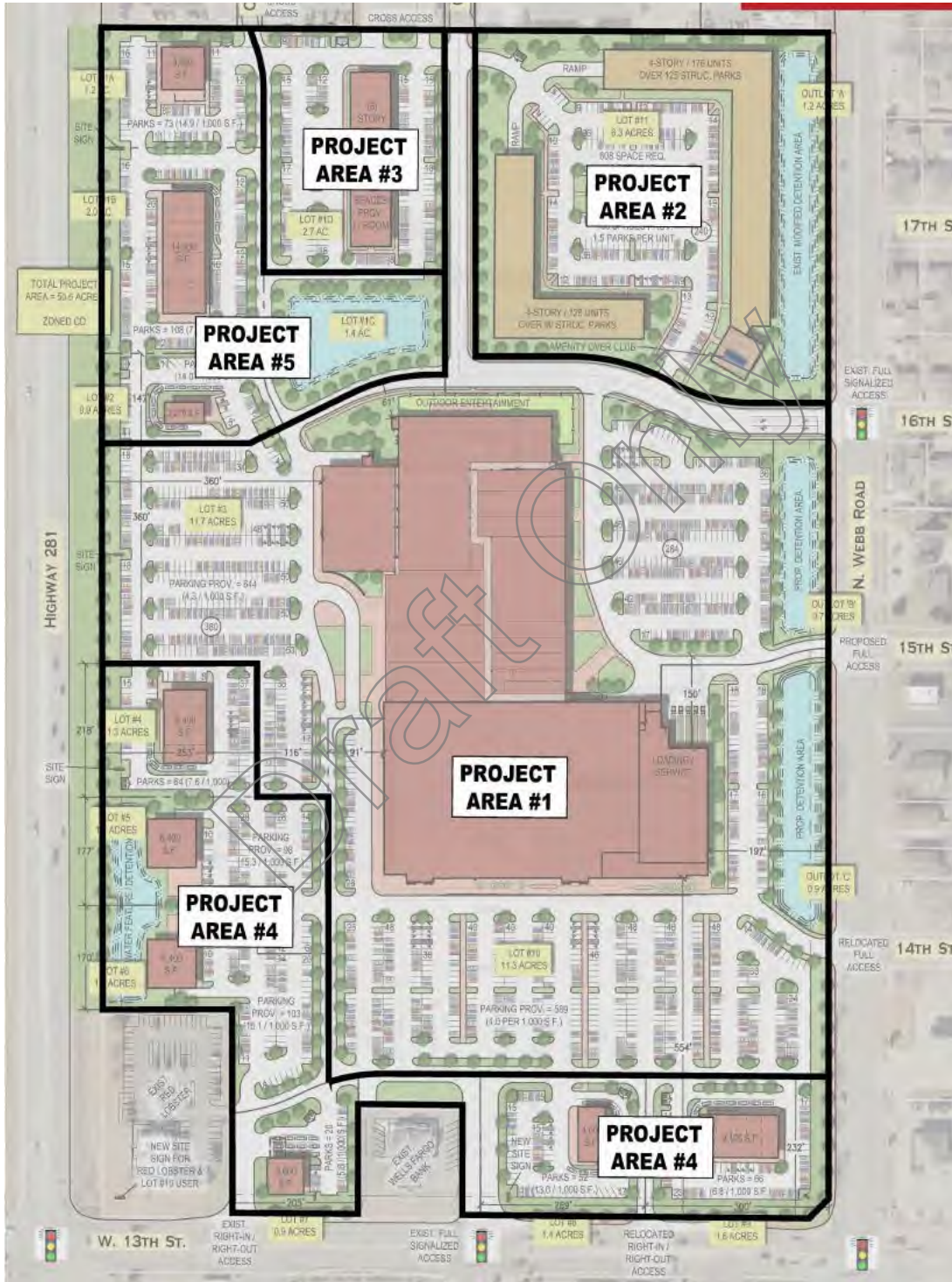


“Redevelopment Project Area”



**Sub-Redevelopment Project Areas:**

The Redevelopment Project Area may be redeveloped in up to five different phases (individual “Sub-Redevelopment Project Area” and collectively “Sub-Redevelopment Project Areas”) as described below:



“Sub-Redevelopment Project Area”

Depending upon market conditions, certain Sub-Redevelopment Project Areas may be simultaneously developed and/or implemented in different numerical order than listed above. The redevelopment contract will be structured so it allows the Redeveloper to add buildings and improvement for up to ten years. No single Sub-Redevelopment Project Area will be eligible for TIF for a period of more than 20 years.

**Project Area’s Existing Land Use and Zoning:**

The Project Site’s current land uses include retail, commercial, services and entertainment and is currently zoned, Commercial Development Zone (CD).

**Tax Increment Financing and TIF Note(s):**

The CRA and the City will issue the Redeveloper a tax increment financing revenue note(s), bond(s) or other form(s) of indebtedness (collectively “**TIF Note**”) in the amount of up to \$26,257,000. The TIF Note proceeds will be used to pay for the design and installation of the above-described public improvements and public enhancements.

The TIF Note will only be repaid from the incremental (increased) ad valorem real property taxes from the Project Site developed as part of the overall Redevelopment Project. The capture of the incremental ad valorem real estate taxes is proposed. The real property ad valorem taxes on the current Existing Mall Property valuation will continue to be paid to the normal taxing entities. The increased tax increment will come from development of the Project Site as the Redevelopment Project progresses in phases.

The Redeveloper expects the build out of the Project Site in Sub-Redevelopment Project Areas. The division of taxes from the Project Site for each Sub-Redevelopment Project Area, for purposes of paying the TIF Note, will occur on or before completion of each applicable phase as provided in the redevelopment contract. The TIF Note will be paid off on the earlier date of twenty years after the applicable effective date of each Sub-Redevelopment Project Area or whenever the applicable tax increment indebtedness is fully repaid (“**Tax Increment Period**”). The TIF Note will not be backed by or paid by the City, CRA or their taxpayers. In the event the incremental taxes are not sufficient to pay off the TIF Note, the Redeveloper (or its lender) will be liable and not the City or CRA. This Redevelopment Plan does not provide for the capture of incremental ad valorem real property taxes on any real estate other than the Project Site.

**Statutory Pledge of Property 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 CRA hereby provides that any ad valorem tax on the Project Site for the benefit of any public body be divided for a period of twenty years after the effective date of this provision as set forth in the redevelopment contract or redevelopment contract amendment, consistent with this Redevelopment Plan. This Redevelopment Plan anticipates that the entire 60 acre Redevelopment Project will be

developed in several phases as described in this Redevelopment Plan. Woodsonia anticipates that each Sub-Redevelopment Project Area of the Redevelopment Project may constitute a new effective date for the purposes of determining the period of 20 years. Improvements for the overall Redevelopment Project may be constructed prior to the development of later phases and eligible expenses from those improvements not covered by early phases may be applied to later phases for reimbursement by TIF funds generated in the later phases. 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 CRA 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 CRA 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 CRA 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 TIF Note.

**Occupation Tax Enhanced Employment Area (EEA) and EEA Notes:**

This Redevelopment Plan includes a proposal for the designation of the Project Site as an Enhanced Employment Area (EEA) within the Extremely Blighted and Substandard Area. To designate the Project Site as an EEA pursuant to the Act, the Redevelopment Project Area cannot exceed six hundred acres. In addition, the EEA will need to result in at least fifteen (15) new employees and new investment of at least one million dollars (\$1,000,000.00). Any business that has 135,000 square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. [§18-2116]

The Act authorizes the City and CRA to implement and provide grants for public improvements, public enhancements and redevelopment project improvements in order to accomplish the proposed Redevelopment Project within the EEA in accordance with the

Redevelopment Plan. The City and CRA believes that the redevelopment of the Redevelopment Project Area and Enhanced Employment Area are in the vital and best interest of the City and is in furtherance of the health, safety, and welfare of its residents, and is in accordance with the public purposes and provisions of applicable laws.

The CRA and the City will issue the Redeveloper EEA / Occupation Tax note(s), bond(s) or other form(s) of indebtedness (collectively “**EEA Note**”) in the amount of up to \$36,763,000. The EEA Note proceeds will be used to pay for the design and installation of the above-described public improvements and public enhancements.

The City may levy a general business occupation tax upon categories of businesses within the Enhanced Employment Area for the purpose of paying all or any part of the costs of the eligible improvements and enhancements. The City and CRA will pledge the EEA / Occupation Tax generated from the EEA to repay the EEA Notes.

The Redeveloper expects the build out of the Project Site in Sub-Redevelopment Project Areas. The division of the EEA / Occupation Tax of the Project Site for each Sub-Redevelopment Project Area may be provided in the redevelopment contract. The EEA Note will be paid off on the earlier date of thirty years after the applicable effective date of each Sub-Redevelopment Project Area or whenever the applicable EEA / Occupation Tax indebtedness is repaid (“**EEA / Occupation Tax Period**”). The EEA Note will not be backed by or paid by the City, CRA or their taxpayers. In the event the EEA / Occupation Tax is not sufficient to pay off the EEA Note, the Redeveloper (or its lender) will be liable and not the City or CRA. This Redevelopment Plan does not provide for the capture of the EEA / Occupation Tax on any real estate other than the Project Site.

**CRA Funding Contribution:**

The CRA may file with the City an estimate of the amounts necessary to be appropriated by the City Council to defray the expense of the CRA and to defray any expenses of redevelopment plans and projects, including the payment of principal and interest on any bonds issued to pay the cost of any such redevelopment plans and projects. The Act authorizes the City to grant funds to the CRA for the purpose of carrying out any of the CRA’s powers and functions under the Act. To obtain funds for this purpose, the City may levy and collect taxes not to exceed two and six-tenths cents on each one hundred dollars upon the taxable value of the taxable property within the City and may issue and sell its bonds in the manner and within the limitations provided by the Act and prescribed by the laws of the State of Nebraska for any public purpose. [§18-2140]

To assist in the implementation of this Redevelopment Project, the City and CRA may fund and pledge up to \$4,000,000 for the purpose of paying all or any part of the costs of the eligible Redevelopment Project’s public improvements and enhancements as described herein.

**Grow Grand Island Contribution:**

Grow Grand Island, Inc. is a collaborative & comprehensive approach to growth and progress for the area. It focuses on 1) business growth and job creation; 2) skilled & sustainable workforce pipeline; 3) talent attraction & retention; 4) elevating the standard of living for residents; and 5) increasing engagement & collaboration. Its collaborative efforts include working with the Chamber of Commerce, Economic Development Corporation, Convention & Visitors Bureau, City of Grand Island and Hall County.

The Redeveloper is seeking a \$1.0 million public purpose grant from Grow Grand Island to bring the Redevelopment Project to fruition and generate new jobs, increase quality of life and boost Grand Island’s trade area and economic growth.

**City of Grand Island Contribution:**

To assist in the implementation of this Redevelopment Project, and the accompanying necessary and substantial public infrastructure costs, the City may fund \$5,500,000 for the purpose of paying all or any part of the costs of the eligible public infrastructure costs and public improvements located in public right of way and easements.

**REDEVELOPMENT PLAN COMPLIES WITH THE ACT:**

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Redevelopment Plan meets the statutory qualifications as set forth below.

**1. The Redevelopment Project Area has been declared Extremely Blighted and Substandard by action of the Grand Island City Council.**

Such Extremely Blighted and Substandard declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

**2. Conformance with the General Plan for the Municipality as a whole. [§18-2103 (27) and §18-2110]**

Grand Island has adopted a general plan, known as the Comprehensive Plan on July 13, 2004, as amended (“**Comprehensive Plan**”). It is anticipated that any required changes to the overall plan of development for the Commercial Development Zone (CD) and Residential Development Zone (RD) will be interpreted as a change to the future land use map in the Comprehensive Plan. Thus, this Redevelopment Project will be consistent with the Comprehensive Plan. The Hall County Regional Planning Commission held a public hearing at their meeting on November 14, 2022 and passed Resolution 2023-05 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: [§18-2111]**

***a. Land Acquisition:***

This Redevelopment Plan for the Project Site provides for real property fee and leasehold acquisitions by the Redeveloper and other commercial entities. In appropriate situations, the City or CRA may assemble parcels and acquire the necessary fee titles, easements, leases, covenants and other property rights through voluntary negotiation in order to assist in repairs or rehabilitation of structures or improvements or to carry out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements. If voluntary agreement is not possible and, to the extent permitted by law, the City or CRA may institute eminent domain proceedings. If the City or CRA dispose of any real property, it will be at fair value as required by the Act.

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

The Redevelopment Project requires the demolition of approximately 300,000 square feet of existing buildings structures and approximately 35 acres of parking lot improvements.

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

The Commercial Development Zone (CD) and proposed Residential Development Zone (RD) will permit the Redevelopment Project's land uses. The Redevelopment Project is located within the corporate limits of the City and conforms to the Comprehensive Plan with approval of proposed amendments. Said zoning will cause the Redevelopment Project to be in compliance with the Comprehensive Plan. [§18-2103(27), 18-2111 and §18-2112]

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

The area is zoned Commercial Development Zone (CD). The property has historically been operated as an enclosed shopping center. The plan for a mixed-use Redevelopment Project at this location may require changes to the overall plan of development. New streets, storm drainage and other public improvements and enhancements are planned as part of the Redevelopment Project in a manner consistent with the Commercial Development Zone (CD). It is anticipated that the area identified as Project Area #2 will be rezoned for residential development. It is anticipated that TIF and EEA revenues will help offset the costs of those improvements. No

changes are anticipated in building codes or ordinances. [§18-2103(b) and §18-2111]

*e. Site Coverage and Intensity of Use:*

The proposed Sub-Redevelopment Project Area will meet the Commercial Development Zone (CD) and Residential Development Zone (RD) coverage and intensity of use requirements. The overall planned density of the Redevelopment Project is less than permitted. [§18-2102 and §18-2111]

*f. Additional Public Facilities or Utilities:*

Sanitary sewer and water are available to support the Redevelopment Project. Both sanitary sewer and water will need to be updated and extended throughout the site. Electric utilities are sufficient for the proposed use of the Redevelopment Project Area. Electric and other utilities lines will need to be modified or extended throughout the property.

Publicly and privately owned utilities are not expected to be negatively impacted by the Redevelopment Project. [§18-2103(28) and §18-2111] TIF and EEA / Occupation Tax revenues will be used to help offset the cost of any public and private utility improvements.

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation:**

This Redevelopment Plan will not require the displacement or relocation of individuals or families. [§18-2103.02]

**5. No member of the CRA nor any employee thereof holds any interest in any property in this Redevelopment Project Area.** [§18-2106]

No members of the CRA hold an interest in property within the Redevelopment Project Area.

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

(a) Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to the Redeveloper.

See attached Exhibit A for Redevelopment Project Budget. The Redeveloper will acquire the initial Project Site for \$16,000,000. In appropriate situations, the City or CRA may assemble parcels and acquire the necessary fee titles, easements, leases, covenants and other property rights in order to assist in repairs or rehabilitation of structures or improvements or to carry out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other



improvements. The cost for rehabilitation and demolition of the existing structures are estimated at \$39,600,000 and onsite improvements, including the extension of utilities are estimated at \$8,800,000. TIF eligible expenses and EEA / Occupation Tax eligible expenses are estimated to exceed \$67,000,000. Final figures shown in Exhibit A are estimates and subject to changes based upon specific site plans, design specifications, City approvals and public regulations.

In appropriate situations, the City or CRA may assemble parcels and acquire the necessary fee titles, easements, leases, covenants and other property rights through voluntary negotiation in order to assist in repairs or rehabilitation of structures or improvements or to carry out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.

(b) Statement of proposed method of financing the Redevelopment Project.

Outside of the TIF, EEA / Occupation Tax, CRA Funding Contribution, Grow Grand Island Funding Contribution and City of Grand Island Funding Contribution as described above, the Redeveloper will provide all necessary financing for the balance of the Redevelopment Project.

(c) Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this Redevelopment Plan.

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, an CRA 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 CRA has considered these elements in proposing this Redevelopment Plan. This Redevelopment Plan 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, commercial development and recreational / entertainment opportunities within the City of Grand Island and encouraging infill development.

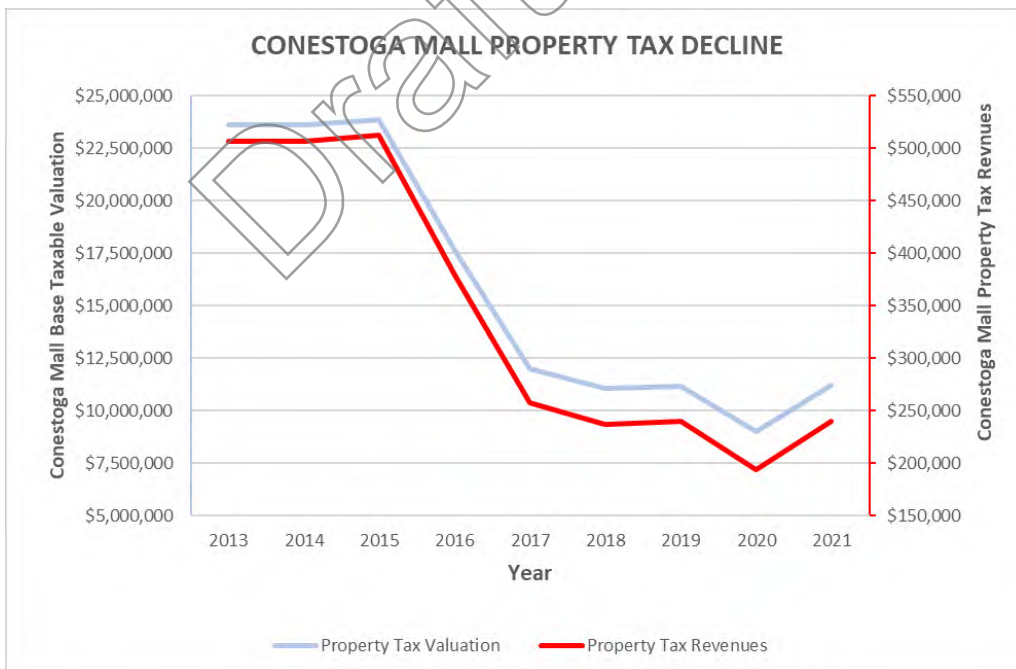
**8. Time Frame for Development**

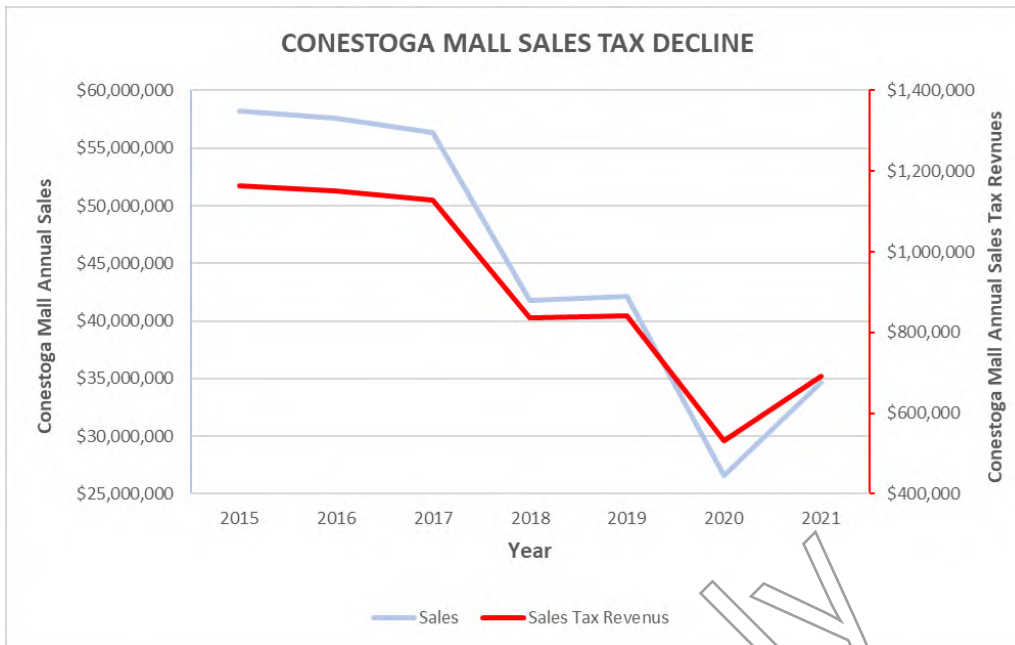
The Redevelopment Project is anticipated to begin in 2023. The Redevelopment Plan will include up to five Sub-Redevelopment Project Areas and will likely span the course of a maximum ten-year period between 2023 and 2033. It is anticipated that this Redevelopment Plan and the accompanying incentives facilitated to support the Redevelopment Plan will result in increased property values, sales taxes and significant economic stimulus to the City beginning in 2024 and continuing thereafter for decades to come – See attached Exhibit B.

**9. Justification of Project**

(A) LOSS PREVENTION:

As discussed in the Introduction above, the Conestoga Mall has been an integral part of Grand Island’s community for nearly 50 years, dating back to its original construction in 1971. However, with the rise of e-commerce, the loss of three of the four primary mall anchors and the lack of investment, the Existing Mall Property has struggled to thrive in this changing retail environment. The Existing Mall Property has been in steady decline with property tax valuations dropping approximately \$10,000,000 (50%) over the past 20 years and tenant sales falling over 40% over the prior eight years.





The Existing Mall Property is rapidly declining and without direct intervention, it is expected to continue to decay and progress in its Extremely Blighted and Substandard state. See Enclosed Exhibit D – Extremely Blighted Determination Study completed by Marvin Planning Consultants. Further, an asbestos inspection was conducted by Heartland Testing & Consulting, which details the significant asbestos remediation requirements.

(B) FORWARD BENEFIT:

The Retail Sales Impact Analysis for the Conestoga Mall Redevelopment, completed by Canyon Research (Exhibit C) (“**Market Study**”), estimated the Grand Island MSA retail sales leakage of between \$61.4 million to \$81.7 million. According to the Market Study, the proposed Conestoga Marketplace is forecast to generate stabilized annual sales of \$150.9 to \$165.1 million (\$146.2 to \$160.1 million excluding hotel sales), with net new sales to the City of Grand Island estimated to account for 42 to 51 percent of total annual sales.

**Proposed Conestoga Mall Redevelopment  
Estimated Sales**

Trade Area	Annual Sales	
	Low	High
Estimated Retail Sales*	\$146,250,850	\$160,133,675
Primary Trade Area	\$51,187,798	\$64,053,470
Secondary Trade Area	\$7,312,543	\$11,209,357
Tertiary Trade Area	\$2,925,017	\$6,405,347
<b>Total Net New Sales</b>	<b>\$61,425,357</b>	<b>\$81,668,174</b>
<b>% of Total</b>	<b>42.00%</b>	<b>51.00%</b>

\*Notes: Excludes Hotel Sales.

Secondarily, the direct net new sales generated by the Redevelopment Project and captured by the City of Grand Island would also produce a spinoff effect on Grand Island’s retail market in the form of indirect sales, estimated at \$24.6 million to \$32.7 million.

Lastly, based on the Redeveloper’s projections, and upon opening of all Sub-Project Redevelopment Areas, the Redevelopment Project would create approximately \$2,295,844 in Annual Sales Tax Revenue for the City of Grand Island, \$252,525 in additional Food & Beverage Occupation Tax shortly after the opening of Conestoga Marketplace and beginning in year 21 approximately \$2,803,189 in additional property taxes. See attached Exhibit B for City of Grand Island Fiscal Benefit.

**10. Cost Benefit Analysis:**

Section 18-2113 of the Act further requires the CRA to conduct a cost benefit analysis of the Redevelopment Plan in the event that TIF will be used. This analysis must address specific statutory issues. In addition to the analysis below, the attached Exhibit E provides for a detailed “But For” Analysis.

As authorized by the Act the City analyzed the costs and benefits of the proposed Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$73,519,829 in public funds from TIF, EEA / Occupation Tax, CRA Funding Contribution provided by the CRA and City, City of Grand Island Funding Contribution and Grow Grand Island Funding Contribution will be required to complete the Redevelopment Project. This investment by the City and CRA will leverage \$148,065,000 in private sector financing for a total of \$221,584,845. See attached Exhibit A for Redevelopment Plan Source and Use of Funds.

**Tax Revenue.** The redeveloped 60 acre Project Site is anticipated to have a January 1, 2024, valuation of approximately \$8,000,000. Based on the 2022 levy this would result in a real property tax of approximately \$171,763. It is anticipated that the assessed value will increase by \$107,100,000 upon full completion, as a result of the site redevelopment. This Redevelopment Project will result in an estimated tax increase of over \$2,127,722 annually. The tax increment gained from the Project Site would not be available for use as city general tax revenues, for the period of the TIF Note, but would be used for eligible redevelopment improvements and enhancements to enable this Redevelopment Project to be realized.

Estimated 2024 assessed value:	\$ 8,000,000
Estimated value after completion	\$ 107,100,000
Increment value	\$ 99,100,000
Annual TIF generated (estimated)	\$ 2,127,222
TIF Note issue	\$ 26,257,076

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

The Project Site currently has an estimated valuation of \$8,000,000. The proposed Redevelopment Project will create additional valuation of \$99,100,000 over the course of the next ten years. The Redevelopment Project creates additional valuation that will support taxing entities long after the Redevelopment Project is paid off along with providing approximately 305 additional housing units, modernized retail / commercial space and a state-of-the-art entrainment / recreational opportunity. The tax shift from the Redevelopment Project will be equal to the total of the TIF Note principal of \$26,257,076 when fully funded and any associated interest on the TIF Note to be assigned with the redevelopment 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 wastewater facilities will not be negatively impacted by this Redevelopment Project. The utility systems have sufficient capacity to support the Redevelopment Project. The infill development will connect to existing and improved lines with capacity. Fire and police protection are available and should not be negatively impacted by this Redevelopment Project. Public transportation and public parks are also available and should not be negatively impacted by this Redevelopment Project.

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

The Redevelopment Project will serve as a major catalyst for transforming the deteriorating mall, which is currently over 50% vacant, with three of the four major anchors vacating the mall and eliminating their accompanying employees.

This Redevelopment Project will not only stop the existing deterioration but will reposition and expand Grand Island's prime commercial and retail trade areas. The Redevelopment Project will be anchored by a nation's top retail operator. At project stabilization, the new and existing retailers are expected to employ over 500 new full-time equivalent positions. In addition, construction employment on the anticipated \$190,000,000 in construction costs will increase during the anticipated 24 – 48 months construction phases.

***(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 Redevelopment Project Area; and***

As outlined in the Market Study (Exhibit C), the Redevelopment Project is anticipated to create an additional \$24.6 million to \$32.7 million in ancillary "spin off" sales for surrounding businesses in the immediate area. This increased demand will result in additional employment opportunities within the immediate area. The construction of the Redevelopment Project over the build out period will provide incremental local sales to support construction and material workers during that time. This will also result in modest upward pressure for jobs in the service and retail sector in other parts of the City.

***(e) Impacts on the Student Populations of School Districts within the City.***

The Redevelopment Project includes residential development. Thus, there may be an increase in school age children and education cost impacts. The Grand Island Public School District will not receive taxes from the mixed-use Redevelopment Project built during the Tax Increment Period. To the extent that job opportunities may encourage the relocation of other families outside the Redevelopment Project Area with school-age students to the City, these students would likely be located across attendance areas and would have the benefit of the property taxes paid toward these residential units in the School District. After the TIF Bond is paid, or at the end of the respective 20 years of division of taxes, whichever is sooner, the increased valuation from the Redevelopment Project will be available to the School District as well as all the other taxing entities.

The proposed development is expected to include 305 residential units ranging from 1 to 3 bedrooms in each unit. The mix of unit types has not been determined. The average number of persons per household in Grand Island for 2017 to 2021 according to the American Community Survey is 2.57. According to current census numbers 20.2% of the population of Grand Island was between the ages of 5 and 18. If the averages hold it would be expected that 784 people would be housed at this location and there would be a maximum of 158 school age children generated by this development. The final mix of unit types is likely to result in a lower number of school age residents.

(f) *Any other impacts determined by the CRA to be relevant to the consideration of costs and benefits arising from the Redevelopment Project.*

Dating back to 2017, 25% of United States malls have closed their doors due to record-high vacancy rates, drops in foot traffic and lack of updated entertainment offerings. Changes in retail trade, shopping patterns and the impact of the COVID-19 pandemic also created issues. As with countless other shopping centers, Conestoga Mall has struggled via its exposure to faltering anchor Tenants, including Younker’s, JC Penney, and Sears.

While the use of TIF will defer the incremental ad valorem real property taxes generated by the Redevelopment Project for up to 20 years, there will be additional revenue generated by the Redevelopment Project. For example, increase sales taxes paid by customers, employees and neighbors dining, shopping and using services. This Redevelopment Project will also require substantial purchases of materials during construction. A sizable portion of the construction materials delivered to the construction site will be subject to local sales tax of 1.5%. Materials purchased will result in increased local sales tax which will benefit the City.

**EXHIBIT A**

**Redevelopment Plan Budget**

<b>REDEVELOPMENT PROJECT BUDGET - CONESTOGA MARKETPLACE</b>							
CATEGORY	TOTAL PROJECT COSTS	PRIVATELY FUNDED	TIF	EEA	CRA	GROW GRAND ISLAND	CITY OF GRAND ISLAND FUNDS
TOTAL PROPERTY ACQUISITION	\$16,000,000	\$0	\$5,000,000	\$11,000,000	\$0	\$0	\$0
TOTAL SITE PREPERATION	\$4,450,000	\$0	\$0	\$4,450,000	\$0	\$0	\$0
TOTAL UTILITY / SITE WORK	\$8,784,845	\$0	\$1,160,000	\$2,124,845	\$0	\$0	\$5,500,000
TOTAL HARD CONSTRUCTION COSTS	\$180,350,000	\$139,065,016	\$17,097,076	\$19,187,908	\$4,000,000	\$1,000,000	\$0
TOTAL SOFT COSTS	\$12,000,000	\$9,000,000	\$3,000,000	\$0	\$0	\$0	\$0
<b>TOTALS:</b>	<b>\$221,584,845</b>	<b>\$148,065,016</b>	<b>\$26,257,076</b>	<b>\$36,762,753</b>	<b>\$4,000,000</b>	<b>\$1,000,000</b>	<b>\$5,500,000</b>

**EXHIBIT B**

**City Benefit**

<b>CONESTOGA REDEVELOPMENT - CITY BENEFIT - 30 YEARS (Assumes 1.50% Growth Rate)</b>			
<b>Category</b>	<b>Annual Revenue</b>	<b>Project Duration (Years)</b>	<b>Total</b>
City Sales Tax	\$3,061,125	30	\$114,910,596
Food & Beverage Occupation Tax	\$252,525	30	\$9,479,546
City Property Tax Years 21 - 30	\$2,805,809	10	\$30,029,792
Material Tax	\$830,943	1	\$830,943
<b>TOTAL</b>			<b>\$155,250,877</b>

<b>GRAND ISLAND CITY SALES TAX REVENUES (2.00% SALES TAX)</b>			
<b>Site</b>	<b>Use</b>	<b>Annual Sales</b>	<b>City Sales Tax Revenues</b>
Lot 1D - Hotel	Hotel	\$5,000,000	\$100,000
Lot 1A - Restaurant	Restaurant	\$1,715,000	\$34,300
Lot 1B - Multi-Tenant Retail	Retail	\$4,900,000	\$98,000
Lot 1C - Retail	Retail	\$3,500,000	\$70,000
Lot 2 - Restaurant / Retail	Retail	\$1,706,250	\$34,125
Lot 3 - Mall	Retail	\$55,825,000	\$1,116,500
Lot 4 - Restaurant / Retail	Retail	\$2,560,000	\$51,200
Lot 5 - Restaurant	Restaurant	\$2,560,000	\$51,200
Lot 6 - Restaurant	Restaurant	\$2,560,000	\$51,200
Lot 7 - Restaurant / Retail	Retail	\$2,000,000	\$40,000
Lot 8 - Restaurant / Retail	Retail	\$2,000,000	\$40,000
Lot 9 - Restaurant / Retail	Retail	\$2,730,000	\$54,600
Lot 10 - Anchor	Retail	\$66,000,000	\$1,320,000
<b>TOTAL ANNUAL</b>		<b>\$153,056,250</b>	<b>\$3,061,125</b>

<b>GRAND ISLAND PROPERTY TAX REVENUES YEARS 21 - 30</b>			
<b>Year</b>	<b>Use</b>	<b>Valuation</b>	<b>New City Property Tax Revenues</b>
21	Total Project	\$130,682,353	\$2,805,809
<b>TOTAL ANNUAL</b>			<b>\$2,805,809</b>



**EXHIBIT B [CONTINUED]**

<b>GRAND ISLAND FOOD AND BEVERAGE RETAILERS OCCUPATION TAX (1.50% TAX)</b>			
<b>Site</b>	<b>Use</b>	<b>New Annual Sales</b>	<b>New City Sales Tax Revenues</b>
Lot 1D - Hotel	Hotel	\$500,000	\$7,500
Lot 1A - Restaurant	Restaurant	\$1,715,000	\$25,725
Lot 1B - Multi-Tenant Retail	Retail	\$500,000	\$7,500
Lot 1C - Retail	Retail	\$0	\$0
Lot 2 - Restaurant / Retail	Retail	\$0	\$0
Lot 3 -Mall	Retail	\$5,000,000	\$75,000
Lot 4 - Restaurant / Retail	Retail	\$0	\$0
Lot 5 - Restaurant	Restaurant	\$2,560,000	\$38,400
Lot 6 - Restaurant	Restaurant	\$2,560,000	\$38,400
Lot 7 - Restaurant / Retail	Retail	\$0	\$0
Lot 8 - Restaurant / Retail	Retail	\$1,500,000	\$22,500
Lot 9 - Restaurant / Retail	Retail	\$500,000	\$7,500
Lot 10 - Anchor	Retail	\$2,000,000	\$30,000
<b>TOTAL ANNUAL</b>		<b>\$16,835,000</b>	<b>\$252,525</b>

<b>GRAND ISLAND MATERIAL SALES TAX</b>			
<b>Year</b>	<b>Use</b>	<b>Estimated Purchased Material Cost</b>	<b>New City Sales Tax Revenues</b>
1	Total Project	\$55,396,211	\$830,943
<b>TOTAL ANNUAL</b>			<b>\$830,943</b>

\*Assumes 50% Project Material Purchased In Grand Island



**EXHIBIT C**

**[Enclosed Market Retail Study – Canyon Research]**

Draft Only



Prepared For:  
Woodsonia Hwy 281, LLC

**RETAIL SALES IMPACT ANALYSIS**  
**Conestoga Mall Redevelopment**  
**Grand Island, Nebraska**

Draft

**Canyon Research Southwest, Inc.**  
**505 Ellicott Street, Suite A202**  
**Buffalo, NY 14203**  
**October 2022**

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# CANYON RESEARCH SOUTHWEST, INC.

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COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

**RETAIL SALES IMPACT ANALYSIS  
CONESTOGA MALL REDEVELOPMENT  
13<sup>th</sup> STREET AND U.S. HIGHWAY 281  
GRAND ISLAND, NEBRASKA**

October 2022

Draft Only

Prepared for:

Woodsonia Hwy 281, LLC  
20010 Manderson Street, Suite 101  
Elkhorn, NE 68022

Prepared by:

Canyon Research Southwest, Inc.  
505 Ellicott Street, Suite A202  
Buffalo, NY 14202

PR# 2022.09.02

**505 ELLICOTT STREET, SUITE A202 / BUFFALO, NY 14203 / (716) 327-5576**

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# CANYON RESEARCH SOUTHWEST, INC.

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COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

October 3, 2022

Drew Snyder  
Woodsonia Hwy 281, LLC  
20010 Manderson Street, Suite 101  
Elkhorn, NE 68022

Re: Request for Proposal – Retail Sales Impact Study  
Conestoga Mall Redevelopment; Grand Island, Nebraska

Mr. Snyder,

Canyon Research Southwest, Inc. has prepared the attached *Retail Sales Impact Analysis* for a proposed for the proposed redevelopment of Conestoga Mall located at 13<sup>th</sup> Street and U.S. Highway 281 in Grand Island, Nebraska. The purpose of study is to estimate sales for the proposed New Anchor Store (“New Anchor Store”), entertainment, retail shops, restaurants, and hotel and net new sales captured by the City of Grand Island, Nebraska.

Upon review of the report, should any questions arise, or additional information requested, contact me directly at (716) 327-5576.

Respectfully submitted,

**CANYON RESEARCH SOUTHWEST, INC.**

Eric S. Lander, Principal

505 ELLICOTT STREET, SUITE A202 / BUFFALO, NY 14203 / (716) 327-5576

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Canyon Research Southwest, Inc.	



# SUMMARY OF MAJOR FINDINGS

Canyon Research Southwest, Inc. has prepared the attached *Retail Sales Impact Analysis* for the proposed redevelopment of Conestoga Mall located at 13<sup>th</sup> Street and U.S. Highway 281 in Grand Island, Nebraska. The study estimates sales for the proposed New Anchor Store, entertainment / theater operator, retail shops, restaurants, and hotel and net new sales captured by the City of Grand Island, Nebraska. The study's major findings are summarized below.

## Trade Area Demographics

The proposed redevelopment of the Conestoga Mall will support retail trade areas defined as a primary trade area within a 30-minute drive time, a secondary trade area within a 40-minute drive time, and a tertiary trade area within a 50-minute drive time.

A trade area's population demographics play a significant role in the demand for retail goods and services. Of specific importance to the level and composition of a trade area's supportable retail market are population growth, age distribution, educational attainment, and household income.

The primary trade area within a 30-minute drive from the Conestoga Mall site supports a current population of 92,493 residents, of which just 56.6 percent are Grand Island residents. The primary, secondary, and tertiary trade area population is estimated at 166,105, with the City of Grand Island accounting for just 31.5 percent of the total trade area population. **Given Grand Island's status as a region shopping destination, this population disparity suggests the city captures significant retail sales from nonresidents.**

The population groups having the greatest impact on future retail expenditures include children (0 to 14 years) and family/working adults (35-44 years). These age groups favor retail expenditures on apparel, accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, entertainment, and general merchandise.

Trade area residents on average are slightly less educated than the statewide norm, supporting higher rates of high school graduates as the highest level of educational attainment and lower rates of residents 25 years and over possess an Associate degree or better. These lower educational attainment trends are common within rural communities. The trade area's educational attainment rates will be more relevant on income levels than the retail expenditure patterns.

The entire trade area's median household income of \$62,551 compares to the statewide median of \$63,015, with slightly lower rates of households earning less than \$35,000 and high-income households earning \$100,000 or more. Households earning \$35,000 to \$99,999 annually account for 46.3 percent of the trade area households which exceeds the statewide rate. Income levels and purchasing power for trade area households are only marginally lower than the state. The net effect is achievable household retail expenditures comparable the state norm.

## **Competitive Retail Market Conditions**

Grand Island serves as a regional shopping destination attracting customers from well outside the City limits. Much of the reason for Grand Island's regional draw is the presence of a large cluster of major retailers not operating stores within a 40+ minute drive time.

Since fiscal year 2015-16, sales tax receipts collected by the City of Grand Island have increased at an impressive average annual rate of 11.8 percent. The strong gains in sales tax collections are an indication of Grand Island's regional retail draw and the ability to attract shoppers and retail expenditures from outside the city limits.

By the third quarter 2022 the inventory of retail space in the Grand Island market totaled 5.15 million square feet, operating at a healthy vacancy rate of 5.5 percent. From 2010 through 2021, 202,305 square feet of retail space was constructed in the Grand Island market and 232,761 square feet of retail space was absorbed. With net space absorption outpacing new additions to supply, the overall retail vacancy rate for the Grand Island market has remained healthy.

Grand Island supports two principal retail corridors. Locust Avenue south of Bismark Road represents the older commercial corridor featuring a mix of chain restaurants, strip centers, and hotels. Highway 281 represents the new retail corridor with large-scale shopping centers such as Northwest Commons, Eagle Run, Grand Corners, and Conestoga Mall anchored by national big-box retailers. Notable retailers operating along Highway 281 include Walmart, Sam's Club, Dillard's, Best Buy, Kohl's, TJ Maxx, Home Depot, and Menards.

Grand Island's resident population of 52,335 and estimated TAC of 74,239 residents illustrates the city's well above average capture of retail sales from nonresidents. The large concentration of national retailers and distance to alternative shopping destinations in Lincoln, Omaha, and Kearney accounts for the high trade area capture.

Grand Island's pull factor of 1.42 indicates a retail sales capture at a rate 42 percent greater than the statewide average. The pull factor suggests that nonresidents have a significant impact on Grand Island's taxable retail sales.

Conestoga Mall's location within a regional shopping destination in the heart of the Highway 281 retail corridor offers the site characteristics that are favorable for supporting redevelopment with a mix of anchor retailers, entertainment, small shops, and restaurant uses.

## **Retail Sales Estimates**

Based on trade area demographics, the status of Grand Island as a regional shopping destination, and the level of direct competition, stabilized sales for the proposed redevelopment of Conestoga Mall are estimated at \$151 to \$165 million. Net new retail sales (excludes hotel revenues) to the City of Grand Island are estimated to account for 42 to 51 percent of total store sales, amounting to \$61.4 million to \$81.7 million. These additional net new sales captured by the City of Grand Island would prove to increase the City's pull factor from a current rate of 1.42 to a range of 1.48 to 1.50.

The direct net new sales generated by the proposed Conestoga Mall redevelopment and captured by the City of Grand Island would also produce a spinoff effect on Grand Island’s retail market in the form of indirect sales, estimated at \$24.6 million to \$32.7 million annually.

**Proposed Conestoga Mall Redevelopment  
Estimated Out-of-Town Sales**

Trade Area	Annual Low	Sales High
<b>Estimated Retail Sales</b>	<b>\$146,250,850</b>	<b>\$160,133,675</b>
Primary Trade Area	\$51,187,798	\$64,053,470
Secondary Trade Area	\$7,312,543	\$11,209,357
Tertiary Trade Area	\$2,925,017	\$6,405,347
<b>Total Out-of-Town Sales</b>	<b>\$61,425,357</b>	<b>\$81,668,174</b>
<b>% of Total</b>	<b>42.0%</b>	<b>51.0%</b>

Notes: \*Excludes hotel sales.

Draft Only

**RETAIL SALES IMPACT ANALYSIS  
CONESTOGA MALL REDEVELOPMENT  
13<sup>th</sup> STREET AND HIGHWAY 281  
GRAND ISLAND, NEBRASKA**

October 2022

Draft Only

# INTRODUCTION

## Study Objective and Organization

Plans call for redevelopment of Conestoga Mall located at 13<sup>th</sup> Street and Highway 281 in Grand Island, Nebraska. The purpose of *Retail Sales Impact Analysis* is to estimate the sales for the proposed New Anchor Store, entertainment / theater operator, retail shops, restaurants, and hotel and net new sales captured by the City of Grand Island, Nebraska.

The *Retail Sales Impact Analysis* is segmented into four sections, including: 1) a trade area demographic analysis, 2) retail market analysis, 3) site evaluation, and 4) retail sales projections for the New Anchor Store, entertainment / theater operator, junior anchors, and restaurants.

The Demographic and Economic Analysis section will identify the trade area's demographic characteristics including population and household growth trends, household types, household incomes, and educational attainment. The trade area's demographic profile affects consumer spending patterns.

The Retail Market Analysis section measures Grand Island's historic trends in retail sales, trade area capture, retail pull factor, survey of existing major anchor and junior anchor stores, movie theaters, and national chain restaurants operating in Grand Island, and trade area retail sales for department stores, junior anchors, entertainment, and restaurants.

The Site Analysis evaluates the property's ability to facilitate redevelopment of the Conestoga Mall into the proposed anchored shopping center. Evaluation criteria include parcel size; visibility and exposure; accessibility; traffic counts; critical mass of retail space; and direct competition.

Based on the study findings annual retail sales at stabilization for the proposed retail components will be forecast and net new sales captured by the City of Grand Island estimated.

## Project Overview

Conestoga Mall is an enclosed shopping mall located at 13<sup>th</sup> Street and Highway 281 in Grand Island, Nebraska. Ericson Development of Edina, Minnesota, built the mall in 1974, anchored by Miller & Paine and Brandeis. Later mall expansions brought Sears, JC Penney, and J.M. McDonald, a regional department store chain. Dillard's purchased Miller & Paine in 1988, and Younkers purchased Brandeis in 1987. Best Buy serves as a junior anchor, located in a portion of the former J.M. McDonald space. At 545,000 square feet of retail space on 57 acres, Conestoga Mall is the largest enclosed shopping mall between Lincoln, Nebraska and Denver, Colorado.

The Younkers store closed in August 2018 with the liquidation of its owner, Bon-Ton Stores. The Sears store closed in early 2019 as part of the retailer's plan to close 40 stores. The JC Penney store closed in October 2020. Dillard's is the mall's only remaining anchor tenant. Other notable mall tenants include AMC Theatres, American Eagle Outfitters, Bath & Body Works, Buckle, Foot Locker, JoAnn Fabrics, Maurices, and rue21.



In 2003, J. Herzog & sons purchased the mall from the Richard E. Jacobs Group and in 2017, New York-based Namdar Realty Group purchased the property.

Woodsonia Hwy 281, LLC has plans to redevelop the 50.6-acre Conestoga Mall property with the conceptual project plan depicted on page 3. Referred to as the Conestoga Marketplace, the plan calls for the mall property to be transformed into a mixed-use development featuring anchor tenants, small shop space, ten outparcels accommodating restaurants and retail shops, a 150-room hotel, and 304 apartment units over structured parking. At build-out, the Conestoga Marketplace will occupy 366,938 square feet of retail space, 150 hotel rooms, and 304 apartment units.

Approximately 150,000 square feet of the mall’s existing retail space will remain and be upgraded to include the 25,000 square foot Best Buy store, 38,000 square foot movie theatre/entertainment complex, and 87,000 square feet of shop space. A new 147,863 square foot New Anchor Store will serve as the project’s major anchor tenant.

### Conestoga Mall Redevelopment Plan

Lot #	Acres	Use	Building Sq. Ft.	Dwelling Units	Hotel Rooms
1A	1.2	Outparcel - Restaurant	4,900		
1B	2.0	Outparcel - Retail Shops	14,000		
1C	1.4	Outparcel - Retail Shops	10,000		
1D	2.7	Hotel			150
2	0.9	Outparcel - Restaurant	2,275		
3	12.9	Existing Mall Shops	87,000		
		Existing Best Buy	25,000		
		Movie Theatre/Entertainment Complex	38,000		
4	1.2	Outparcel - Retail Shops	8,400		
5	1.7	Outparcel - Restaurant	6,400		
6	1.8	Outparcel - Restaurant	6,400		
7	0.9	Outparcel - Restaurant	3,600		
8	1.4	Outparcel - Restaurant	4,000		
9	1.6	Outparcel - Restaurant	9,100		
10	12.3	Anchor Store	147,863		
11	7.5	Apartments		304	
<b>Totals</b>	<b>49.5</b>		<b>366,938</b>	<b>304</b>	<b>150</b>



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# DEMOGRAPHIC ANALYSIS

This section of the report examines consumer-related demographic factors impacting the proposed redevelopment of the Conestoga Mall into the Conestoga Marketplace, including population and household growth trends, age distribution, educational attainment, and household income. Demographic data was provided by Esri Business Analyst, a national demographic research firm. Quantifying these demographic characteristics will assist in projecting future sales for the proposed redeveloped Conestoga Marketplace.

## Trade Area Defined

Customers residing closest to the proposed Conestoga Marketplace will have the greatest impact on store sales, with customer influence diminishing as the distance increases. Trade areas are usually divided into three categories or zones of influence, each of which is defined below.

**Primary Trade Area:** The primary trade area draws 70 to 80 percent of a retail store's regular customers.

**Secondary Trade Area:** The secondary trade area generates about 15 to 20 percent of a store's total sales.

**Tertiary Trade Area:** The tertiary trade area forms the broadest area from which a store draws customers. The tertiary trade area generates a small percentage of store sales.

Grand Island, Nebraska serves as a regional shopping destination for south-central Nebraska. Other factors influencing the retail trade area composition include the location of sister stores, extent of direct competition, area transportation network and drive times, population density, and geographic barriers.

Target, for example, operates 14 stores in Nebraska, including six in Omaha and three in Lincoln. The closest Target stores to Grand Island is in Kearney, Nebraska 43 miles to the west along Interstate 80. The closest Target store to the east is in Lincoln, 99 miles from Grand Island. For further comparison, Walmart operates 42 stores in Nebraska with two locations in Grand Island. The closest other Walmart stores are in Hastings 21 miles to the south, York 40 miles to the east, and Kearney 41 miles to the west

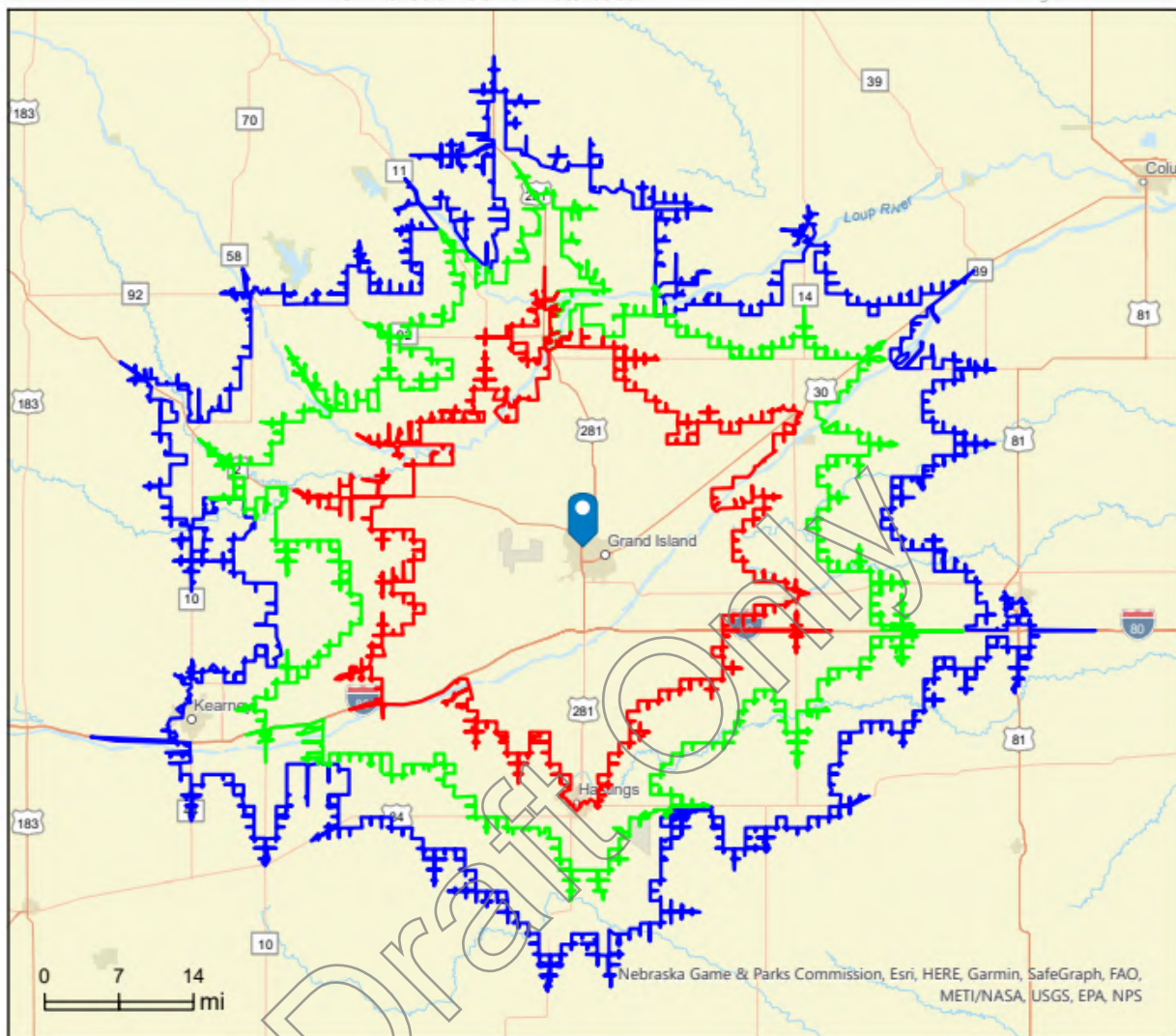
Grand Island's regional transportation network includes Interstate 80 providing east-west access throughout Nebraska, linking Grand Island with Lincoln and Omaha to the east and Kearney to the west. U.S. Highways 281/34 provide north-south access to such area cities as Hastings, Doniphan, and St. Paul. Therefore, the Conestoga Marketplace site benefits from excellent regional access and the opportunity to capitalize on a large trade area population and customer base. The retail trade areas for the proposed Conestoga Marketplace are defined as a primary trade area within a 30-minute drive time, a secondary trade area within a 40-minute drive time, and a tertiary trade area within a 50-minute drive time. The trade areas boundaries are illustrated on the following page.

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## Conestoga Marketplace Retail Trade Areas



A trade area's population demographics play a significant role in the demand for retail goods and services. Of specific importance to the level and composition of a trade area's supportable retail market are population growth, age distribution, educational attainment, and household income. The balance of this section of the study will address the Conestoga Mall's trade area demographics.

# Population Growth Trends

Trade area population size and growth are key components for quantifying supportable retail sales volumes. The table below outlines trade area population growth from 2010 through 2022 as well as 5-year population projections through 2027.

## Trade Area Population Trends

Year	Trade Area			Total Population
	Primary	Secondary	Tertiary	
2010 Census	86,814	27,129	44,466	158,409
2020 Census	91,771	26,889	46,431	165,091
2022 Estimate	92,493	26,775	46,837	166,105
2027 Forecast	92,104	26,750	47,440	166,294

Source: Esri Business Analyst.

From 2010 to 2022, the entire trade area within a 50-minute drive time recorded steady population growth, increasing by 4.9 percent, adding nearly 7,700 new residents. By 2022, the primary, secondary, and tertiary trade area population totaled 166,105. The trade area’s steady population growth has fueled a growing demand for retail goods and services and the size of the population is sufficient to support a diverse and deep retail market. From 2022 through 2027, Esri Business Analyst forecasts the trade area population to remain flat, reaching 166,294 residents.

**The City of Grand Island with 52,335 residents (U.S. Census estimate as of July 1, 2021) accounts for just 31.5 percent of the total trade area population. Given Grand Island’s status as a region shopping destination, this population disparity suggests the city captures significant retail sales from nonresidents.**

The primary trade area within a 30-minute drive time from the Conestoga Mall site supports a current population of 92,493 residents, of which 56.6 percent are Grand Island residents. From 2010 to 2022, the primary trade area population increased by 6.5 percent, adding 5,679 residents. By 2027, the primary trade population is forecast to decrease by 0.4 percent. The primary trade area population outside of Grand Island consists primarily of rural communities with a limited retail base, providing the opportunity to capture retail sales from outside of the city.

The secondary trade area within a 30- to 40-minute drive from the Conestoga Mall site supports a current population of 26,775 residents, totaling 119,268 residents within a 40-minute drive time. From 2010 to 2022, the secondary trade area population declined by 1.3 percent.



# Population Age Distribution Trends

The age composition of a community’s population plays a significant role in expenditures for retail goods and services. As a person ages their retail needs change. Each age group is at a different stage in life and possesses differing retail needs.

The trade area population age distribution for 2022 is summarized in the table below by six primary age groups, including children (0-14 years), adolescent (15-24 years), young adults (25 to 34 years), family/working adults (35-44 years); empty nesters (45-64 years) and elderly (65+ years). Each age group possesses distinctively different consumption and housing needs.

**Trade Area Population Age Distribution; 2022**

Age Group	Trade Area			State
	Primary	Secondary	Tertiary	Average
0-14 Years	20.4%	20.0%	19.5%	20.7%
15-24 Years	12.1%	12.1%	13.1%	13.9%
25-34 Years	12.9%	12.7%	13.4%	13.3%
35-44 Years	12.1%	11.9%	11.8%	12.5%
45-64 Years	24.3%	24.7%	23.9%	24.1%
65+ Years	18.0%	18.6%	18.3%	15.6%

Source: Esri Business Analyst.

Children ages 0 to 14 years are not consumers per say, but their presence within a household generates retail expenditures on apparel, accessories, and groceries. This age group accounts for 19.5 percent to 20.4 percent of the trade area population which is slightly lower the statewide average of 20.7 percent.

The adolescent population ages 15 to 24 is a key demographic for supporting the sales of apparel and accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, and general merchandise. Adolescents account for 12.1 percent to 13.1 percent of the Andover population. By comparison, adolescents account for 13.9 percent of the Nebraska population.

Young adults aged 25 to 34 years generally are new to the workforce. These tech savvy young adults are heavy consumers of electronics, apparel and accessories, and entertainment. Young adults account for 12.7 percent to 13.4 percent of the trade area population which compares to the statewide rate of 13.3 percent.

The population ages 35 to 44 are in their child raising and principal consumer years, with expenditures favoring hardware, furniture and home furnishings, consumer electronics, department stores, and eating and drinking places. Family/working adults account for 11.8 percent to 12.1 percent of the trade area population, compared to 12.5 percent of the statewide population.

The empty nester population includes those individuals ages 45 to 64 years. The trade area's population ages 45 to 64 years account for 23.9 percent to 24.7 percent of the total population, compared to 24.1 percent statewide. These empty nester age groups provide opportunities for restaurants, entertainment, travel, and healthcare services.

According to the U.S. Department of Labor, per capita retail expenditures by seniors 65+ years old is 18 percent lower than those under the age of 35 years and 41 percent lower than people ages 35 to 64 years. Residents 65+ years of age account for 18.0 percent to 18.6 percent of the Andover population, compared to 15.6 percent of the statewide population. The senior population poses a growing market for healthcare goods and services.

The trade area's age composition, except for a slightly larger senior population, is consistent with the statewide norm and indicates it is a community of young families with children. The trade area population's age distribution is favorable for retail expenditures on apparel, accessories, groceries, sporting goods, music, consumer electronics, eating and drinking places, entertainment, and general merchandise.

## **Educational Attainment**

Because income increases with advancing educational attainment communities with high education levels support higher levels of retail expenditures. Trade area residents on average are slightly less educated than the statewide norm, supporting higher rates of high school graduates as the highest level of educational attainment and lower rates of residents 25 years and over possess an Associate degree or better. These lower educational attainment trends are common within rural communities. The trade area's educational attainment rates will be more relevant on income levels than the retail expenditure patterns.

### **Trade Area Educational Attainment Levels For Residents 25 Years and Over**

Highest Education Level Obtained	Trade Area			State of Nebraska
	Primary	Secondary	Tertiary	
Less than 9th Grade	4.2%	4.0%	3.5%	3.8%
9th - 12th Grade, No Diploma	6.3%	5.9%	5.2%	4.6%
High School Graduate / GED	31.1%	31.2%	30.1%	25.7%
Some College, No Degree	21.8%	22.3%	22.1%	22.7%
Associate Degree	11.5%	12.0%	12.1%	10.7%
Bachelor's Degree	17.2%	16.9%	18.7%	21.4%
Graduate / Professional Degree	7.9%	7.7%	8.5%	11.1%

Source: U.S. Census Bureau and Esri Business Analyst.

## Household Income

The table below summarizes 2018 household income comparisons for the trade area and State of Nebraska. The U.S. Census Bureau estimated the median household income for Nebraska of \$63,015.

### Trends in Households by Income Trade Areas vs. State of Nebraska

Income Bracket	Trade Area			State of Nebraska
	Primary	Secondary	Tertiary	
Less than \$15,000	8.9%	8.9%	8.8%	8.8%
\$15,000 - \$24,999	7.8%	7.9%	8.2%	8.2%
\$25,000 - \$34,999	8.8%	8.8%	8.6%	9.2%
\$35,000 - \$49,999	13.2%	13.3%	12.7%	13.3%
\$50,000 - \$74,999	19.6%	19.5%	19.4%	19.3%
\$75,000 - \$99,999	16.1%	15.8%	15.8%	14.1%
\$100,000 - \$149,999	15.5%	16.1%	16.5%	15.9%
\$150,000 - \$199,999	6.3%	6.2%	6.4%	6.1%
\$200,000+	3.8%	3.5%	3.5%	5.2%
<b>Totals</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Median Household Income</b>	<b>\$61,903</b>	<b>\$61,823</b>	<b>\$62,511</b>	<b>\$63,015</b>

Source: U.S. Census and Esri Business Analyst

Households earning less than \$35,000 annually possess low purchasing power while high-income households earning \$100,000 or more possess much higher purchasing power and represent a market for luxury automobiles, retail goods and services, travel, and entertainment.

The primary trade area's median household income of \$61,903 compares to the statewide median of \$63,015, with slightly lower rates of households earning less than \$35,000 and high-income households earning \$100,000 or more.

An estimated 25.6 percent of secondary trade area households earn less than \$35,000 annually compared to 26.2 percent for Nebraska. High-income households earning \$100,000 or more account for 25.8 percent of secondary trade area households compared to 27.2 percent statewide.

For the entire trade area an estimated 25.6 percent of households earn less than \$35,000 compared to 26.2 percent for Nebraska. High-income households earning \$100,000 or more account for 26.4 percent of all trade area households compared to 27.2 percent statewide.

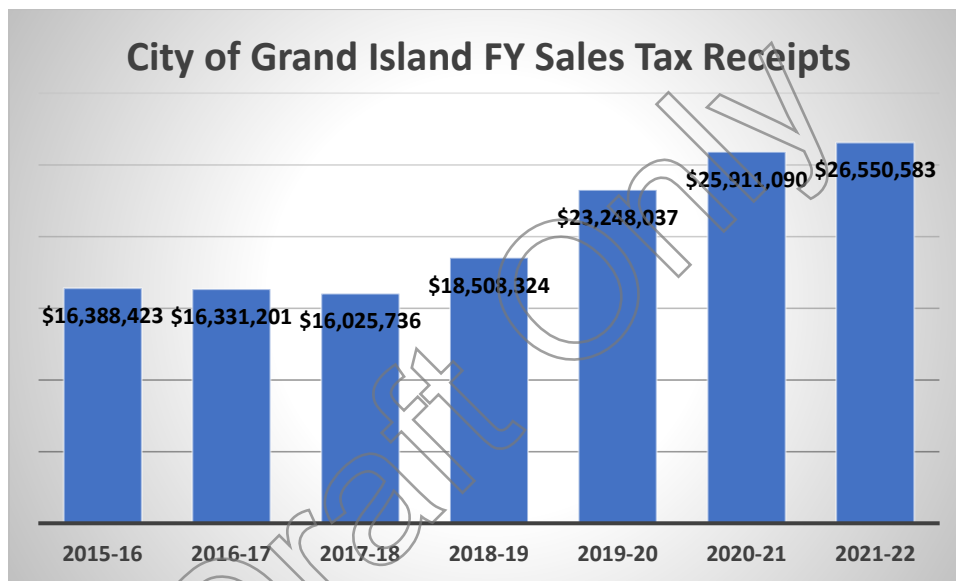
To conclude, income levels and purchasing power for trade area households are only marginally lower than the state. The net effect is achievable household retail expenditures comparable the state norm.

# RETAIL MARKET ANALYSIS

The *Retail Market Analysis* quantifies the ability of Grand Island to support additional near-term retail development. In doing so, the study provides historic trends in City sales tax collections, competitive retail market overview, trade area capture, retail pull factor trends, and traded area home improvement supplies sales.

## Grand Island Sales Tax Collections

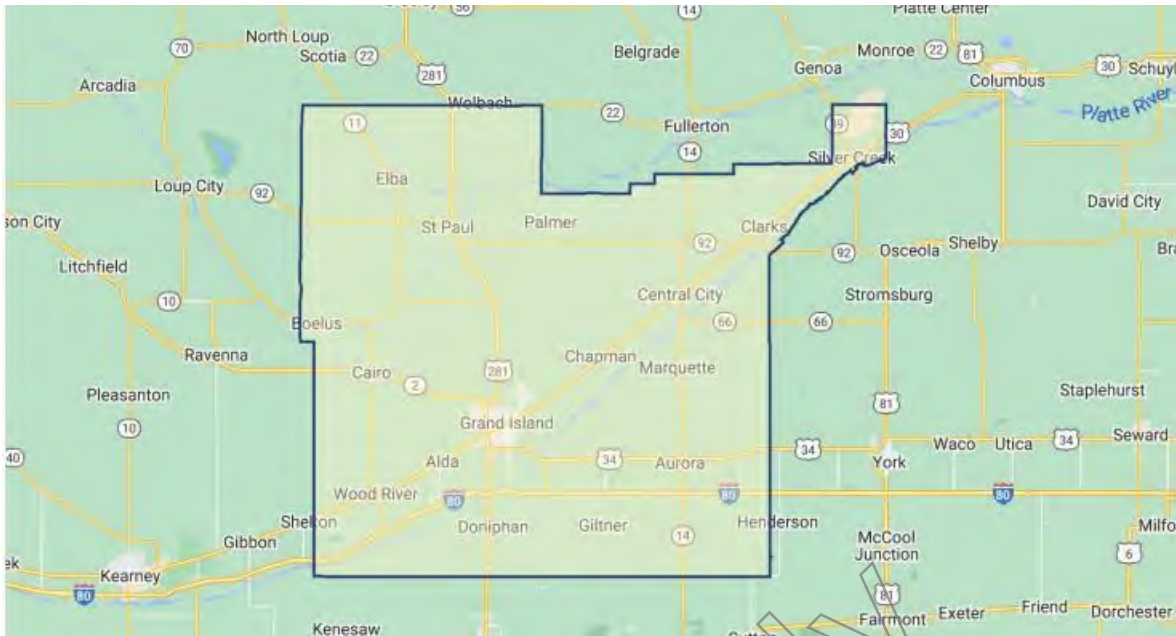
The City of Grand Island provided actual sales tax receipts for fiscal years 2015-2016 through 2021-2022. The bar chart below provides an illustration of historical fiscal year trends in the City's sales tax receipts.



From fiscal year 2015-16 to fiscal year 2020-21, sales tax receipts collected by the City of Grand Island increased by 58.1 percent, reaching \$25.9 million. Through the first eleven months of fiscal year 2021-22 sales tax receipts were up \$3.0 million, or 12.7 percent over the same 11-month timeframe during the prior fiscal year. The steady gains in sales tax collections are an indication of Grand Island's regional retail draw and the ability to attract shoppers and retail expenditures from outside the city limits.

## Grand Island Retail Market Overview

According to the *Grand Island Retail Market Report* published by CoStar, the Conestoga Mall is located within the Grand Island market that consists of the City of Grand Island and several surrounding rural communities such as St. Paul, Palmer, Central City, Doniphan, and Alda. The boundaries of the Grand Island market are illustrated on the following page.



By the third quarter 2022 the inventory of retail space in the Grand Island market totaled 5.15 million square feet. General retail and neighborhood center space accounted for all 3.89 million square feet and 659,282 square feet, respectively. The table below provides operating data for the Grand Island market by shopping center type for the third quarter 2022.

### Grand Island, Nebraska Market Retail Market Conditions; 2022 Q3

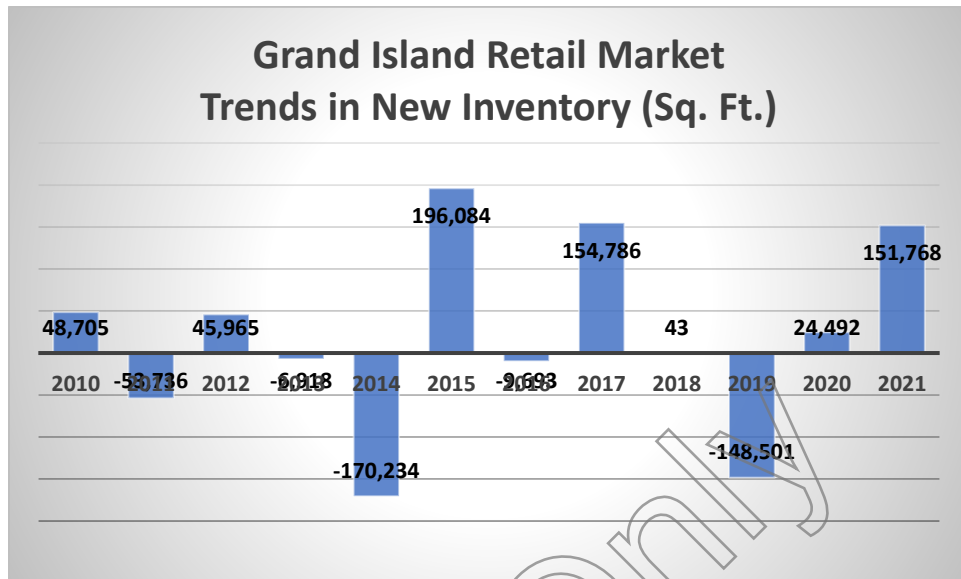
Center Type	Building Sq. Ft.	Vacancy Rate	Average Rent	Absorption 2022 YTD	Space U/C
Malls	540,733	41.6%	\$7.69	-5,266	0
Power Center	0				0
Neighborhood Center	659,282	8.0%	\$10.25	-4,879	0
Strip Center	64,363	0.0%	\$10.13	0	0
General Retail	3,885,851	0.1%	\$11.74	7,674	0
<b>Totals</b>	<b>5,150,229</b>	<b>5.5%</b>	<b>\$11.10</b>	<b>-2,471</b>	<b>0</b>

Source: CoStar.

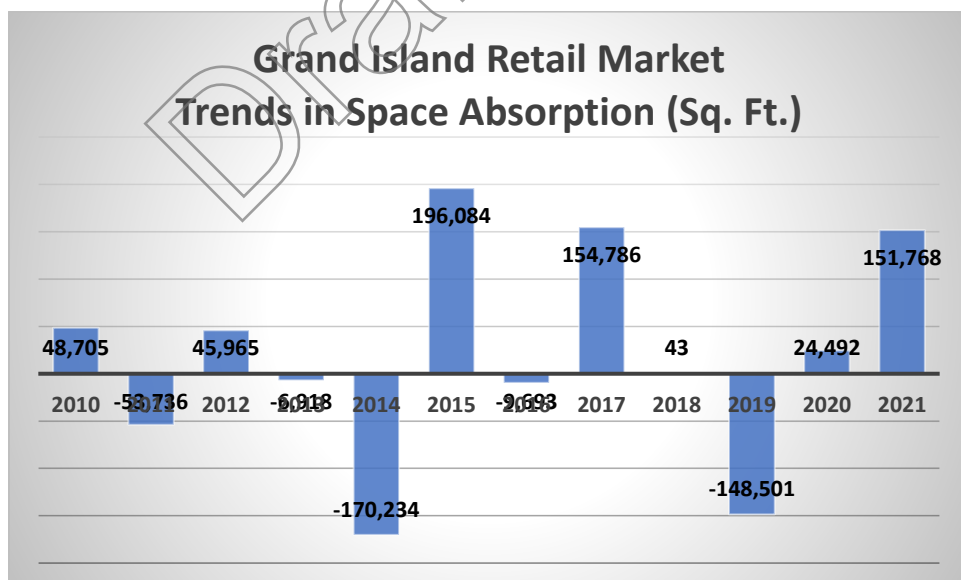
By the third quarter 2022, the Grand Island market was operating at a healthy vacancy rate of 5.5 percent. Mall space was operating at a vacancy rate of 41.6 percent with approximately 225,000 square feet of space unoccupied. Strip center space is fully occupied with general retail space operating at a vacancy rate of 0.1 percent. Neighborhood centers are most overbuilt operating at vacancy of 8.0 percent. Through the third quarter 2022, the Grand Island market experienced negative absorption of 2,471 square feet of retail space. No retail space is currently under construction within the Grand Island market.



From 2010 through 2021, Costar reported 202,305 square feet of retail space was constructed in the Grand Island market. Retail construction peaked in 2016 and 2017 with the completion of 102,040 square feet of space. New retail construction activity has declined significantly since 2018 with the addition of just 21,657 square feet of space.



From 2010 through 2021, Costar reported 232,761 square feet of retail space was absorbed in the Grand Island market. Retail space absorption peaked in 2015, 2017, and 2021. Despite the negative impact of the COVID-19 pandemic had on the retail industry, during 2020 and 2021 tenant demand was strong in the Grand Island market with net absorption of retail space totaling 176,260 square feet of space.



The City of Grand Island supports two principal retail corridors. Locust Avenue south of Bismark Road represents the older commercial corridor featuring a mix of chain restaurants, strip centers, and hotels. Highway 281 on the far west side of Grand Island from U.S. Highway 30 north to Capital Avenue represents the new retail corridor with large-scale shopping centers such as Northwest Commons, Eagle Run, Grand Corners, and Conestoga Mall anchored by national big-box retailers. Notable retailers operating along Highway 281 include Walmart, Sam’s Club, Dillard’s, Best Buy, Kohl’s, TJ Maxx, Home Depot, and Menards.

### Highway 281 Corridor Major Retailers

Department Stores	Major Anchors	Junior Anchors	Restaurant Chains
Dillard’s	Walmart	Dick’s Sporting Goods	Applebee’s
	Sam’s Club	Hibbett Sports	Buffalo Wild Wings
	Home Depot	Petco	Perkins
	Menard’s	Kohl’s	Red Lobster
		TJ Maxx	Olive Garden
		Best Buy	Sonic
		Office Max	Taco Bell
		Ashley Homestore	Texas Roadhouse
		Burlington	Wendy’s
		Hobby Lobby	IHOP
			Culver’s
			Raising Cane’s

Located on U.S. Highway 281 between State Street and Capital Avenue, Northwest Commons is a redevelopment of the original enclosed Grand Island Mall. In addition to three new outparcels, the development includes over 150,000 square feet of junior anchor and shops space designed with a “main street” layout. Anchor tenants for Northwest Commons include Dick’s Sporting Goods, Hibbett Sports, Shopko, Petco, and Burlington.

The Eagle Run shopping center at U.S. Highway 281 and Faidley Avenue is anchored by Home Depot and Ashley Homestore. Outparcel tenants include Buffalo Wild Wings, Olive Garden, Panda Express, Panera Bread, Verizon, Exchange Bank, Freddy’s Frozen Custard, and Raising Canes.

Conestoga Mall’s location within a regional shopping destination in the heart of the Highway 281 retail corridor offers the site characteristics that are favorable for supporting redevelopment with a mix of big-box retailers, small shops, entertainment, and restaurant uses.

## Trade Area Capture

Information about a community's retail trade area can help assess the ability of local merchants to attract and capture the retail business of residents. The trade area capture ("TAC") is an estimate of the number of people who shop in the local area during a certain period. TAC assumes that residents will buy goods at the same rate as the state average, and that the only force that causes a variation in spending patterns is income. The formula for calculating TAC is:

$$\text{TAC} = \frac{\text{Community's Actual Retail Sales}}{\text{State Per Capita Sales} \times \text{Community's Per Capita Income} / \text{State Per Capita Income}}$$

If the TAC estimate is larger than the community's population, it suggests: 1) the community is attracting customers outside its boundaries or 2) residents of the community are spending more than the state average. If the estimate is smaller than the community's population: 1) the community is losing its customers to other regions for retail purchases or 2) residents of the community are spending less than the state average.

During FY 2020-21, the City of Grand Island's sales tax collections totaled \$25,911,090. At the City sales tax rate of 2.0 percent, taxable retail sales amounted to \$1.3 billion.

During 2021, non-automobile taxable retail sales in Nebraska totaled \$39,902,075,895. The U.S. Census estimated the population for Nebraska at 1,963,692 residents, equating to per capita sales of \$20,320.

According to the U.S. Census Bureau, Grand Island's population is estimated at 52,335 residents with a per capita income of \$28,517.

The U.S. Census estimated the population for Nebraska at 1,963,692 residents and per capita income of \$33,205.

$$\text{Trade Area Capture} = \frac{\$1,295,554,500}{\$20,320 \times (\$28,517 / \$33,205)} = 74,239 \text{ Residents}$$

Grand Island's resident population of 52,335 and estimated TAC of 74,239 residents illustrates the city's well above average capture of retail sales from nonresidents.

Grand Island's large concentration of national retailers that operate along the Highway 281 corridor and distance to alternative shopping destinations in Lincoln, Omaha, and Kearney accounts for the high trade area capture.

## Retail Pull Factor

Pull factors (“PF”) measure a community’s ability to attract shoppers, residents and non-residents alike, to make retail purchases within the community. A pull factor is a measure of the strength of a community’s retail trade, based on a comparison of local spending in relation to that of a wider geographic area (e.g., the state), with a measure of 1.0 representing a perfect balance. A pull factor greater than 1.0 indicates that the community is pulling in retail sales from beyond its boundaries and the balance of trade is favorable. Alternatively, a pull factor less than 1.0 indicates that the community is not capturing local shoppers and is experiencing retail sales leakage. Pull factors are calculated by dividing the TAC by the community’s population.

$$PF = \frac{\text{Trade Area Capture}}{\text{Community Population}}$$

Grand Island’s pull factor was calculated by dividing the TAC population of 74,239 by the estimated resident population of 52,335. The net result is a pull factor of 1.42, translating into a retail sales capture at a rate 42 percent greater than the statewide average. This pull factor suggests that nonresidents have a significant impact on Grand Island’s taxable retail sales.

## Trade Area Retail Sales

Most retail sales for the proposed Conestoga Marketplace will be derived from the primary and secondary trade areas. This section of the study quantifies potential primary and secondary trade area sales of principal retail merchandise categories. Potential retail sales estimates by industry group were provided by Esri Business Analyst’s Spending Potential Index and derived from the Consumer Expenditure Surveys published by the Bureau of Labor Statistics. The Spending Potential Index is household based and represents the amount spent for a product or service relative to a national average of 100. Annual retail sales for both the trade areas are outlined in the table on the following page.

The principal retail industry groups account for potential annual retail sales of \$867 million within the primary trade area and \$266 million within the secondary trade area, for a total of \$1.13 billion. During fiscal year 2020-21, the City of Grand Island reported taxable retail sales of \$1.3 billion. **With the Spending Potential Index based on the national average, applying Grand Island’s retail pull factor of 1.42 suggests the potential exists for the city to capture up to \$1.6 billion of retail expenditures.**

## Potential Retail Expenditures by Store Type Primary and Secondary Trade Areas

<b>Retail Category</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total Sales</b>
Apparel & Accessories	\$47,828,229	\$14,096,955	\$61,925,184
Footwear	\$15,722,206	\$4,536,973	\$20,259,179
Watches & Jewelry	\$4,269,345	\$1,327,182	\$5,596,527
Computers	\$6,152,655	\$1,821,479	\$7,974,134
Entertainment & Recreation	\$110,220,001	\$34,410,047	\$144,630,048
Pet Supplies	\$28,163,047	\$9,565,516	\$37,728,563
Toys, Crafts & Hobbies	\$4,118,484	\$1,258,031	\$5,376,515
Sporting Goods	\$6,599,526	\$2,100,823	\$8,700,349
Groceries	\$180,851,092	\$55,635,281	\$236,486,373
Food Away from Home	\$118,901,505	\$34,955,592	\$153,857,097
Alcoholic Beverages	\$19,288,987	\$5,686,207	\$24,975,194
Personal Care Products	\$16,555,278	\$5,028,462	\$21,583,740
Prescription Drugs	\$12,915,046	\$4,265,750	\$17,180,796
Nonprescription Drugs	\$6,109,883	\$2,058,842	\$8,168,725
Eyeglasses & Contacts	\$3,533,685	\$1,136,501	\$4,670,186
Household Furnishings	\$10,860,545	\$3,243,826	\$14,104,371
Household Supplies	\$27,219,480	\$8,573,330	\$35,792,810
Appliances	\$13,902,028	\$4,109,572	\$18,011,600
Furniture	\$20,306,977	\$5,957,116	\$26,264,093
Lawn & Garden	\$18,143,559	\$5,934,365	\$24,077,924
Gasoline & Motor Oil	\$80,941,384	\$24,584,227	\$105,525,611
Home Improvements	\$114,629,735	\$36,033,361	\$150,663,096
<b>Total Retail Expenditures</b>	<b>\$867,232,677</b>	<b>\$266,319,438</b>	<b>\$1,133,552,115</b>

Source: Esri Business Analyst.

The proposed Conestoga Marketplace will be anchored by a new to market Anchor Store. The closest comparable anchor store would be Target in Kearney located 43 miles west of the Conestoga Marketplace site. Like many retail industry groups, department stores tend to cluster together which create a major customer destination and drive increased sales volumes. Walmart and Same's Club operate stores in Grand Island. The location of direct competition and comparable store in Kearney provides the opportunity for the proposed New Anchor Store at Conestoga Marketplace to serve an expanded retail trade area and capturing significant out-of-town sales volumes.

# SITE EVALUATION

Retail developers and major retailers evaluate potential sites based on a series of site-specific criteria. Common selection criteria when evaluating prospective development sites include parcel size and dimensions, visibility and exposure, accessibility, traffic counts, trade area demographics, and direct competition. Using these site selection criteria, the proposed Conestoga Mall redevelopment site was evaluated for the potential to support development of an anchored shopping center.

## **Parcel Size and Dimensions**

Redevelopment of Conestoga Mall is classified as a power center. A power center is occupied by category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants. The gross building area for a power center ranges from 250,000 square feet to 600,000 square feet.

To accommodate the building sizes and associated parking and retention requirements, power center development sites typically range in size from 25 to 80 acres. A square or rectangular site is best suited for store design.

The Conestoga Mall site is rectangular and totals 50.6 acres. The project plan calls for 366,938 square feet of retail space, including major anchors, small shops, and outparcels designed for restaurants and shop space,

## **Visibility**

Visibility and exposure have a considerable influence on a shopping center's achievable retail sales volumes. Power centers should possess visibility from a highway or major arterial street.

The Conestoga Mall site is located at the interchange of U.S. Highway 281 and 13<sup>th</sup> Street, providing the visibility required by major and junior anchors, small shops, and outparcels.

## **Accessibility**

Power center sites rely on an efficient local transportation network that typically includes a mix of major and minor arterial streets.

Interstate 80 is located a short distance south of the Conestoga Mall site with a major interchange at U.S. Highway 34/281. Convenient access to Interstate 80 and north-south connect to U.S. Highway 34/281 will afford convenient regional access.

Local vehicular access to the Conestoga Mall site provided via Grand Island's major arterial network. Both 13<sup>th</sup> Street and U.S. Highway 281 will provide the site with adequate local accessibility and on-site ingress and egress.

The Conestoga Mall site's regional, local, and on-site vehicular access is sufficient to accommodate development of a power center.



## **Traffic Counts**

The vehicular traffic counts on arterial streets that flow past the site are important when evaluating a potential retail development site.

Average daily traffic counts for 2021 reported by the Nebraska Department of Transportation past the Conestoga Mall site are 19,450 vehicles on U.S. Highway 81 north of 13<sup>th</sup> Street. The high average daily traffic count provides exposure suitable for development of a power center.

## **Trade Area Demographics**

Grand Island's retail trade area within a 50-minute drive time supports a current population of 166,105 residents and a median household income of \$62,511. The large adolescent population is sufficient for supporting the sales of apparel and accessories; groceries; sporting goods; music; home electronics; eating and drinking places; and general merchandise. The large population ages 25 to 44 are in their principal consumer years, favors hardware; furniture and home furnishings; home electronics; department stores; and eating and drinking places. The growing senior population generates demand for medical goods and services. Over 42 percent of households earn \$75,000 or more per year that is ideal for supporting above average per capita retail sales. These consumption patterns and demographic characteristics bode well for the potential of Grand Island to support a diverse retail market.

## **Competition**

Grand Island serves as a regional retail destination garnering a retail pull factor of 1.42, indicating retail sales at a rate 42 percent greater than the statewide average. Highway 281 is the city's premiere retail corridor housing such major national retailers as Walmart, Sam's Club, Kohl's, Dick's Sporting Goods, Home Depot, Menard's, Best Buy, and TJ Maxx.

Like many types of retail businesses, big-box stores and chain restaurants tend to cluster together which create a major customer destination and drive increased sales volumes. The Conestoga Mall's location within Grand Island's principal retail corridor will assist in attracting retailers to the redevelopment project.

## **Conclusions**

The Conestoga Mall site in Grand Island possess the necessary characteristics to support redevelopment into a power center, offering the necessary size, dimensions, visibility, accessibility, exposure, and trade area demographics. The site's presence within the U.S. Highway 81 retail corridor and Grand Island's status as a retail destination supporting a regional trade area creates the necessary retail environment for redevelopment of Conestoga Mall.

# RETAIL SALES ESTIMATES

This section of the study forecasts annual retail sales at stabilization for redevelopment of the Conestoga Mall property. The project plan yields 366,938 square feet of retail space consisting of approximately 150,000 square feet of the mall’s existing retail space, a 147,863 square foot New Anchor Store, a 150-room hotel, and nine out parcels supporting restaurants and retail shop space.

## Conestoga Mall Redevelopment Plan

Lot #	Use	Building Sq. Ft.	Hotel Rooms
1A	Outparcel - Restaurant	4,900	
1B	Outparcel - Retail Shops	14,000	
1C	Outparcel - Retail Shops	10,000	
1D	Hotel		150
2	Outparcel - Restaurant	2,275	
3	Existing Mall Shops	87,000	
	Existing Best Buy	25,000	
	Movie Theatre/Entertainment Complex	38,000	
4	Outparcel - Retail Shops	8,400	
5	Outparcel - Restaurant	6,400	
6	Outparcel - Restaurant	6,400	
7	Outparcel - Restaurant	3,600	
8	Outparcel - Restaurant	4,000	
9	Outparcel - Restaurant	9,100	
10	Anchor Store	147,863	
<b>Totals</b>		<b>366,938</b>	<b>150</b>

Taxable sales volumes and capture of net new sales for the Conestoga Mall redevelopment plan were estimated based on several sources, including:

1. Sales data published by National Retail Federation’s *100 Top Retailers 2022*
2. *Nation’s Restaurant News Top 100*
3. Sales data published by the International Council of Shopping Centers
4. Annual Retail Trade Survey published by the U.S. Census Bureau
5. Actual sales reported by Annual Reports for Best Buy and major anchor stores
6. Demographic and retail sales by industry data provided by Ersi Business Analyst
7. Internal data base of actual sales of comparable major stores and movie theatre chains
8. Grand Island’s retail pull factor

## **Forecast Retail Sales**

The project plan calls for a 147,863 square foot New Anchor Store to anchor the redeveloped Conestoga Mall. The closest comparable store to the New Anchor Store in Grand Island is in Kearney 43 miles to the west and Lincoln 99 miles to the east. The New Anchor Store's principal competitors in Grand Island are Walmart and Sam's Club.

Target, as used as an example for the New Anchor Store, is a department store chain that operates 1,926 stores throughout the United States, including 14 stores in Nebraska. Target sells a wide assortment of general merchandise and food. The majority of the general merchandise stores offer an edited food assortment, including perishables, dry grocery, dairy, and frozen items. The average store size is 126,000 square feet, with 79 percent of all stores ranging in size from 50,000 square feet to 169,999 square feet. The stores in Nebraska average 143,200 square feet in size.

During 2021, Target's gross sales totaled \$104.6 billion, averaging \$54.3 million per store and \$437 per square foot of store space. A reported 96.4 percent of gross sales were instore sales. In 2021, comparable store sales by 12.7 percent, on top of record 19.3 percent growth in 2020. Sales by product category included 26 percent beauty and household essentials, 20 percent food and beverage, 19 percent home furnishings and décor, 18 percent hardlines, and 17 percent apparel and accessories.

Target shoppers tend to be between the ages of 18 and 44, though the most avid shoppers from within this group are married women in their 30's with a middle to upper-middle class income of between \$65,000 and \$80,000 per year. Target shoppers tend to visit Target once every few weeks and spend about \$50 per visit. The 30-minute drive primary trade area supports a population of 92,493, 25 percent is between the ages of 25 and 44 years, and 35.7 percent of households possess an annual income of \$50,000 to \$99,999.

Based on the above information and level of direct competition, trade area demographics, and Grand Island's regional draw, the proposed New Anchor Store's stabilized year sales are forecast at \$450 to \$475 per square foot, equating to \$66.5 million to \$70.2 million.

The 150,000 square feet of existing mall space will be upgraded and house the existing 25,000 square foot Best Buy store, 38,000 square foot movie theatre/entertainment complex, and 87,000 square feet of small shop space.

The existing 25,000 square foot Best Buy store will remain. Best Buy is a merchandiser of consumer electronics, entertainment, computing and mobile phones, appliances, and services. Computing and mobile phones account for 41 percent of gross sales, followed by consumer electronics at 31 percent and appliances at 14 percent. Best Buy operates 982 U.S. stores and 160 international stores, with five stores in Nebraska. The closest Best Buy store to the Grand Island location is in Lincoln, Nebraska approximately 100 miles to the east. The U.S. stores average 38,300 square feet of retail space.

During fiscal year 2022, Best Buy's gross sales totaled \$51.8 billion, averaging \$45.3 million per store and \$1,253 per square foot of store space. In fiscal year 2022, comparable store sales by 10.4 percent, up from 9.7 percent growth in fiscal year 2021.

Stabilized year sales for the Best Buy store following redevelopment of Conestoga Mall are forecast at \$1,000 to \$1,100 per square foot, equating to \$25.0 million to \$27.5 million.

The 38,000 square foot movie theatre/entertainment complex will have nine screens and expanded food and beverage operations, including alcohol. Major movie theatre chains operating in the U.S. include AMC and Cinemark.

AMC Entertainment Holdings is the world's largest theatrical exhibition business and owns, operates, or has interests in movie theatres primarily in the United States and Europe. As of December 31, 2021, the company owned, leased, or operated 946 theatres and 10,562 screens in 12 countries, including 593 theatres with a total of 7,755 screens in the United States and 353 theatres and 2,807 screens in European markets and Saudi Arabia. U.S. theatres averaged 13 screens per theatre. During 2019 prior to the pandemic the U.S. theatres reported gross revenues of \$4.02 billion, averaging \$6.33 million per theatre and \$497,060 per screen. During 2020, as the pandemic closed theatres, gross revenues dropped to \$826.7 million, or \$2.1 million per theatre and \$158,129 per screen. Operations improved in 2021 with gross revenues of \$1.876 billion, average sales per theatre of \$3.16 million, and \$241,883 per screen.

Cinemark Holdings operate in the motion picture exhibition industry, with theatres in the United States and Latin America. As of December 31, 2021, the company operated 522 theatres and 5,868 screens. U.S. theatres averaged 14 screens per theatre. As a result of the pandemic, domestic theatres closed in March 2020 and began reopening in June 2020. It was not until mid-2021 until all U.S. theatres reopened. During 2019 prior to the pandemic the U.S. theatres reported gross revenues of \$2.58 billion, averaging \$7.48 million per theatre and \$555,630 per screen. During 2020, gross revenues dropped to \$556.9 million, or \$1.68 million per theatre and \$123,563 per screen. Operations improved in 2021 with gross revenues of \$1.293.6 billion, average sales per theatre of \$4.03 million, and \$293,466 per screen.

The movie theater/entertainment complex is forecast to generate average annual sales of \$525,000 to \$550,000 per screen, for a total \$4,725,000 to \$4,950,000 per year at stabilization.

The Conestoga Mall project plan calls for the retaining and renovating 87,000 square feet of existing shop space. Existing small shop tenants operating at the mall include such national retailers as American Eagle, Bath & Body Works, Buckle, Hallmark, Hot Topic, Lenscrafters, and others. Based on sales reported by the National Retail Federation's *100 Top Retailers*, stabilized year sales for the retained shop space are forecast at \$300 per square foot to \$350 per square foot of building area.

The Conestoga Mall project plan calls for the construction of a 150-room hotel. This analysis assumed a limited-service hotel will occupy Parcel 1D. Examples of limited-service hotels operating in Grand Island include Comfort Inn, Quality Inn, and Fairfield Inn. At a stabilized occupancy rate of 65 percent and an average daily rate of \$130 to \$140, annual sales are estimated at \$4.6 million to \$5.0 million.

The Conestoga Mall project plan calls for ten (10) outparcels designed for the construction of 69,075 square feet of retail space. Building areas for the outparcels range from 2,275 square feet to 14,000 square feet designed to accommodate restaurants and shop space.

Lots 2 and 8 are designed to be occupied by fast food restaurants, supporting buildings of 2,275 square feet and 4,000 square feet, including drive-thru lanes. According to *Nation's Restaurant News*, such national fast food restaurant chains as Arby's, Burger King, KFC, Popeye's, Taco Bell, Wendy's, and Starbuck's Coffee reported average store sales of \$1.05 million to \$1.9 million, averaging \$1.45 million. Stabilized year sales for the planned fast food restaurants are forecast at \$700 to \$750 per square foot for Lot 2 and \$400 to \$500 per square foot Lot 8.

Lots 5, 6, and 7 are designed for outparcels envisioned for sit-down restaurants, accommodating 3,600 square feet to 6,400 square feet of building area. According to sales data published by *Nation's Restaurant News*, such national casual dining restaurant chains as Applebee's, Carrabba's Italian Garden, Chili's, Longhorn Steakhouse, Olive Garden, Outback Steakhouse, Red Lobster, Red Robin, and IHOP reported average store sales of \$1.35 million to \$3.9 million, averaging \$2.9 million. Stabilized year sales for the planned sit-down restaurants are forecast at \$400 to \$550 per square foot.

Lots 1A, 1B, 1C, 4, and 9 are envisioned for freestanding shop space, accommodating 4,900 square feet, 14,000 square feet, 10,000 square feet, 8,400 square feet, and 9,100 square feet of building area. Freestanding shop space is typically tenanted by food and beverage and national retailers. Potential tenant types include such chains Chipotle, Moe's, Panera Bread, Five Guys, Jimmy John's, Panda Express, Ulta Beauty, AT&T, and Verizon. Based on sales reported by the National Retail Federation's *100 Top Retailers*, stabilized year sales for the freestanding shop space are forecast at \$300 per square foot to \$350 per square foot of building area.

Based on trade area demographics, the status of Grand Island as a regional shopping destination, and the level of direct competition, stabilized sales for the proposed redevelopment of Conestoga Mall are forecast at \$151 to \$165 million.

### Conestoga Mall Redevelopment Sales Forecasts

Lot #	Use	Building Sq. Ft.	Per Sq. Low	Ft. Sales High	Annual Low	Sales High
1A	Outparcel - Restaurant	4,900	\$250	\$275	\$1,225,000	\$1,347,500
1B	Outparcel - Shops	14,000	\$300	\$350	\$4,200,000	\$4,900,000
1C	Outparcel - Shops	10,000	\$300	\$350	\$3,000,000	\$3,500,000
1D	Hotel				\$4,626,375	\$4,982,250
2	Outparcel - Fast Food Restaurant	2,275	\$700	\$750	\$1,592,500	\$1,706,250
3	Existing Mall Shops	87,000	\$300	\$350	\$26,100,000	\$30,450,000
	Existing Best Buy	25,000	\$1,000	\$1,100	\$25,000,000	\$27,500,000
	Movie Theatre/Entertainment	38,000			\$4,725,000	\$4,950,000
4	Outparcel - Shops	8,400	\$300	\$350	\$2,520,000	\$2,940,000
5	Outparcel - Restaurant	6,400	\$400	\$425	\$2,560,000	\$2,720,000
6	Outparcel - Restaurant	6,400	\$400	\$425	\$2,560,000	\$2,720,000
7	Outparcel - Restaurant	3,600	\$500	\$550	\$1,800,000	\$1,980,000
8	Outparcel - Fast Food Restaurant	4,000	\$425	\$500	\$1,700,000	\$2,000,000
9	Outparcel - Shops	9,100	\$300	\$350	\$2,730,000	\$3,185,000
10	Anchor Store	147,863	\$450	\$475	\$66,538,350	\$70,234,925
<b>Totals</b>		<b>366,938</b>			<b>\$150,877,225</b>	<b>\$165,115,925</b>

## Net New Sales Capture

Given Grand Island’s status as a regional shopping destination the redeveloped Conestoga Mall will capture net new sales from outside of the City of Grand Island. Excluding the hotel, stabilized year retail sales for the redeveloped property are forecast at \$146.2 million to \$160.1 million.

The principal retail industry groups account for potential annual retail sales of \$867 million within the primary trade area and \$266 million within the secondary trade area, for a total of \$1.13 billion. During fiscal year 2020-21, the City of Grand Island reported taxable retail sales of \$1.3 billion. Applying Grand Island’s retail pull factor of 1.42 suggests the potential exists for the city to capture up to \$1.6 billion of retail expenditures.

The primary trade area typically accounts for 70 to 80 percent of a retail store’s gross sales. The Conestoga Mall’s primary trade area within a 30-minute drive time supports a current population of 92,493 residents, of which just 31.5 percent are Grand Island residents. Comparable stores for the New Anchor Store and Best Buy are located well outside the primary trade area. The primary trade area exclusive of Grand Island is estimated to support 35 to 40 percent of forecast sales for the proposed redeveloped Conestoga Mall, or \$51.2 million to \$64.1 annually.

The secondary trade area typically accounts for 15 to 20 percent of a retail store’s gross sales. The secondary trade area within a 30- to 40-minute drive time from Grand Island supports a current population of 26,775 residents. The secondary trade area supports \$266 million in annual sales. The secondary trade area is estimated to support 5 to 7 percent of forecast retail sales, or \$7.3 million to \$11.2 million annually.

The tertiary trade area forms the broadest area from which customers are drawn. A small percentage of store sales are generated from this trade area. The tertiary trade area is estimated to support 2 to 4 percent of forecast retail sales, or \$2.9 million to \$6.4 million annually.

To conclude, the redeveloped Conestoga Mall is forecast to generate stabilized annual retail sales of \$146.2 million to \$160.1 million. Net new sales to the City of Grand Island are estimated to account for 42 to 51 percent of total annual sales, amounting to \$61.4 million to \$81.7 million.

### **Proposed Conestoga Mall Redevelopment Estimated Out-of-Town Sales**

Trade Area	Annual Sales	
	Low	High
<b>Estimated Retail Sales</b>	<b>\$146,250,850</b>	<b>\$160,133,675</b>
Primary Trade Area	\$51,187,798	\$64,053,470
Secondary Trade Area	\$7,312,543	\$11,209,357
Tertiary Trade Area	\$2,925,017	\$6,405,347
<b>Total Out-of-Town Sales</b>	<b>\$61,425,357</b>	<b>\$81,668,174</b>
<b>% of Total</b>	<b>42.0%</b>	<b>51.0%</b>

Notes: \*Excludes hotel sales.



## Conclusions

Grand Island serves as a regional shopping destination attracting customers from well outside the City limits. Much of the reason for Grand Island's regional draw is the presence of a large cluster of major retailers not operating stores within a 40+ minute drive time.

Since fiscal year 2015-16, sales tax receipts collected by the City of Grand Island have increased at an impressive average annual rate of 11.8 percent. The strong gains in sales tax collections are an indication of Grand Island's regional retail draw and the ability to attract shoppers and retail expenditures from outside the city limits.

By the third quarter 2022 the inventory of retail space in the Grand Island market totaled 5.15 million square feet, operating at a healthy vacancy rate of 5.5 percent. From 2010 through 2021, 202,305 square feet of retail space was constructed in the Grand Island market and 232,761 square feet of retail space was absorbed. With net space absorption outpacing new additions to supply, the overall retail vacancy rate for the Grand Island market has remained healthy.

Grand Island supports two principal retail corridors. Locust Avenue south of Bismark Road represents the older commercial corridor featuring a mix of chain restaurants, strip centers, and hotels. Highway 281 represents the new retail corridor with large-scale shopping centers such as Northwest Commons, Eagle Run, Grand Corners, and Conestoga Mall anchored by national big-box retailers. Notable retailers operating along Highway 281 include Walmart, Sam's Club, Dillard's, Best Buy, Kohl's, TJ Maxx, Home Depot, and Menards.

Grand Island's resident population of 52,335 and estimated TAC of 74,239 residents illustrates the city's well above average capture of retail sales from nonresidents. The large concentration of national retailers and distance to alternative shopping destinations in Lincoln, Omaha, and Kearney accounts for the high trade area capture.

Grand Island's pull factor of 1.42 indicates a retail sales capture at a rate 42 percent greater than the statewide average. The pull factor suggests that nonresidents have a significant impact on Grand Island's taxable retail sales.

Conestoga Mall's location within a regional shopping destination in the heart of the Highway 281 retail corridor offers the site characteristics that are favorable for supporting redevelopment with a mix of big-box retailers, small shops, entertainment, and restaurant uses.

The Conestoga Marketplace Redevelopment is forecast to generate stabilized annual sales of \$146.2 million to \$160.1 million (excludes hotel sales), with net new sales to the City of Grand Island estimated to account for 42 percent to 51 percent of total annual sales, amounting to \$61.4 million to \$81.7 million. These additional net new sales captured by the City of Grand Island would prove to increase the City's pull factor from a current rate of 1.42 to a range of 1.48 to 1.50.

The direct net new sales generated by the proposed Conestoga Mall redevelopment and captured by the City of Grand Island would also produce a spinoff effect on Grand Island's retail market in the form of indirect sales, estimated at \$24.6 million to \$32.7 million annually.

# ADDENDA

Draft Only

# **EXHIBIT A**

## **Canyon Research Southwest, Inc., Client Roster**

Draft Only

## **CLIENT ROSTER**

Canyon Research Southwest, Inc. has provided real estate consulting services for many leading organizations including:

American Furniture Warehouse (Englewood, CO)  
Arizona State Land Department  
Bain & Company, Inc. (Boston, Massachusetts)  
Bayer Properties (Birmingham, Alabama)  
Belz-Burrow (Jonesboro, Arkansas)  
Bridgeview Bank Group  
Browning-Ferris Industries  
Burch & Cracchiolo PA  
Cameron Group (Syracuse, New York)  
Carrow Real Estate Services (Albany, New York)  
Cass County, Missouri  
Cavan Real Estate Investments  
D.J. Christie, Inc. (Overland Park, Kansas)  
Church of Jesus Christ of Latter-Day Saints  
City of Belton, Missouri  
City of Coffeyville, Kansas  
City of Dodge, Kansas  
City of Fenton, Missouri  
City of Glendale Economic Development Department  
City of Hesston, Kansas  
City of Independence, Missouri  
City of Lee's Summit, Missouri  
City of Liberty, Missouri  
City of Osage Beach, Missouri  
City of Mesa Economic Development Department  
City of Mesa Real Estate Services  
City of Newton, Kansas  
City of Norman, Oklahoma  
City of Overland Park, Kansas  
City of Phoenix Economic Development Department  
City of Phoenix Real Estate Department  
City of St. Charles, Missouri  
City of Tucson Community Services Department  
City of Wichita, Kansas  
DeRito Partners Development, Inc.  
Dial Realty (Omaha, Nebraska and Overland Park, Kansas)  
DMB Associates  
DMJM Arizona Inc.  
EDAW, Inc. (Denver, Colorado)  
Finney County Economic Development Corporation  
W.M. Grace Development  
Greystone Group (Newport Beach, California)  
Hanford/Healy Advisory Company

**Canyon Research Southwest, Inc.**

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Heritage Bank (Louisville, Colorado)  
Highwoods Properties (Kansas City, MO)  
Holiday Hospitality Corporation (Atlanta, Georgia)  
JPI Development  
Kaiser Permanente (Oakland, California)  
Kessinger Hunter (Overland Park, Kansas)  
Landmark Organization (Austin, Texas)  
Lawrence Group (St. Louis, MO)  
Lee's Summit Economic Development Council (Lee's Summit, Missouri)  
Leavenworth County, Kansas  
Lowe's Companies, Inc. (West Bloomfield, MI)  
Lund Cadillac  
Marriott International, Inc. (Washington, D.C.)  
MCO Properties  
Meritage Homes  
Metropolitan Housing Corporation (Tucson, Arizona)  
Monterey Homes  
Mountain Funding (Charlotte, North Carolina)  
National Realty Advisors  
Navajo Nation Division of Economic Development  
Opus Northwest Corporation  
Opus West Corporation  
Pederson Group, Inc.  
Phelps Dodge Corporation  
Piper Jaffray (Kansas City, Missouri)  
Pivotal Group  
Platte County Economic Development Council  
Prieb Homes, Inc. (Olathe, Kansas)  
Pulte Homes of Greater Kansas City  
Pyramid Development (St. Louis, Missouri)  
RED Development (Kansas City, Missouri)  
R.H. Johnson & Company (Kansas City, Missouri)  
Richmond American Homes  
Royal Properties (Champaign, Illinois)  
Jack Stack Barbecue  
Steiner + Associates, Inc. (Columbus, Ohio)  
Summit Development Group (St. Louis, Missouri)  
SWD Holdings (San Francisco, California)  
The Innova Group Tucson (Tucson, Arizona)  
The University of Arizona Department of Economic Development (Tucson, Arizona)  
The University of Arizona Medical Center (Tucson, Arizona)  
Trammell Crow Residential  
Union Homes (Salt Lake City, Utah)  
Unified Government of Wyandotte County and City of Kansas City, Kansas  
Wal-Mart, Inc. (Bentonville, Arkansas)  
Waste Management  
Wells Fargo Bank NA  
Widewaters (Syracuse, New York)

**Canyon Research Southwest, Inc.**

# **EXHIBIT B**

Resume of Eric S. Lander, Principal  
Canyon Research Southwest, Inc.

Draft Only



## **EDUCATION**

In 1981, Mr. Lander received a B.S. in Marketing from the Arizona State University College of Business Administration, receiving honors status for his superior cumulative grade point average. In 1992, Mr. Lander received a Master's in Real Estate Development and Investment from New York University, graduating with honors.

## **BUSINESS EXPERIENCE**

### **Canyon Research Southwest, Inc.**

President (October 1984 to Present)

Established Canyon Research Southwest, Inc. as a multi-disciplined real estate consulting firm designed to provide comprehensive research and analysis to the development, financial, investment, and municipal communities. Responsibilities include direct marketing, project management, staffing, and client relations. The firm has performed more than 400 major consulting assignments with over 75 local and national clients. Fields of expertise include market and feasibility analysis of large-scale master planned communities, freeway oriented mixed-use projects, retail centers, office complexes, business parks, and hotels. Additional services include fiscal impact studies, property valuation, and development plan analysis.

### **Mountain West Research**

Associate (December 1988 to January 1990)

Senior Consultant (October 1983 to October 1984)

Mr. Lander assisted in managing the Commercial Real Estate Services Division of Mountain West, Arizona's largest real estate and economic development consulting firm. Responsibilities included direct marketing, personnel management, client relations, and consulting on large-scale commercial, office, industrial, and hotel projects. Also contributed to several real estate publications and assisted in the management and marketing of the firm's commercial, office, and industrial (COI) data base.

### **Iiff, Thorn & Company**

Marketing Assistant (January 1982 to December 1983)

Joined Iiff, Thorn & Company during its infancy and became solely responsible for providing in-house marketing support services to its commercial real estate brokers. These services included demographic research, office/industrial/retail market studies, raw land sales packages, site selection analysis, client relations, and property research. Major accomplishments included establishing and implementing office and industrial absorption studies, devised central office market and available raw land files, and organized the development of an industrial/retail map. Also, during this time, Mr. Lander obtained a real estate sales license and became involved in commercial brokerage activities.

## **RANGE OF EXPERIENCE**

In 1987, Mr. Lander, in cooperation with the Drachman Institute of Regional Land Planning, published a working paper titled "Land Development as Value Added in the Development Process and Appropriate Criteria to Rank Sites for Selection of Master Planned Satellite Communities." Since the publication of this working paper, Mr. Lander has conducted numerous market feasibility studies on existing and proposed, large-scale, master planned communities in the Southwestern United States, totaling over 80,000 acres. The working paper was evaluated and utilized by such prestigious universities as Harvard, M.I.T. and the University of North Carolina as part of their master's program in Real Estate, City and Regional Planning, and Business.

Mr. Lander is an instructor with the Commercial Real Estate Institute, teaching classes in Market Analysis, Commercial Property Valuation and Land Valuation.

Developed a model designed to evaluate and rank the development potential of freeway interchanges. The methodology for ranking freeway properties is based on a list of 25 criteria which provide a framework to efficiently compare the strengths and weaknesses of various freeway sites. Seven (7) criteria have been established which apply to metropolitan area economic base and real estate market, five (5) criteria evaluate the region influenced by the presence of the freeway in question, and thirteen (13) interchange and site-specific criteria are aimed at determining future real estate development opportunities. This model has been utilized in evaluating freeway-oriented, mixed-use projects anchored by regional malls, business parks, office complexes, and hotels.

Mr. Lander has provided consulting services on downtown redevelopment and historic preservation efforts. Recent examples include a heritage tourism study for the Erie Canal terminus in Buffalo, New York; evaluation of potential office, retail, hotel and arena development in the downtown areas of Glendale and Mesa, Arizona; retail market evaluation and redevelopment plan for downtown Warsaw, Missouri; a downtown master plan for downtown Lee's Summit, Missouri; and a redevelopment plan for the 24 Highway Corridor in Independence, Missouri.

Mr. Lander has conducted *TIF and TDD Revenue Projections* for a variety of large-scale retail projects in Missouri and Kansas. Tax Increment Financing and Transportation Development Districts are government-backed funding mechanisms designed to finance project-specific public infrastructure improvement. Funded is provided via the issue and sale of bonds. In the case of Tax Increment Financing the bonds are repaid with incremental increases in property tax and sales tax revenue generated by the designated redevelopment area. Transportation Development Districts involve the levy of an additional sales tax on businesses operating within the redevelopment area.

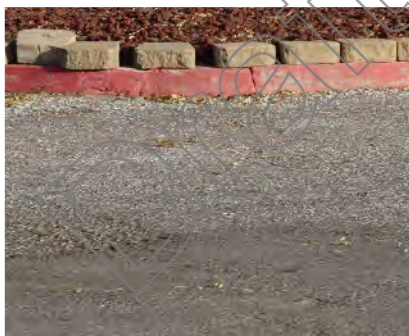
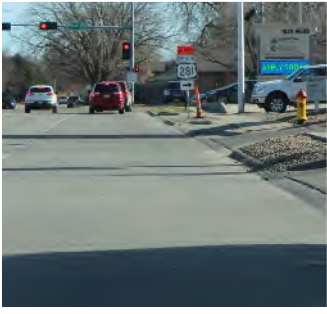
Mr. Lander has conducted *STAR Bond Feasibility and Market Studies* on several proposed developments in Kansas, including the Kansas City Tourism District, Legends at Village West, Kansas City Research & Medical Campus, and Rosedale Station Shopping Center. The *Market Study* evaluates the market positioning, market demand, short-term development potential, and economic impact for the proposed Redevelopment District. Meanwhile, the *Feasibility Study* provides a STAR Bond revenue vs. costs comparison to determine the ability of the Redevelopment District to cover debt service for the projected STAR Bond obligations throughout the bond maturity period.

**EXHIBIT D**

[Enclosed (i) Blight and Substandard Study and (ii) Extremely Blighted Determination Study, City of Grand Island, Nebraska, dated August, 2022, prepared by Marvin Planning Consultants, Inc and Kurt Elder, AICP].

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# EXHIBIT D



## Grand Island, Nebraska Blight and Substandard Study Prepared for: - Area 28 Woodsonia Hwy 281, LLC



Draft Only



**PURPOSE OF THE BLIGHT AND SUBSTANDARD STUDY**

The purpose of completing this Blight and Substandard study is to examine existing conditions within a specific part of Grand Island. Woodsonia Acquisitions, LLC commissioned the study to analyze the possibility of declaring the area as blighted and substandard.

The City of Grand Island, when considering conditions of Blight and Substandard, look at those issues and definitions provided for in the Nebraska Community Redevelopment Law as found in Chapter 18, Section 2104 of the Revised Nebraska State Statutes, as follows:

*"The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of the Community Development Law, shall afford maximum opportunity, consistent with the sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under the Community Development Law, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations, relating to the use of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the providing of necessary public improvements."*

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for the formulation of a workable program; disaster assistance; effect. The statute reads,

*"The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof."*

*"Notwithstanding any other provisions of the Community Development Law, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the state has certified the need for disaster assistance under federal law, the local governing body may approve a redevelopment plan and a redevelopment project with respect to such area without regard to the provisions of the Community Development Law requiring a general plan for the municipality and notice and public hearing or findings other than herein set forth."*

Based on the Nebraska Revised Statutes §18-2103 the following definitions shall apply:

**"Blighted area** means an area (a) which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or



property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the platted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted. A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 shall not count towards the percentage limitations contained in this subdivision;"

**"Extremely blighted area** means a substandard and blighted area in which: (a) The average rate of unemployment in the area during the period covered by the most recent federal decennial census is at least two hundred percent of the average rate of unemployment in the state during the same period; and (b) the average poverty rate in the area exceeds twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area;"

**"Substandard area** means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare; and"

**"Workforce housing** means:

- (a) Housing that meets the needs of today's working families;
- (b) Housing that is attractive to new residents considering relocation to a rural community;
- (c) Owner-occupied housing units that cost not more than two hundred seventy-five thousand dollars to construct or rental housing units that cost not more than two hundred thousand dollars per unit to construct. For purposes of this subdivision (c), housing unit costs shall be updated annually by the Department of Economic Development based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics;
- (d) Owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent of a unit's assessed value; and
- (e) Upper-story housing."

This Blight and Substandard Study is Blighted and Substandard Area 28. The Study is intended to give the Grand Island Community Redevelopment Authority, Hall County Regional Planning Commission and Grand Island City Council the basis for identifying and declaring Blighted and Substandard conditions are existing within the City's jurisdiction and as allowed under Chapter 18. Through this process, the City and property owners will attempt to address economic and/or social liabilities which are harmful to the well-being of the entire community.

Figure 1 shows the study area of this report. A Redevelopment Plan to be submitted in the future containing, by law, definite local objectives regarding appropriate land uses, improved traffic, public transportation, public utilities, and other public improvements, and the proposed land uses and building requirements in the redevelopment area and shall include:

- The boundaries defining the blighted and substandard areas in question (including existing uses and conditions of the property within the area), and
- A list of the conditions present, which qualify the area as blighted and substandard.

Through the redevelopment process, the City of Grand Island can guide future development and redevelopment throughout the area. The use of the Community Redevelopment Act by the City of Grand Island is intended to redevelop and improve the area. Using the Community Redevelopment Act, the City of Grand Island can assist in the elimination of negative conditions and implement different programs/projects identified for the City.

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**BLIGHT AND SUBSTANDARD ELIGIBILITY STUDY**

This study targets a specific area within an established part of the community for evaluation. The area indicated in Figure 1 of this report. The findings are presented in the coming pages of the report.

**Study Area**

The following is the description of the designated area within Grand Island.

Point of beginning is the intersection of the centerlines of US Highway 281 and West State Street; thence bearing easterly along the centerline of West State Street to the intersection of the centerline of North Webb Road; thence, southerly along the centerline of North Webb Road to the intersection with the centerline of West 13<sup>th</sup> Street; thence, westerly along the centerline of West 13<sup>th</sup> Street to the intersection with the centerline of US Highway 281; thence, northerly along the centerline of US Highway 281 to the point of beginning.

**EXISTING LAND USES**

The term “Land Use” refers to the developed uses in place within a building or on a specific parcel of land. The number and type of uses are constantly changing within a community and produce some impacts either benefitting or detracting from the community. Existing patterns of land use are often fixed in older communities and neighborhoods, while development in newer areas is often reflective of current development practices.

The study area is within a highly commercial part of Grand Island. There are commercial uses to all sides of the study, including the redeveloping area of Blight and Substandard Area 9 from 2012.

**Existing Land Use Analysis within Study Area**

As part of the planning process, a survey conducted through both in-field observations, as well as data collection online using the Hall County Assessors website. This survey noted the use of each parcel of land within the study area. These data from the survey are found in the following paragraphs.

**TABLE 1: EXISTING LAND USE, GRAND ISLAND - 2022**

Type of Use	Acres	Percent of Developed land within the Study Area	Percent of Study Area
Residential	0	0.0%	0.0%
Single-family	0	0.0%	0.0%
Multi-family	0	0.0%	0.0%
Manufactured Housing	0	0.0%	0.0%
Commercial	63.45	87.3%	80.9%
Industrial	0	0.0%	0.0%
Quasi-Public/Public	0	0.0%	0.0%
Parks/Recreation	0	0.0%	0.0%
Transportation	9.22	12.7%	11.7%
Total Developed Land	72.67	100.0%	-
Vacant/Agriculture	5.78		7.4%
<b>Total Area</b>	<b>78.45</b>		<b>100.0%</b>

Source: Marvin Planning Consultants 2022

Table 1 includes the existing land uses for the entire study area. The table contains the total acres determined per land use from the survey; next is the percentage of those areas compared to the total developed land; and finally, the third set of data compare all land uses to the total area within the Study Area. The Study Area is made up of Commercial (80.9%), Open Space (7.4%), and Transportation oriented land (street and R.O.W; 11.7%). The entire area is considered completely developed.

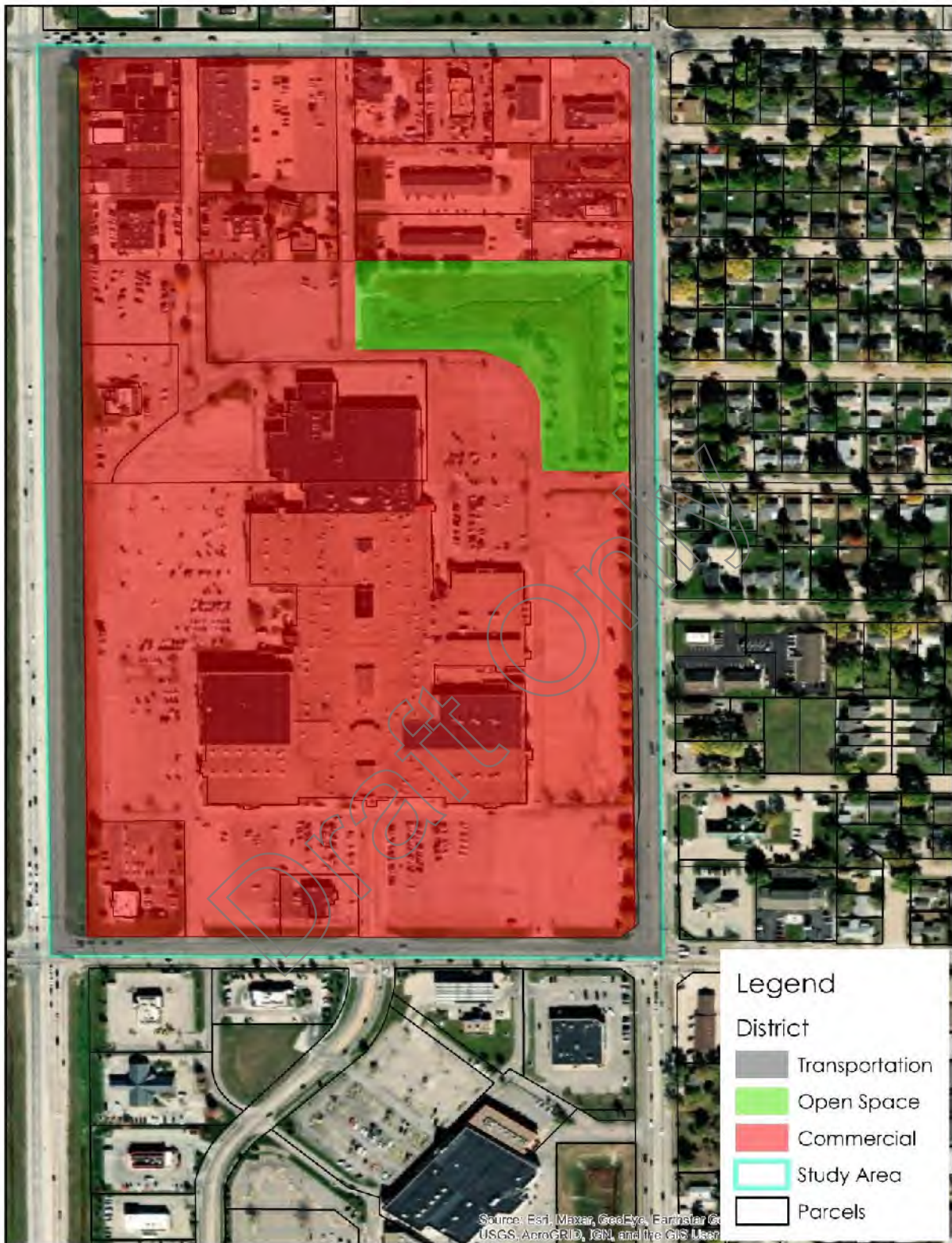


Figure 1  
Study Area Map





**Figure 2**  
**Existing Land Use Map**



## **FINDINGS OF BLIGHT AND SUBSTANDARD CONDITIONS ELIGIBILITY STUDY**

This section of the study examines the conditions found within the study area. The Findings Section reviews the conditions based upon the statutory definitions.

### **CONTRIBUTING FACTORS UNDER PART A OF THE BLIGHT DEFINITION**

There were some conditions examined and evaluated in the field and online. Some conditions are reviewed in detail, on the following pages, while some of the statutory conditions are not present.

#### **Structural Conditions**

Existing structural conditions of buildings in the study area were determined using the Hall County Assessor's database. Structures rated out as either Very Good, Good, Fair, Average, or badly worn. Based upon the data provided to the planning team, the following is the breakdown for structures in the study area:

- 2 (5.7%) structures rated as very good
- 5 (14.3%) structures rated as good
- 0 (0.0%) structure rated as fair
- 28 (80.0%) structures rated as average
- 0 (0.0%) structures rated as badly worn





The exterior portion of the mall is showing considerable wear, likely due to deferred maintenance. In the photos on the previous page, there are examples of where masonry and wood construction has been compromised and is in danger of falling from the building onto the ground. Based upon a visual ground inspection, it appears like there is considerable water penetration in the brick-and-mortar system. Said photos also show water penetration inside one of the structures. An assumption was made, based upon the data, that an average condition or less would constitute less than desirable conditions due to age and condition of the structure/building. It is common for older structures to get more maintenance and upkeep to maintain a good or higher condition. Even an average structure shows some signs of deteriorating which in turn can become a dilapidated structure in the future if not maintained. Overall, 80.0% of the structures in this study area are an average condition or worse.

Due to the stated conditions found in the Hall County Assessor's data, the condition of the structures is a contributing factor.

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## Deterioration of Site or Other Improvements

### Site Improvements Conditions

The site improvements include the areas determined to be common areas for public ingress and egress to the study area as well as the area designed to move vehicular traffic through the site. Also, this includes the actual surface parking areas. The condition of the site improvements varies greatly. The Study Area contains a major deteriorated condition; the parking areas throughout the area, as well as the demarcated driving areas. The parking areas throughout the entire Study Area are in a serious state of deterioration. They are not yet in a dilapidated condition. The parking surface and driving areas contain major surface cracking, small break-ups and spawling. These conditions have been likely caused by several circumstances over the years, including:

- Lack of maintenance
- Sub-soil conditions
- Heavier than expected traffic
- Freeze/thaw cycles

Preventing a number of these items are possible through proper design, enforcement, and maintenance, with maintenance being a key. Photos below indicate examples of different deteriorated conditions within the parking and driving areas across the entire site. Due to a large amount of broken pavement in the Study Area, the parking areas are considered to be deteriorated or in a state of deteriorating; therefore, they are a direct contributing factor to the conditions of blight.



### **Diversity of Ownership**

Throughout the study area, there are 13 different property owners. However, in most cases, the difference is that one company owns the structure on the site; while, another entity, usually, Conestoga North or Conestoga Realty owns the ground underneath the structure. This creates potential issues with future redevelopment of structures and property if the different ownership groups disagree. Also, the fact structures sit on land owned by another party will create a potential detriment to future redevelopment. Due to this factor, it may be necessary for a public intervention to guide future redevelopment activities in this specific study area. Based upon the analysis, sufficient ownership issues present to make Diversity of Ownership a contributing factor for Blighting.

### **Improper Subdivision or Obsolete Platting**

Improper Subdivision or Obsolete Platting is present in several ways. These factors are bulleted below:

- First and foremost are the private streets on the north side of the study area, Conestoga Drive and Overland Road.
- The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
- The positioning of lots along West State Street and North Webb Road have access drives in a manner that makes traffic control and congestion problematic.

See Figure 5 for specific locations of the discussed items above. Based upon the analysis, sufficient ownership issues present to make Improper Subdivision or Obsolete Platting a contributing factor for Blighting.

### **Faulty Lot Layout**

Similar to Improper Subdivision or Obsolete Platting, Faulty Lot Layout is present in similar ways. These factors are bulleted below:

- The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
- The positioning of lots along West State Street and North Webb Road have access drives in a manner making traffic control and congestion problematic.

See Figure 6 for specific locations of the discussed items above. Based upon the analysis, sufficient ownership issues present to make Faulty Lot Layout a contributing factor for Blighting.

### **Combination of factors which are impairing and/or arresting sound growth**

There are several factors present within the study area meeting this criterion are discussed in the following paragraphs.

#### **Functional Obsolescence**

The primary structure within the study area is the Conestoga Mall. The mall was constructed in the mid-1970's and was designed using common mall layouts and concepts. However, as the retail markets have been changing, these types of facilities have been losing popularity. It is a similar issue seen by the Grand Island Mall which was declared Blighted and Substandard in 2012 and has been the focus of several redevelopment projects since the declaration.

Malls and retail use constructed in today's economy are more open air, even in colder climate regions. The newer mall models are doing more to make the shopping experience more than "just shopping." These older regional malls have lost favor with consumers across the United States. Some examples within the region include the Imperial Mall in Hastings, the mall in North Platte, the mall in Hutchinson, KS. The phenomena have also affected larger cities such as Omaha; Kansas City, MO; Overland Park, KS; and more.

The survival of this mall into the future will be dependent on ownership willingness to re-focus the mall itself.



Figure 3  
Structural Conditions





Figure 4  
Deterioration of Site

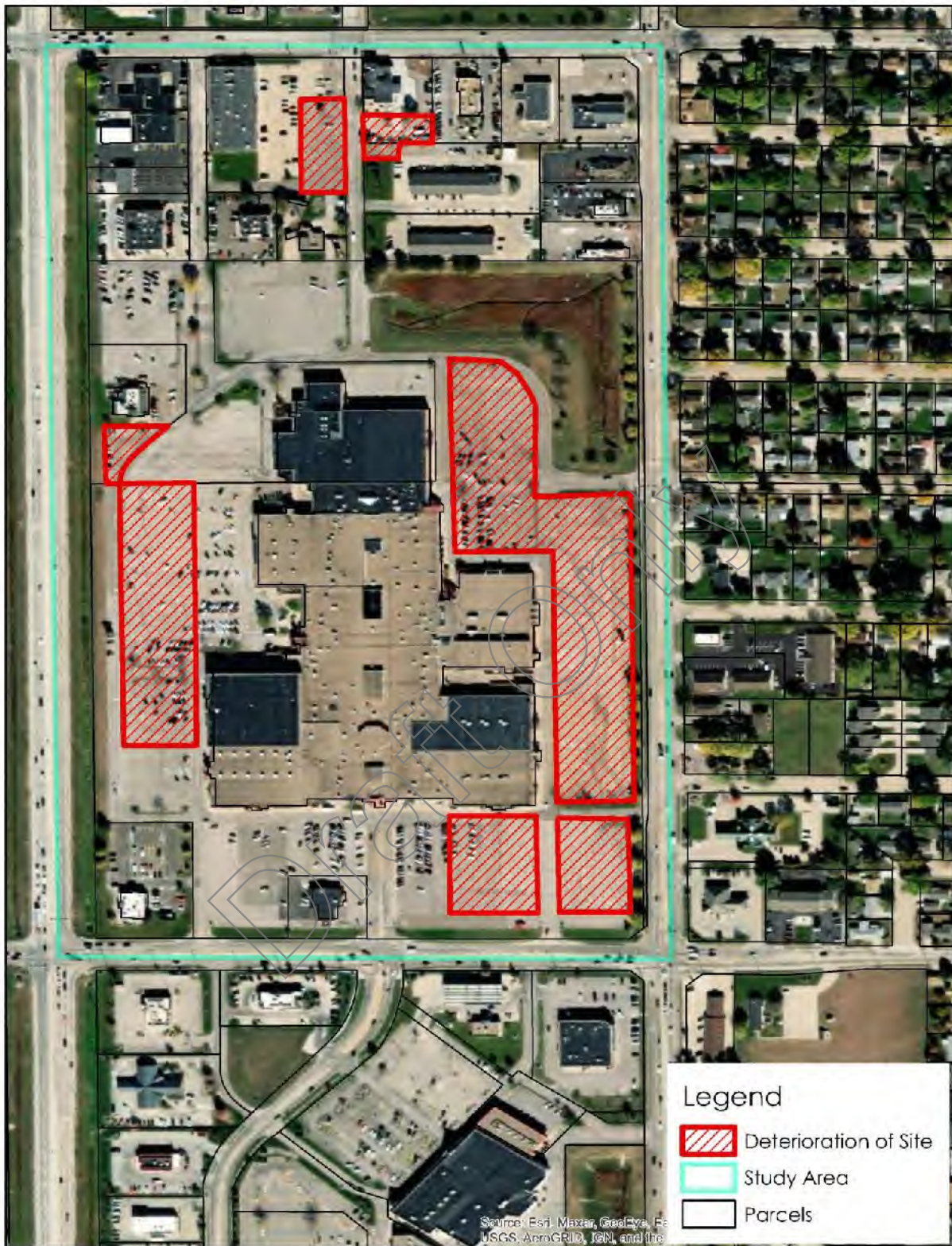




Figure 5  
Improper Platting

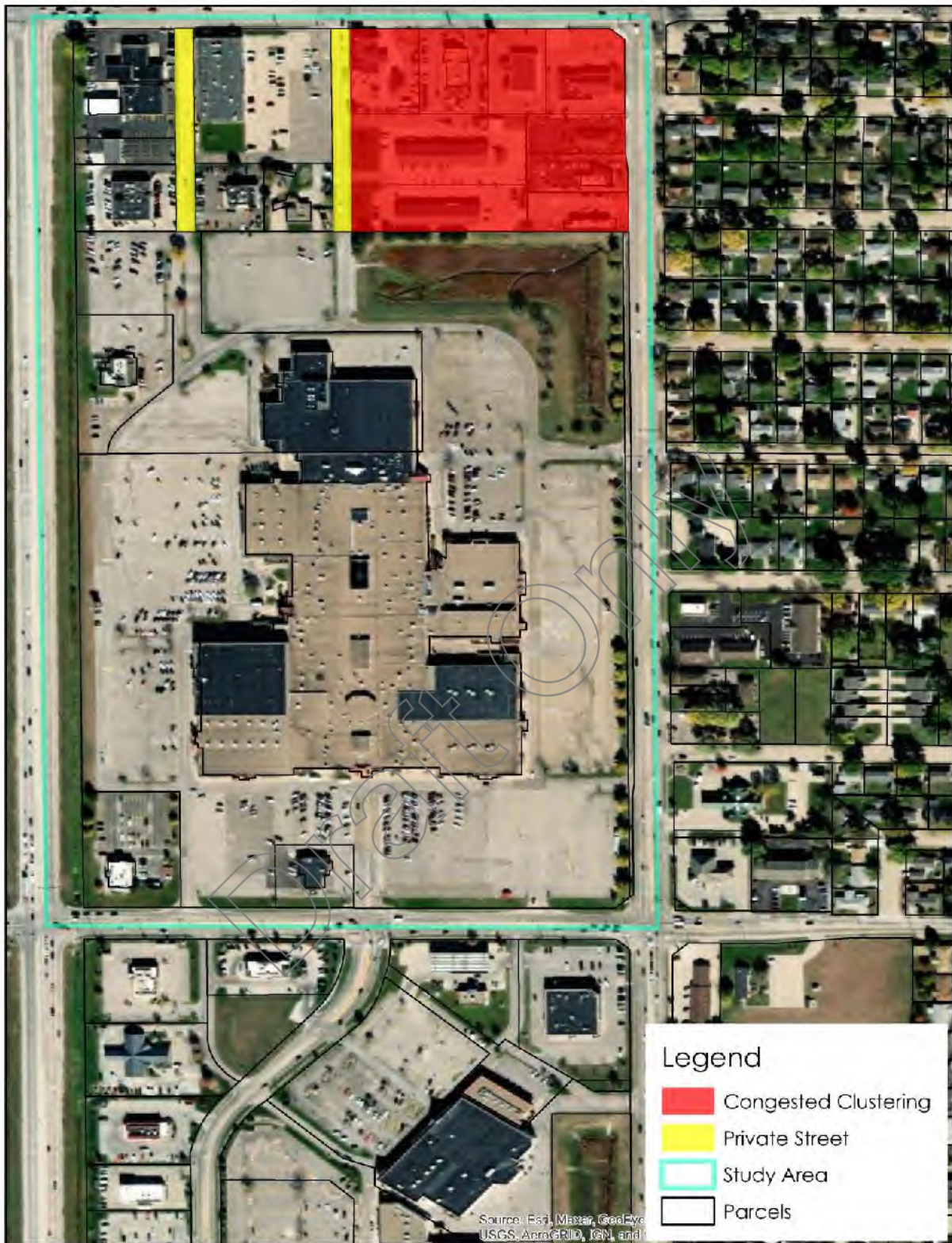
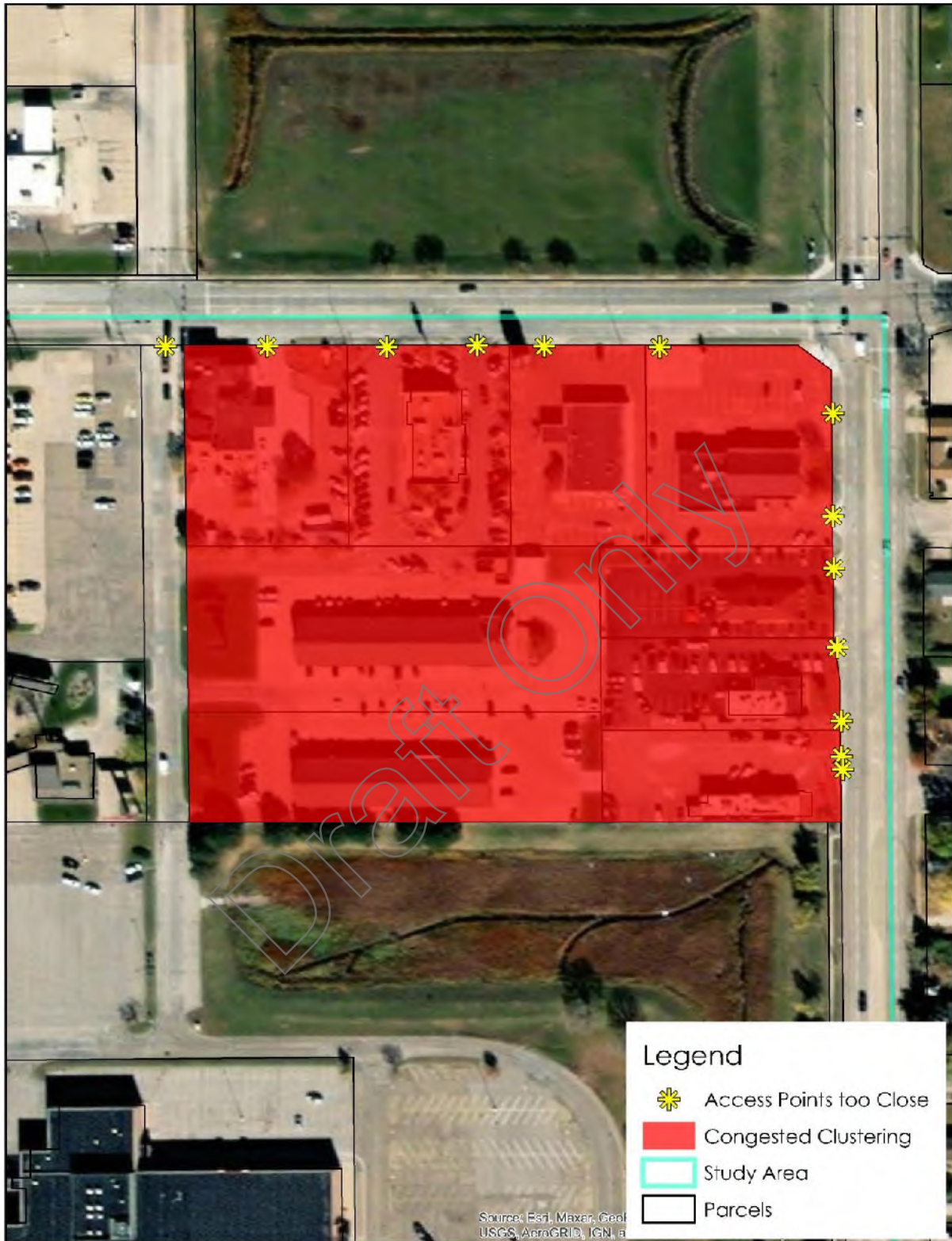




Figure 6  
Faulty Lot Layout



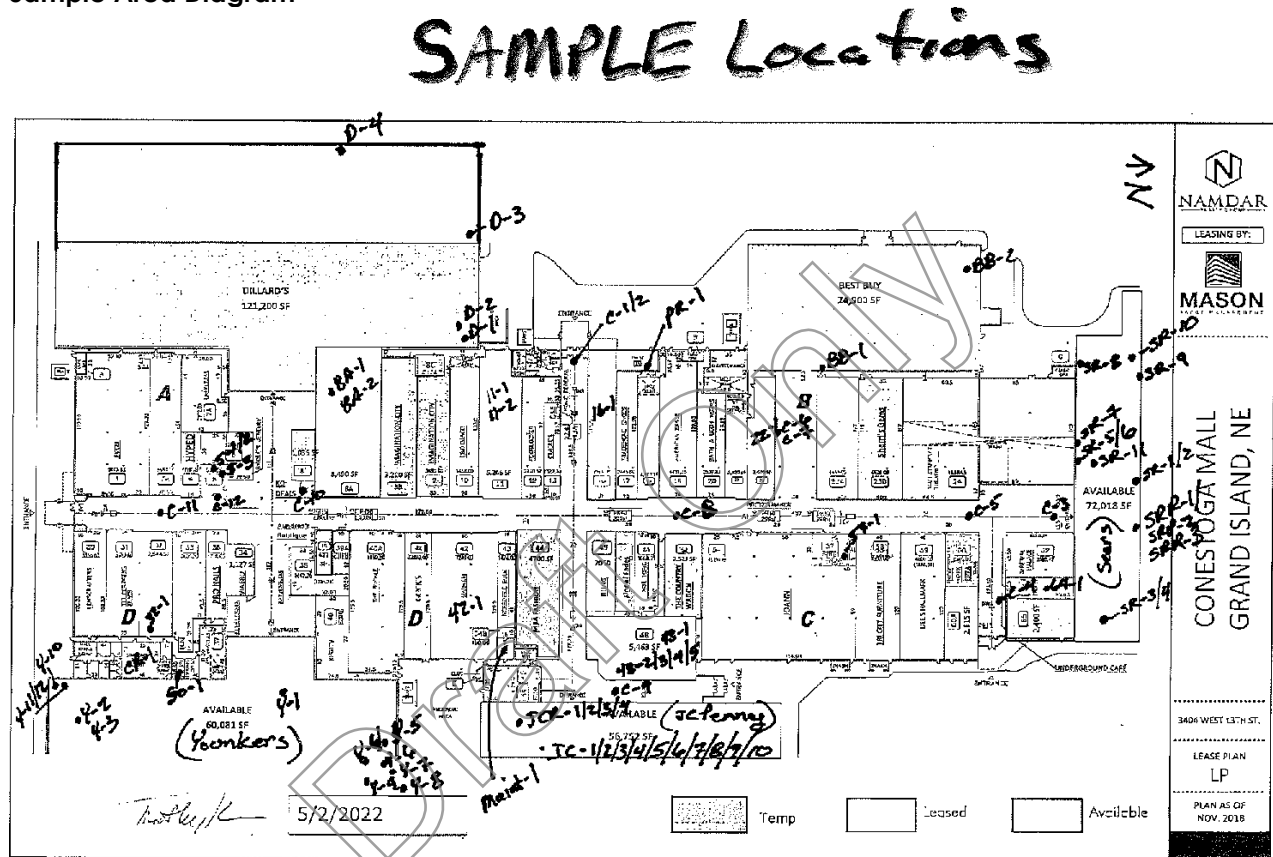




**INSANITARY AND UNSAFE CONDITIONS**

Woodsonia commissioned an asbestos analysis of the Conestoga Mall portion of the study area. The study was completed by Heartland Testing and Consulting LLC in August 2022. The following areas for the mall were reviewed and/or sampled. Inspection of the following occupied spaces were not completed due to no access: Units 3A, 4, 7A, 9, 23B, 33, 34, 38 & 40. Inspection of sub-flooring in the occupied tenant spaces of the facility were limited due to current sales area floor coverings. Additional review of the occupied spaces sales are sub-floors should be completed when the spaces are available for destructive review. Below is a summary of the spaces with limited review: 8, 9, 10, 12, 13, 17, 19, 20, 23A, 24, 30, 31, 36, 37, 39A, 40A, 41, 42, 44, 49, 50, 52, 54, 58, 59, 60, 62, Best Buy and Dillard's.

**Figure 7  
Sample Area Diagram**



Source: Heartlan Testing Report 2022

The findings of the study found the following:

- Sample SR-2 – 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample SR-4 - 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample SR-8 - 12"x12" Black Mastic contains 5% chrysotile asbestos.
- **Sample C-2 – Drywall Joint Compound contains 0.5% chrysotile asbestos.**
- Sample C-8 – Ceiling Texture contains 10% chrysotile asbestos.
- Sample C-11 – Ceiling Texture contains 10% chrysotile asbestos. Sample Y-4 - 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample Y-10 - 12"x12" Tile contains 3% chrysotile asbestos.
- Sample 8B-1 – Black Mastic contains 4% chrysotile asbestos.
- Sample 41-1 – 12"x12" Tile contains 3% chrysotile asbestos. Sample 41-1 – Black Mastic contains 5% chrysotile asbestos.
- Sample 48-1 – Vinyl Sheet Flooring contains 20% chrysotile asbestos.
- Sample 48-2 - Vinyl Sheet Flooring contains 20% chrysotile asbestos.
- Sample JC-4 – 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample JC-8 – Black/Yellow Mastic contains 2% chrysotile asbestos.
- Sample JC-9 – Black Mastic contains 4% chrysotile asbestos.

- Sample JC-10 – Silver/Black HVAC Sealant contains 6% chrysotile asbestos.
- Sample D-1 – Black mastic contains 5% chrysotile asbestos.
- Sample SRR-2 – Gray/Black Roof Patch contains 3% chrysotile asbestos.
- Assumed – Transite Panels at skylight soffit areas.

Based upon information in the report, all but one (highlighted in yellow) of the sample areas require mitigation of the materials by a State of Nebraska certified asbestos contract prior to renovation or demolition activities. Additional information regarding the study findings can be seen in the complete study attached to this report.

Therefore, based upon the findings of this asbestos study, the asbestos is a contributing factor to insanitary and unsafe conditions of the study area.

### **DANGEROUS CONDITIONS TO LIFE OR PROPERTY DUE TO FIRE OR OTHER CAUSES**

Woodsonia commissioned an asbestos analysis of the Conestoga Mall portion of the study area. The study was completed by Heartland Testing and Consulting LLC in August 2022. The following areas for the mall were reviewed and/or sampled. Inspection of the following occupied spaces were not completed due to no access: Units 3A, 4, 7A, 9, 23B, 33, 34, 38 & 40. Inspection of sub-flooring in the occupied tenant spaces of the facility were limited due to current sales area floor coverings. Additional review of the occupied spaces sales are sub-floors should be completed when the spaces are available for destructive review. Below is a summary of the spaces with limited review: 8, 9, 10, 12, 13, 17, 19, 20, 23A, 24, 30, 31, 36, 37, 39A, 40A, 41, 42, 44, 49, 50, 52, 54, 58, 59, 60, 62, Best Buy and Dillard's, see Figure 7.

The findings of the study found the following:

- Sample SR-2 – 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample SR-4 - 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample SR-8 - 12"x12" Black Mastic contains 5% chrysotile asbestos.
- **Sample C-2 – Drywall Joint Compound contains 0.5% chrysotile asbestos.**
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- Sample Y-10 - 12"x12" Tile contains 3% chrysotile asbestos.
- Sample 8B-1 – Black Mastic contains 4% chrysotile asbestos.
- Sample 41-1 – 12"x12" Tile contains 3% chrysotile asbestos. Sample 41-1 – Black Mastic contains 5% chrysotile asbestos.
- Sample 48-1 – Vinyl Sheet Flooring contains 20% chrysotile asbestos.
- Sample 48-2 - Vinyl Sheet Flooring contains 20% chrysotile asbestos.
- Sample JC-4 – 12"x12" Black Mastic contains 5% chrysotile asbestos.
- Sample JC-8 – Black/Yellow Mastic contains 2% chrysotile asbestos.
- Sample JC-9 – Black Mastic contains 4% chrysotile asbestos.
- Sample JC-10 – Silver/Black HVAC Sealant contains 6% chrysotile asbestos.
- Sample D-1 – Black mastic contains 5% chrysotile asbestos.
- Sample SRR-2 – Gray/Black Roof Patch contains 3% chrysotile asbestos.
- Assumed – Transite Panels at skylight soffit areas.

Based upon information in the report, all but one (highlighted in yellow) of the sample areas require mitigation of the materials by a State of Nebraska certified asbestos contract prior to renovation or demolition activities. Additional information regarding the study findings can be seen in the complete study attached to this report.

Therefore, based upon the findings of this asbestos study, the asbestos is a contributing factor to dangerous conditions to life or property due to fire or other causes within the study area.

## CONTRIBUTING FACTORS UNDER PART B OF THE BLIGHT DEFINITION

There were some conditions examined and evaluated in the field and online. Some conditions will be reviewed in detail, on the following pages, while some of the statutory conditions are not present.

### Age of Structure

Age of structures can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of structures 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs document the structural age of the structures within the Study Area. Note the age of structure was determined from the Appraisal data within the Hall County Assessor's website data.

**TABLE 2: AVERAGE STRUCTURAL AGE, BY METHOD - 2018**

Number	Year Built	Age	Cumulative Age	Running Total
1	1960	62	62	62
1	1970	52	52	114
15	1974	48	720	834
4	1975	47	188	1,022
1	1976	46	46	1,068
2	1978	44	88	1,156
1	1979	43	43	1,199
1	1980	42	42	1,241
2	1981	41	82	1,323
1	1989	33	33	1,356
3	1993	29	87	1,443
1	1995	27	27	1,470
2	1996	26	52	1,522
1	1998	24	24	1,546
1	2007	15	15	1,561
1	2021	1	1	1,562
35			Average	41.8

Source: Hall County Assessor's and Marvin Planning Consultants 2022

Another method to analyze this area is using square footage. State statute discusses commercial units; in the commercial world, it is not about the building as much as it is about square footage. Therefore, this analysis is also examining the age of the built square footage. Based upon data from the Hall County Assessor's office, there is a total of 647,019 built square footage in the area. Of the 647,019 total square footage, 610,089 built square feet are 40 years or older, which is 94.3% of the total build out. Therefore, more than 50% of the square footage is 40 years of age or older.



**Figure 8**  
**Defective Street Layout**





Figure 9  
Structure Age





The final means to examine the age of structures is the actual number of structures within the 40 years or more or less than 40 years categories. Overall, there are 35 structures within the study area, based upon the Hall County Assessor's data (Hall County Assessor divides the primary mall structure into 11 separate units, thus 35 total). After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 28 (80.0%) unit were determined to be 40 years of age or older
- 7 (20.0%) unit were determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 2, the average age of the primary structures is equal to 41.8 years; thus, meeting the requirements of the statutes.

The age of the structures would be a direct contributing factor.

### **Stable or decreasing population based upon the last two decennial census**

The population of the study area has seen a stable population based upon the last two decennial census'. Over the course of the past 40 years there have not been any residential units within this study area.

Therefore, stable or decreasing population based upon the last two decennial censuses is a contributing factor to the blighted conditions of the area.

These conditions are contributing to the blighted conditions of the study area.

### **Criteria under Part A of the Blight Definition**

- **Substantial number of deteriorating structures**
  - Within the study are 80.0% of the structures were deemed to be in either average or badly worn condition.
  - Several locations around the primary mall are indicating moisture damage to the brick façade. There is clear moisture damage inside of the mall as well.
- **Deterioration of site or other improvements**
  - The majority of the asphalt parking areas around the primary mall is in a deteriorating state and appears to have forgone updating for a considerable time.
  - There are several places where the parking surfaces are in a worse than deteriorated state based upon the photographs in the report.
- **Diversity of Ownership**
  - There are 13 different property owners within the study area.
  - The majority of the buildings owned by corporations, sit on top of ground owned by another party, typically, Conestoga Realty or Conestoga North.
- **Improper Subdivision or Obsolete Platting**
  - First and foremost are the private streets on the north side of the study area, Conestoga Drive and Overland Road.
  - The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
  - The positioning of lots along West State Street and North Webb Road have access drives in a manner that makes traffic control and congestion problematic.
- **Faulty Lot Layout**
  - The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
  - The positioning of lots along West State Street and North Webb Road have access drives in a manner making traffic control and congestion problematic.

- **Combination of factors which are impairing and/or arresting sound growth**
  - Functional Obsolescence is a contributing factor to sound growth
  - Retail markets of the 21<sup>st</sup> Century are impairing growth of the area
  - The buildup of the outlots of the mall area
- **Defective/Inadequate street layouts**
  - The layout of the primary and secondary thoroughfares on site are in conflict with key functional areas such as deliveries and loading docks
  - The two primary streets entering the mall property from the north are private streets
  - There are several points along the outer travel route that comes into conflict with secondary travel paths.
- **Insanitary and Unsafe Conditions**
  - The Conestoga Mall portion of the study area was tested for the presence of asbestos and the report filed in August 2022 indicated mitigatable levels of asbestos present throughout the facility
- **Dangerous conditions to life or property due to fire or other causes**
  - The Conestoga Mall portion of the study area was tested for the presence of asbestos and the report filed in August 2022 indicated mitigatable levels of asbestos present throughout the facility

### **Criteria under Part B of the Blight Definition**

- **The average age of the residential or commercial units in the area is at least forty years**
  - 28 (80.0%) buildings or improvements were determined to be 40 years of age or older
  - 7 (20.0%) buildings or improvements were determined to be less than 40 years of age
  - The average age based upon a cumulative age calculation is 41.8 years.
  - 94.3% of the built square footage in the study area is 40 years of age or older.
- **Stable or decreasing population based upon the last two decennial census**
  - The study area has had a stable or decreasing population over the last two decennial census.

### **The other criteria for Blight were not present in the area, these included:**

- Tax or special assessment delinquency exceeding fair value of the land.
- Defective or unusual condition of title,
- Unemployment in the designated area is at least 120% of the state or national average.
- The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated.

These issues were either not present or were limited enough as to have little impact on the overall condition of the study area.

## Substandard Conditions

### **Age of Structure**

Age of structures can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of structures 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs document the structural age of the structures within the Study Area. Note the age of structure was determined from the Appraisal data within the Hall County Assessor's website data.

**TABLE 2: AVERAGE STRUCTURAL AGE, BY METHOD - 2018**

Number	Year Built	Age	Cumulative Age	Running Total
1	1960	62	62	62
1	1970	52	52	114
15	1974	48	720	834
4	1975	47	188	1,022
1	1976	46	46	1,068
2	1978	44	88	1,156
1	1979	43	43	1,199
1	1980	42	42	1,241
2	1981	41	82	1,323
1	1989	33	33	1,356
3	1993	29	87	1,443
1	1995	27	27	1,470
2	1996	26	52	1,522
1	1998	24	24	1,546
1	2007	15	15	1,561
1	2021	1	1	1,562
35			Average	41.8

Source: Hall County Assessor's and Marvin Planning Consultants 2022

Another method to analyze this area is using square footage. State statute discusses commercial units; in the commercial world, it is not about the building as much as it is about square footage. Therefore, this analysis is also examining the age of the built square footage. Based upon data from the Hall County Assessor's office, there is a total of 647,019 built square footage in the area. Of the 647,019 total square footage, 610,089 built square feet are 40 years or older, which is 94.3% of the total build out. Therefore, more than 50% of the square footage is 40 years of age or older.

The final means to examine the age of structures is the actual number of structures within the 40 years or more or less than 40 years categories. Overall, there are 35 structures within the study area, based upon the Hall County Assessor's data (Hall County Assessor divides the primary mall structure into 11 separate units, thus 35 total). After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 28 (80.0%) unit were determined to be 40 years of age or older
- 7 (20.0%) unit were determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 2, the average age of the primary structures is equal to 41.8 years; thus, meeting the requirements of the statutes.

The age of the structures would be a direct contributing factor.

## **Substandard Summary**

Nebraska State Statute requires that "...an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, **age** or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;"

This Study Area in Grand Island meets the definition of Substandard as defined in the Revised Nebraska State Statutes.

### **FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #28**

Blight Study Area #28 has several items contributing to the Blight and Substandard Conditions. These conditions include:

#### **Blighted Conditions under Part A**

- **Substantial number of deteriorating structures**
- **Deterioration of site or other improvements**
- **Diversity of Ownership**
- **Improper Subdivision or Obsolete Platting**
- **Faulty Lot Layout**
- **Combination of factors which are impairing and/or arresting sound growth**
- **Defective/Inadequate street layouts**
- **Insanitary and Unsafe Conditions**
- **Dangerous conditions to life or property due to fire or other causes**

#### **Criteria under Part B of the Blight Definition**

- **The average age of the residential or commercial units in the area is at least forty years**
- **Stable or decreasing population based upon the last two decennial census**

#### **Substandard Conditions**

- **Average age of the structures in the area is at least forty years**

## Asbestos Study

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# HEARTLAND TESTING & CONSULTING, LLC

## LIMITED NESHAP ASBESTOS SAMPLING REPORT

**Conestoga Mall  
3404 W 13<sup>th</sup> Street  
Grand Island, Nebraska**

**Prepared for:**

**Woodsonia Acquisitions, LLC  
20010 Manderson Street Ste: 2  
Elkhorn NE 68022**

**August 5, 2022**

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# HEARTLAND TESTING & CONSULTING, LLC

## LIMITED NESHAP ASBESTOS SAMPLING REPORT

**Date of Report:** August 5, 2022  
**Project Name:** Limited NESHAP Asbestos Inspection  
**Site Characterization:** Conestoga Mall  
3408 W 13<sup>th</sup> Street  
Grand Island, NE 68803  
**Inspection Date:** July 11<sup>th</sup>, July 12<sup>th</sup>, July 14<sup>th</sup>, July 21 & July 27, 2022  
**Inspector Name/License #:** Michael A. Smith  
NE Asbestos Inspector/Management Planner #920  
**Outside Information:** None

**Inspection Limitations:** Inspection of the following occupied spaces were not completed due to no access: **Units 3A, 4, 7A, 9, 23B, 33, 34, 38 & 40**

Inspection of sub-flooring in the occupied tenant spaces of the facility were limited due to current sales area floor coverings. Additional review of the occupied spaces sales are sub-floors should be completed when the spaces are available for destructive review. Below is a summary of the spaces with limited review: **8, 9, 10, 12, 13, 17, 19, 20, 23A, 24, 30, 31, 36, 37, 39A, 40A, 41, 42, 44, 49, 50, 52, 54, 58, 59, 60, 62, Best Buy and Dillard's.**

### Summarized Findings:

The following is a summary of the asbestos-containing materials identified in the inspection areas of the structure:

Sample SR-2 – 12”x12” Black Mastic contains 5% chrysotile asbestos.  
Sample SR-4 - 12”x12” Black Mastic contains 5% chrysotile asbestos.  
Sample SR-8 - 12”x12” Black Mastic contains 5% chrysotile asbestos.  
Sample C-2 – Drywall Joint Compound contains 0.5% chrysotile asbestos.  
Sample C-8 – Ceiling Texture contains 10% chrysotile asbestos.  
Sample C-11 – Ceiling Texture contains 10% chrysotile asbestos.  
Sample Y-4 - 12”x12” Black Mastic contains 5% chrysotile asbestos.  
Sample Y-10 - 12”x12” Tile contains 3% chrysotile asbestos.  
Sample 8B-1 – Black Mastic contains 4% chrysotile asbestos.  
Sample 41-1 – 12”x12” Tile contains 3% chrysotile asbestos.  
Sample 41-1 – Black Mastic contains 5% chrysotile asbestos.  
Sample 48-1 – Vinyl Sheet Flooring contains 20% chrysotile asbestos.  
Sample 48-2 - Vinyl Sheet Flooring contains 20% chrysotile asbestos.  
Sample JC-4 – 12”x12” Black Mastic contains 5% chrysotile asbestos.  
Sample JC-8 – Black/Yellow Mastic contains 2% chrysotile asbestos.  
Sample JC-9 – Black Mastic contains 4% chrysotile asbestos.  
Sample JC-10 – Silver/Black HVAC Sealant contains 6% chrysotile asbestos.  
Sample D-1 – Black mastic contains 5% chrysotile asbestos.  
Sample SRR-2 – Gray/Black Roof Patch contains 3% chrysotile asbestos.  
Assumed – Transite Panels at skylight soffit areas.

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Any building material that contains greater than 1% asbestos is considered regulated and should be removed by a State of Nebraska certified asbestos abatement contractor prior to renovation or demolition activities.

Any presumed or building material known to contain <1% asbestos must be removed prior to renovation work to meet OSHA occupational exposure requirements.

## **Sample C-2: Wall Board System Joint Compound**

The definition of asbestos-containing material (ACM) presented at 29 CFR 1910.1001(b), 29 CFR 1915(b), and 29 CFR 1926.1101(b); OSHA regards each of the items used to construct wall shells from wallboard panels as separate materials. Each of these materials that may contain asbestos must be analyzed separately for their asbestos content. OSHA does not regard wallboard/gypsum wallboard and joint compound as a surfacing material. If a wall shell is constructed of ACM joint compound and wallboard panels that are not ACM, then removal of the wall shell is considered OSHA Class II asbestos work.

For a full listing of materials tested please see table 1. Laboratory analytical results are presented in Appendix D. Asbestos sample photographs are presented in Appendix E. Facility diagram is presented in Appendix F.

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**Table 1: Sample Analysis Results**

Material	Location	Quantity *	Asbestos %	Friable	Sample #
12"x12" Gray/Tan Mottled VFT w/ Yellow Mastic	Sears	-	ND	No	SR-1
<b>VFT &amp; Black Mastic (Under SR-1)</b>	<b>Sears</b>	<b>60,000 sf.</b>	<b>Mastic – 5% Chrysotile</b>	<b>No</b>	<b>SR-2</b>
12"x12" Gray Mottled VFT w/ Yellow Mastic	Sears	-	ND	No	SR-3
<b>VFT (Under SR-3) &amp; Black Mastics</b>	<b>Sears</b>	<b>SR-2</b>	<b>Mastic – 5% Chrysotile</b>	<b>No</b>	<b>SR-4</b>
12"x12" White/Black/Gray VFT w/ Yellow Mastic	Sears	-	ND	No	SR-5
12"x12" White w/ Black Streaked VFT w/ Yellow Mastic	Sears	-	ND	No	SR-6
Drywall	Sears	-	ND	No	SR-7
<b>12"x12" Tan Mottled VFT &amp; Black Mastic</b>	<b>Sears</b>	<b>SR-2</b>	<b>Mastic – 5% Chrysotile</b>	<b>No</b>	<b>SR-8</b>
Drywall & Joint Compound (Composite)	Sears	-	ND	No	SR-9
12"x12" White w/ Black Specks VFT w/ Yellow Mastic	Sears	-	ND	No	SR-10
12"x12" Gray w/ Black Specks VFT w/ Yellow Mastic	Sears	-	ND	No	SR-11
2'x4' Ceiling Tile w/ Large/Small Dents	Corridors	-	ND	No	C-1
<b>Drywall &amp; Joint Compound</b>	<b>Original Structure</b>	<b>Walls &amp; Ceilings</b>	<b>Joint Compound – 0.5%</b>	<b>No</b>	<b>C-2</b>
Ceiling Texture	Corridor	-	ND	No	C-3
2'x4' Ceiling Tile w/ Pinholes & Large/Small Dents	Corridor	-	ND	No	C-4
Ceiling Texture	Corridor	-	ND	No	C-5
2'x4' Ceiling Tile w Fissures & Pinholes	Corridors	-	ND	No	C-6
Drywall & Joint Compound	Corridor	-	ND	No	C-7
<b>Ceiling Texture</b>	<b>Original Corridor</b>	<b>13,000 sf.</b>	<b>10% Chrysotile</b>	<b>No</b>	<b>C-8</b>
Ceiling Texture	Corridor	-	ND	No	C-9
2'x4' Ceiling Tile w/ Pinholes and Dents	Corridor	-	ND	No	C-10
<b>Ceiling Texture</b>	<b>Original Corridor</b>	<b>C-8</b>	<b>10% Chrysotile</b>	<b>No</b>	<b>C-11</b>
Wood Flooring w/ Black Mastic	Unit 5	-	ND	No	C-12
12"x12" Gray Mottled w/ Black Streaked VFT	Unit 5	-	ND	No	5-1
Black Baseboard	Unit 5	-	ND	No	5-2
Mudded Fitting	Unit 5	-	ND	No	5-3
12"x12" Tan Mottled VFT w/ Yellow Mastic	Younkers	-	ND	No	Y-1
12"x12" Gray VFT	Younkers	-	ND	No	Y-2
12"x12" White w/ Blue/Gray Streaked VFT & Yellow Mastic	Younkers	-	ND	No	Y-3
<b>12"x12" Black VFT w/ Black Mastic</b>	<b>Younkers</b>	<b>10 sf.</b>	<b>Mastic – 5% Chrysotile</b>	<b>No</b>	<b>Y-4</b>
12"x12" White w/ Brown Streaked VFT	Younkers	-	ND	No	Y-5
12"x12" VFT with ½" Square Pattern	Younkers	-	ND	No	Y-6
Drywall & Joint Compound	Younkers	-	ND	No	Y-7
Brown Baseboard w/ Brown Adhesive	Younkers	-	ND	No	Y-8
Mudded Pipe Hanger	Younkers	-	ND	No	Y-9
<b>12"x12" White w/ Brown Streaked VFT &amp; Black Mastic</b>	<b>Younkers</b>	<b>5,000 sf.</b>	<b>Tile – 3% Chrysotile</b>	<b>No</b>	<b>Y-10</b>
12"x12" Blue/Green VFT	Younkers	-	ND	No	Y-11
12"x12" Off-White w/ Blue Streaked VFT	Younkers	-	ND	No	Y-12
<b>Ceiling Texture (E &amp; S Vestibules)</b>	<b>Younkers</b>	<b>C-8</b>	<b>10% Chrysotile</b>	<b>No</b>	<b>C-8</b>
12"x12" Tan Mottled VFT & Yellow Mastic	Unit 8A	-	ND	No	8A-1
Tan Carpet Mastic	Unit 8A	-	ND	No	8A-2

ND-Non-Detect SF.-Square Foot LF.-Lineal Feet CT-Ceiling Tile VFT-Vinyl Floor Tile VSF-Vinyl Sheet Flooring

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Material	Location	Quantity *	Asbestos %	Friable	Sample #
<b>VSF w/ Mastic (Bathroom)</b>	<b>Unit 8B</b>	<b>80 sf.</b>	<b>Mastic - 4% Chrysotile</b>	<b>No</b>	<b>8B-1</b>
12"x12" VFT w/ Yellow Mastic	Unit 8B	-	ND	No	8B-2
Gray Pebble Pattern VSF	Unit 11	-	ND	No	11-1
12"x12" White w/ Gray Streaked VFT	Unit 11	-	ND	No	11-2
Black Mastic	Unit 17	-	ND	No	17-1
12"x12" Tan Mottled VFT w/ Yellow Mastic	Unit 20-1	-	ND	No	20-1
12"x12" White w/ Brown Mottled VFT	Unit 23A-1	-	ND	No	23A-1
Black Mastic	Unit 24	-	ND	No	24-1
12"x12" White w/ Gray Mottled VFT	Unit 31	-	ND	No	31-1
Black Mastic	Unit 39	-	ND	No	39-1
VSF	Unit 40A	-	ND	No	40A-1
<b>12"x12" Tan w/ Brown Pitted VFT &amp; Black Mastic</b>	<b>Unit 41</b>	<b>300 sf.</b>	<b>Tile - 3% Chrysotile Mastic - 5% Chrysotile</b>	<b>No</b>	<b>41-1</b>
12"x12" VFT and Mastic	Unit 42	-	ND	No	42-1
12"x12" Black VFT	Unit 43	-	ND	No	43-1
<b>Tan VSF</b>	<b>Unit 48</b>	<b>150 sf.</b>	<b>20% Chrysotile</b>	<b>No</b>	<b>48-1</b>
<b>Tan Designed VSF</b>	<b>Unit 48</b>	<b>200 sf.</b>	<b>20% Chrysotile</b>	<b>No</b>	<b>48-2</b>
Drywall & Joint Compound	Unit 48	-	ND	No	48-3
Wall Texture	Unit 48	-	ND	No	48-4
Mudded Fitting	Unit 48	-	ND	No	48-5
12"x12" VFT	Unit 49	-	ND	No	49-1
VSF	Unit 51	-	ND	No	51-1
12"x12" White w/ Black Streaked VFT	Unit 52	-	ND	No	52-1
12"x12" VFT	Unit 58	-	ND	No	58-1
12"x12" White w/ Black Streaked VFT & Yellow/Tan Mastic	Maint. Room	-	ND	NO	Maint-1
12"x12" Tan w/ Brown Streaked VFT & Black Mastic	JC Penny	-	ND	No	JC-1
12"x12" Brown VFT w/ Brown Mastic	JC Penny	-	ND	No	JC-2
12"x12" Black w/ White Streaked VFT	JC Penny	-	ND	No	JC-3
<b>12"x12" Tan Marbled VFT &amp; Black Mastic</b>	<b>JC Penny</b>	<b>30,000 sf.</b>	<b>Mastic - 5% Chrysotile</b>	<b>No</b>	<b>JC-4</b>
12"x12" Beige Mottled VFT & Yellow Mastic	JC Penny	-	ND	No	JC-5
12"x12" Off-White/Tan Mottled VFT & Yellow Mastic	JC Penny	-	ND	No	JC-6
Ceiling Tile w/ Pinholes and Holes	JC Penny	-	ND	No	JC-7
<b>Black/Yellow Mastic</b>	<b>JC Penny</b>	<b>JC-4</b>	<b>2% Chrysotile</b>	<b>No</b>	<b>JC-8</b>
<b>12"x12" White w/ Black Streaked VFT &amp; Black Mastic (Sales Floor)</b>	<b>JC Penny</b>	<b>JC-4</b>	<b>Mastic - 4% Chrysotile</b>	<b>No</b>	<b>JC-9</b>
<b>Silver/Black HVAC Duct Sealant (JC Penny Roof)</b>	<b>JC Penny</b>	<b>80 sf.</b>	<b>6% Chrysotile</b>	<b>No</b>	<b>JC-10</b>
12"x12" Cream w/ Brown Streaked VFT Black Mastic	Unit 16	-	ND	No	16-1
12"x12" Tan/Olive/Blue Mottled VFT	Unit 22	-	ND	No	22-1
12"x12" VFT (Under Carpet) w/ Yellow Carpet and Black Mastics	Paint Room	-	ND	No	PR-1
12"x12" Cream w/ Brown Streaked VFT & Black Mastic	Unit 57	-	ND	No	57-1
Tan 4" Square Design VSF	Unit 64	-	ND	No	64-1
12"x12" White w/ Black Streaked VFT & Yellow Mastic	Security Office	-	ND	No	SO-1
2'x2" Ceiling Tile w/ Deep Design	Civic Room	-	ND	No	CR-1

ND-Non-Detect SF.-Square Foot LF.-Lineal Feet CT-Ceiling Tile VFT-Vinyl Floor Tile VSF-Vinyl Sheet Flooring

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Material	Location	Quantity *	Asbestos %	Friable	Sample #
Black Roof Flashing Tar	Sears Roof	-	ND	No	SRR-1
<b>Gray/Black Patch Sealant</b>	<b>Sears Roof</b>	<b>1 sf.</b>	<b>3% Chrysotile</b>	<b>No</b>	<b>SRR-2</b>
Black Roof Flashing Tar	Sears Roof	-	ND	No	SRR-3
Black Roof Tar	JCP Roof	-	ND	No	JCR-1
Black Speckled Asphalt Roll & Black Tar	JCP Roof	-	ND	No	JCR-2
Black Roof Tar	JCP Roof	-	ND	No	JCR-3
Black Speckled Asphalt Roll & Black Tar	JCP Roof	-	ND	No	JCR-4
VSF w/ Adhesive	Unit 8B	-	ND	No	8B-1
12"x12" VFT w/ Yellow Mastic	Unit 8B	-	ND	No	8B-2
Black Mastic	Unit 17	-	ND	No	17-1
12"x12" Tan Mottled VFT w/ Yellow Mastic	Unit 20	-	ND	No	20-1
12"x12" White w/ Brown Mottled VFT	Unit 23	-	ND	No	23A-1
Black Mastic	Unit 24	-	ND	No	24-1
12"x12" White w/ Gray Mottled VFT	Unit 31	-	ND	No	31-1
Black Mastic	Unit 39	-	ND	No	39-1
VSF	Unit 40A	-	ND	No	40A-1
12"x12" Tan w/ Brown Pitted VFT and Black Mastic	Unit 41	-	ND	No	41-1
12"x12" VFT and Yellow Mastic	Unit 42	-	ND	No	42-1
12"x12" Black VFT	Unit 43	-	ND	No	43-1
Mudded Fitting (Roof Drain)	Unit 48	-	ND	No	48-5
12"x12" VFT	Unit 49	-	ND	No	49-1
VSF	Unit 51	-	ND	No	51-1
12"x12" White w/ Black Streaked VFT	Unit 52	-	ND	No	52-1
12"x12" VFT	Unit 58	-	ND	No	58-1
Drywall & Joint Compound	Best Buy		ND	No	BB-1
Tan Vinyl Plank Flooring	Best Buy		ND	No	BB-2
<b>12"x12" Blue/Gray Mottled VFT &amp; Black Mastic</b>	<b>Dillard's</b>	<b>120,000 sf.</b>	<b>Mastic – 5% Chrysotile</b>	<b>No</b>	<b>D-1</b>
Drywall	Dillard's		ND	No	D-2
12"x12" Tan w/ Blue Mottled VFT	Dillard's		ND	No	D-3
Mudded Fitting	Dillard's		ND	No	D-4
<b>Transite Soffit Panels</b>	<b>Sky Light Areas</b>	<b>3,000 sf.</b>	<b>Assumed</b>	<b>No</b>	<b>----</b>

ND-Non-Detect SF.-Square Foot LF.-Lineal Feet CT-Ceiling Tile VFT-Vinyl Floor Tile VSF-Vinyl Sheet Flooring

\*The quantities listed above are based upon the inspector's field measurements and are provided as estimates only.

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# HEARTLAND TESTING & CONSULTING, LLC

## Scope of Services

A visual inspection and sampling survey was conducted in general accordance with EPA/NESHAP guidelines to determine the presence of suspect asbestos-containing building materials (ACBM) in demolition and renovation projects.

## Survey Methodology

This asbestos survey was performed by a State of Nebraska licensed asbestos inspector. An initial building walk through was conducted to determine the presence of suspect materials, homogeneous materials, and functional spaces throughout the facility. Following the walk through, the inspector collects samples of selected materials identified as suspect ACBM. Sampling is limited to those materials which do not involve destruction of building elements, physical barriers, or the structural integrity of the item being tested. Confined spaces and areas with structural deficiencies are also not inspected unless noted. EPA guidelines were used to determine the sampling protocol. Sampling locations were chosen to be representative of the homogeneous sampling area. While an effort was made to collect samples randomly, samples were taken preferentially from areas which were the least visible to minimize disturbance of the material.

## Laboratory Methodology

Bulk samples obtained from the facility were analyzed at an accredited laboratory listed on the National Voluntary Laboratory Accreditation Program (NVLAP) using Polarized Light Microscopy (PLM) or point count methodology (PC) as needed. Laboratory certifications and statements of qualifications can be provided as needed.

## Warranty

HTC and its inspectors are trained and licensed to perform the services provided. All care is taken to provide a product of the highest quality in line with professional standards. All care is taken to examine the entirety of the facility or area requested in so far as it is safe to do so. The value of the warranty or any claims cannot exceed the value paid for this report or survey.

## Survey and Analysis Results

For a detailed report on laboratory findings please refer to Appendix D. Quantities of materials sampled are estimated from field measurements. Owner, contractor, or other operators should field verify all quantities to ensure accuracy.

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## Appendix A – Licensing:

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## Public Health Licensure Unit Certification of Licensure

This certificate serves as primary source verification of licensure in the State of Nebraska as of the close of the business day before 6/24/2021.

**Name:** Michael Aaron Smith  
**Type:** Asbestos Management Planner  
**Number:** 920  
**Status:** Active  
**Issued:** 01/29/2015  
**Expiration:** 02/28/2023  
**Education:** None on record at this time

### Disciplinary/Non-Disciplinary Information:

No disciplinary/non-disciplinary actions taken against this license.

If you have questions about this information, please contact the Licensure Unit at (402) 471-2115 or [DHHS.LicensureUnit@nebraska.gov](mailto:DHHS.LicensureUnit@nebraska.gov).

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**State of Nebraska**  
Department of Health and Human Services  
Division of Public Health

Michael Aaron Smith  
Asbestos Management Planner

License #: 920      Expiration: 02/28/2023  
Status: Active

## **Appendix B – Regulatory Overview:**

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# HEARTLAND TESTING & CONSULTING, LLC

There are several government agencies with regulations pertaining to asbestos, renovation, and demolition projects in Nebraska. The following items are summaries of their involvement.

## **Environmental Protection Agency**

Asbestos Hazard Emergency Response Act (AHERA) – This act contains many regulations pertaining exclusively to schools and can be found in 40 Code of Federal Regulation (CFR), Part 763.

National Emissions Standards for Hazardous Air Pollutants (NESHAP) – NESHAP regulations govern most of the asbestos related renovation and demolition projects. The full text can be found in 40 CFR. Part 61.

- Requires an asbestos inspection prior to renovation and demolition projects.
- Requires removal of materials prior to being disturbed by renovation or demolition activities.
- Requires ten government working day notification prior to any renovation, demolition, or asbestos removal activities on projects greater than 160 square feet or 260 lineal feet. All demolition projects must be notified regardless of if asbestos is present.
- Regulates the training requirements for asbestos professionals.
- Regulates the identification, removal, transportation, and disposal of asbestos containing materials.

## **Nebraska Department of Health & Human Services Asbestos Control Program**

This state agency is delegated certain responsibilities created by the EPA regulations. For more information visit the programs website located at <https://dhhs.ne.gov/Pages/Asbestos.aspx>.

- Requires an asbestos inspection be performed by a licensed inspector prior to any renovation or demolition project. From the Program website:

“Before you begin demolition or renovation of a project by anyone other than a homeowner (in that person’s residential property of 4 units or less), each residential or commercial property owner must have a thorough inspection for asbestos-containing materials. This inspection must be performed by a Nebraska-certified asbestos inspector.”

- Requires a ten-day (14 calendar day) notification on projects greater than 160 square feet or 260 lineal feet.
- Requires state licensed personnel do all asbestos work except that exempted by the residential exemption found in glossary.
- Regulates work practices for all asbestos work.
- Enforces State regulations and some EPA regulations.

## **Nebraska Department of Environment and Energy (NDEE)**

NDEE regulations require removal of asbestos prior to demolition or renovation. NDEE also regulates the disposal of asbestos wastes and construction and demolition (C & D) materials.

- Requires use of personnel licensed in accordance with NDOH.
- Requires inspection and removal of ACM in demolition and renovations projects.
- Requires the same ten-day notification as above.
- Requires all asbestos waste be disposed of in a licensed landfill permitted to accept asbestos.

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- Requires all C&D material be disposed of or recycled in a permitted facility.
- Requires an inspection and removal of any ACM prior to a fire training exercise. Also requires disposal of ashes from said burn in a licensed landfill.

## **Occupational Safety and Health Administration (OSHA)**

OSHA regulates asbestos as it pertains to the safety and health of all workers on site. Further information can be found in 29 cfr. 1926.1101.

- Requires owners of facilities to perform a survey of asbestos containing materials and institute an operations and maintenance plan to keep materials in good condition.
- Regulates work practices for removal and repair of ACM as it pertains to employee safety.
- Requires air monitoring be performed in certain situations to protect safety of asbestos workers as well as any other workers that may be in the area or structure.
- Requires medical monitoring, respiratory protection, and education of employees working with asbestos.
- OSHA may regulate materials whose asbestos content does not meet the EPA definition of an asbestos containing material.

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## Appendix C - Glossary of Terms:

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**Approved Asbestos Waste Disposal Site** - means a solid waste disposal area that is operated under a permit issued by the Nebraska Department of Environmental Quality and is authorized to receive asbestos containing solid wastes. See Appendix E.

**Asbestos** – means asbestiform varieties of chrysotile, crocidolite, amosite, anthophyllite, tremolite and actinolite.

**Asbestos Containing Materials or ACM** – means any material or product, which contains more than 1% asbestos.

**Asbestos Project** – means an asbestos encapsulation project, an asbestos removal project, an asbestos enclosure project, an asbestos related demolition project or an asbestos related dismantling project, but shall not include any activities which affect three (3) square feet or less or three (3) linear feet or less of ACM on or in a structure or equipment or any appurtenances thereto, or (b) any activities physically performed by a homeowner, a member of the home owner's family or an unpaid volunteer on or in the home owner's residential property of four units or less.

**Bulk Sample** – a solid quantity of a building material suspected of containing asbestos and that will be analyzed for the presence of asbestos.

**Demolition** – means the wrecking, razing, or removal of any structure or load-supporting structural item of any structure, including any related material handling operations, and includes the intentional burning of any structure.

**Friable Asbestos** – means asbestos in a form which can be crumbled, pulverized, or reduced to powder by hand pressure.

Caution: Non-friable asbestos which becomes friable is classified as friable asbestos.

**Inspector** – means an individual who is certified by the Department to identify and assess the condition of ACM. Inspectors shall perform their duties in accordance with the techniques, knowledge, training and responsibilities outlined in 008.04A8.

**Management Planner** – means an individual who is certified by the Department to assess the hazard of materials containing asbestos, to determine the appropriate response actions and to write management plans.

**Non-friable ACM** – any material containing more than one percent asbestos (as determined by Polarized Light Microscopy), that when dry, cannot be crumbled, pulverized, or reduced to powder by hand pressure, Nonfriable asbestos is further divided into categories I and II. Category I includes packings, gaskets, resilient floor covering, and asphalt roofing. Category II includes any material not in Category I.

**Project Designer** – means an individual who is certified by the Department to formulate plans and write specifications for conducting asbestos projects.

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# HEARTLAND TESTING & CONSULTING, LLC

**RACM – Regulated Asbestos-Containing Material (ACM) is:**

- Friable asbestos;
- Category I non-friable ACM that has become friable due to destructive handling;
- Category I non-friable ACM that will be or has been subjected to sanding, grinding, cutting, or abrading; or
- Category II non-friable ACM that has a high probability of becoming or has become crumbled, pulverized, or reduced to powder by the forces expected to act on the material during demolition or renovation operations regulated by the Asbestos National Emission Standard for Hazardous Air Pollutants (NESHAP).

**Renovation** – means the altering of a structure, one or more structural items, or one or more equipment items in any way, including any asbestos project performed on a structure, structural item, or equipment item.

**Structure or Structural Item** – means roofs, walls, ceilings, floors, structural supports, pipes, ducts, fittings and fixtures that have been installed as an integral part of any structure.

**Thermal System Insulation (TSI)** – ACM applied to pipes, fittings, boilers, breeching, tanks, ducts or other structural components to prevent heat loss or gain.

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## Appendix D – Laboratory Analytical Results

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## Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)

### Appx E Sub E 40 CFR 763 / EPA 600/R-93/116


**Donnie Combs**  
**Eurofins EMLab P&K - Houston**  
**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**

**Order #:** JH22138748  
**Project #:** 2973888  
**Date Received:** 13-Jul-2022  
**Date Analyzed:** 14-Jul-2022  
**Date Reported:** 15-Jul-2022

### EMLab ID 2973888

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
SR-1	LAYER 1 Floor Tile, Beige, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
SR-2	LAYER 1 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Floor Tile, Beige, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 3 Mastic, Black, Homogeneous	Chrysotile 5%	Non-Fibrous Material	95%
SR-3	LAYER 1 Floor Tile, Off White, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
SR-4	LAYER 1 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Floor Tile, White, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 3 Mastic, Black, Homogeneous	Chrysotile 5%	Non-Fibrous Material	95%
SR-5	LAYER 1 Floor Tile, Gray, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%

Anh Phung Analyst

  
 Scott Ward, Ph.D. Lab Director

Results apply to the sample as received and relate only to the items tested. This report is for the exclusive use of the addressed client and shall not be reproduced except in full, without written approval by Eurofins J3 Resources, Inc. (EJ3). Samples are analyzed according to the methods listed above and are subject to the inherent limitations of PLM and interference of matrix components. Reporting limit for the above method is a function of the quantity of sample analyzed, matrix interference, sample preparation, fiber size, and distribution. Asbestos may be detected in concentrations of <1% by area if sufficient material is analyzed. All reported results have been determined by calibrated visual estimation (CVE) unless otherwise noted. According to the USEPA 1991 Clarification and the Texas Asbestos Health Protection Rule, a material containing asbestos of <10% by CVE (including <1% asbestos) can only be demonstrated as a non-asbestos containing building material (non-ACBM) if confirmed by point counting. EJ3 recommends TEM confirmation of soils, vermiculite and non-friable organically bound materials (NOB) reported as None Detected or < 1% Asbestos by PLM. All samples received in good condition unless otherwise noted. This report shall not be used to claim product approval, certification, or endorsement by NVLAP, NIST, or any agency of the federal government.

NVLAP Lab Code: 200525-0

TDSHS License: 30-0273

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


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**Order #:** JH22138748  
**Project #:** 2973888  
**Date Received:** 13-Jul-2022  
**Date Analyzed:** 14-Jul-2022  
**Date Reported:** 15-Jul-2022

**EMLab ID 2973888**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
SR-6	LAYER 1 Floor Tile, Lt. Gray, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
SR-7	Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber 10% Fibrous Glass <1% Non-Fibrous Material 90%
SR-8	LAYER 1 Mastic, Gray/ Clear, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Floor Tile, Beige, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 3 Mastic, Black, Homogeneous	Chrysotile 5%	Non-Fibrous Material 95%
SR-9	LAYER 1 Joint Compound, White, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber 10% Fibrous Glass <1% Non-Fibrous Material 90%
SR-10	LAYER 1 Mastic, Gray/ Clear, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Floor Tile, Off White, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 3 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%

Anh Phung Analyst

  
 Scott Ward, Ph.D. Lab Director

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


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**Order #:** JH22138748  
**Project #:** 2973888  
**Date Received:** 13-Jul-2022  
**Date Analyzed:** 14-Jul-2022  
**Date Reported:** 15-Jul-2022

**EMLab ID 2973888**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
SR-11	LAYER 1 Floor Tile, Gray, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
C-1	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber 60% Mineral Wool 20% Non-Fibrous Material 20%
C-2	LAYER 1 Joint Compound, Beige, Homogeneous	Chrysotile 2%	Non-Fibrous Material 98%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber 10% Fibrous Glass <1% Non-Fibrous Material 90%
C-3	Ceiling Texture, White, Homogeneous	None Detected	Non-Fibrous Material 100%
C-4	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber 60% Mineral Wool 20% Non-Fibrous Material 20%
C-5	Ceiling Texture, White, Homogeneous	None Detected	Non-Fibrous Material 100%
C-6	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber 60% Mineral Wool 20% Non-Fibrous Material 20%

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


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**Houston TX 77041**

**Order #:** JH22138748  
**Project #:** 2973888  
**Date Received:** 13-Jul-2022  
**Date Analyzed:** 14-Jul-2022  
**Date Reported:** 15-Jul-2022

**EMLab ID 2973888**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
C-7	LAYER 1 Joint Compound, White, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected	Cellulose Fiber 10% Fibrous Glass <1% Non-Fibrous Material 90%
C-8	Ceiling Texture, White, Homogeneous	Chrysotile 10%	Non-Fibrous Material 90%
C-9	Ceiling Texture, White, Homogeneous	None Detected	Non-Fibrous Material 100%
C-10	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber 70% Mineral Wool 10% Non-Fibrous Material 20%
C-11	Ceiling Texture, White, Homogeneous	Chrysotile 10%	Non-Fibrous Material 90%
C-12	LAYER 1 Wood Flooring, Brown, Homogeneous	None Detected	Cellulose Fiber 100%
	LAYER 2 Mastic, Brown, Homogeneous No Black Mastic Present	None Detected	Cellulose Fiber 2% Non-Fibrous Material 98%
32-1	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%

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 Scott Ward, Ph.D. Lab Director

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**

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**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**


**Order #:** JH22138748  
**Project #:** 2973888  
**Date Received:** 13-Jul-2022  
**Date Analyzed:** 14-Jul-2022  
**Date Reported:** 15-Jul-2022

**EMLab ID 2973888**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
8A-1	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%

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Anh Phung Analyst

  
 Scott Ward, Ph.D. Lab Director

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**  
**EPA 600/M4-82-020; 600/R-93/116 - Point Count Method**

**Donnie Combs**  
**Eurofins EMLab P&K - Houston**  
**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**


**Order #:** JH22138951  
**Project #:** 2973888  
**Date Received:** 20-Jul-2022  
**Date Analyzed:** 20-Jul-2022  
**Date Reported:** 22-Jul-2022

**PC-JH22138748-EMLab ID 2973888**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
C-2 LAYER 1	Joint Compound, Beige, Homogeneous Original PLM Result: Chrysotile 2%	Chrysotile 0.50%	Non-Fibrous Material 99.50%
400 pt. POINT COUNT			

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Taylor Smylie Analyst

  
 Scott Ward, Ph.D. Lab Director

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NVLAP Lab Code: 200525-0

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Page 1 of 1

Client: Heartland Testing & Consulting  
 C/O: Mike Smith  
 Re: Conestoga Mall; NESHAP

Date of Sampling: 07-11-2022  
 Date of Receipt: 07-13-2022  
 Date of Report: 07-18-2022

**ASBESTOS PLM REPORT**

**Total Samples Submitted:** 29

**Total Samples Analyzed:** 29

**Total Samples with Layer Asbestos Content > 1%:** 4

**Location: 5-1, 12"x12" Gray Mottled w/ Brown Streaked VFT**

Lab ID-Version‡: 14304823-1

Sample Layers	Asbestos Content
Gray Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: 5-2, Black Baseboard**

Lab ID-Version‡: 14304824-1

Sample Layers	Asbestos Content
Black Baseboard	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: 5-3, Mudded Fitting**

Lab ID-Version‡: 14304825-1

Sample Layers	Asbestos Content
Gray Semi-Fibrous Material	ND
<b>Composite Non-Asbestos Content:</b>	15% Glass Fibers 5% Cellulose
<b>Sample Composite Homogeneity:</b> Good	

**Location: Y-1, 12"x12" Tan Mottled VFT w/ Yellow Mastic**

Lab ID-Version‡: 14304826-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

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Inhomogeneous samples are separated into homogeneous subsamples and analyzed individually. ND means no fibers were detected. When detected, the minimum detection and reporting limit is less than 1% unless point counting is performed. Floor tile samples may contain large amounts of interference material and it is recommended that the sample be analyzed by gravimetric point count analysis to lower the detection limit and to aid in asbestos identification.

‡ A "Version" indicated by "-x" after the Lab ID# with a value greater than 1 indicates a sample with amended data. The revision number is reflected by the value of "x".

Client: Heartland Testing & Consulting  
C/O: Mike Smith  
Re: Conestoga Mall; NESHAP

Date of Sampling: 07-11-2022  
Date of Receipt: 07-13-2022  
Date of Report: 07-18-2022

**ASBESTOS PLM REPORT**

**Location: Y-2, 12"x12" Gray VFT**

Lab ID-Version‡: 14304827-1

Sample Layers	Asbestos Content
Gray Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

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Inhomogeneous samples are separated into homogeneous subsamples and analyzed individually. ND means no fibers were detected. When detected, the minimum detection and reporting limit is less than 1% unless point counting is performed. Floor tile samples may contain large amounts of interference material and it is recommended that the sample be analyzed by gravimetric point count analysis to lower the detection limit and to aid in asbestos identification.

‡ A "Version" indicated by "-x" after the Lab ID# with a value greater than 1 indicates a sample with amended data. The revision number is reflected by the value of "x".

Client: Heartland Testing & Consulting  
C/O: Mike Smith  
Re: Conestoga Mall; NESHAP

Date of Sampling: 07-11-2022  
Date of Receipt: 07-13-2022  
Date of Report: 07-18-2022

**ASBESTOS PLM REPORT**

**Location: Y-3, 12"x12" White w/ Blue/Gray Streaked VFT w/ Yellow Mastic**

Lab ID-Version‡: 14304828-1

Sample Layers	Asbestos Content
White Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: Y-4, 12"x12" Black VFT w/ Black Mastic**

Lab ID-Version‡: 14304829-1

Sample Layers	Asbestos Content
Black Floor Tile	ND
Black Mastic	5% Chrysotile
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: Y-5, 12"x12" White w/ Brown Streaked VFT**

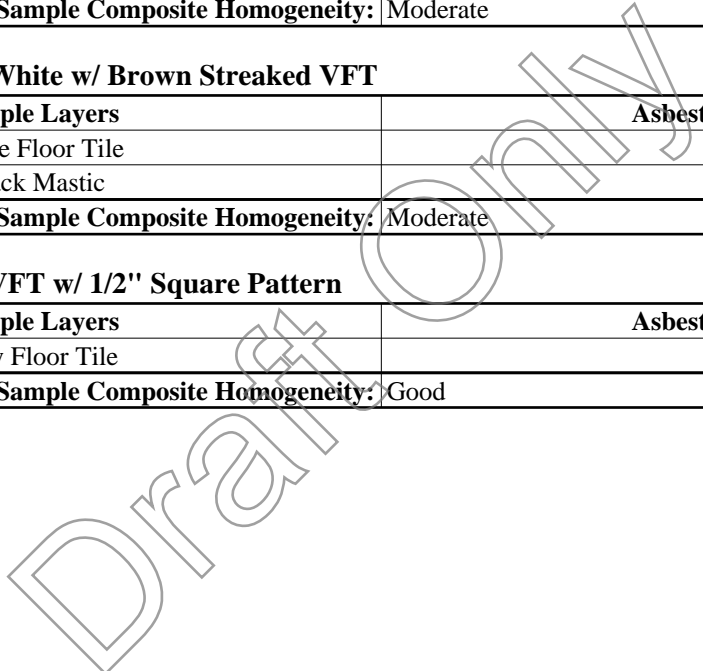
Lab ID-Version‡: 14304830-1

Sample Layers	Asbestos Content
White Floor Tile	ND
Black Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: Y-6, 12"x12" VFT w/ 1/2" Square Pattern**

Lab ID-Version‡: 14304831-1

Sample Layers	Asbestos Content
Gray Floor Tile	ND
<b>Sample Composite Homogeneity:</b> Good	



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Client: Heartland Testing & Consulting  
 C/O: Mike Smith  
 Re: Conestoga Mall; NESHAP

Date of Sampling: 07-11-2022  
 Date of Receipt: 07-13-2022  
 Date of Report: 07-18-2022

**ASBESTOS PLM REPORT**

**Location: Y-7, Drywall & Joint Compound (COMPOSITE SAMPLE)**

Lab ID-Version‡: 14304832-1

Sample Layers	Asbestos Content
White Drywall with Brown Paper	ND
White Joint Compound	ND
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: Y-8, Brown Baseboard w/ Brown Adhesive**

Lab ID-Version‡: 14304833-1

Sample Layers	Asbestos Content
Brown Baseboard	ND
Brown Mastic	ND
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: Y-9, Mudded Pipe Hager Fitting**

Lab ID-Version‡: 14304834-1

Sample Layers	Asbestos Content
Gray Semi-Fibrous Material	ND
<b>Composite Non-Asbestos Content:</b>	15% Glass Fibers 5% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

**Location: 11-1, Gray Pebble Pattern VSF**

Lab ID-Version‡: 14304835-1

Sample Layers	Asbestos Content
Gray Sheet Flooring with Fibrous Backing	ND
<b>Composite Non-Asbestos Content:</b>	15% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

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**ASBESTOS PLM REPORT**

**Location: 11-2, 12"x12" White w/ Gray Streaked VFT w/ Yellow Mastic**

Lab ID-Version‡: 14304836-1

Sample Layers	Asbestos Content
White Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: 48-1, Tan VSF**

Lab ID-Version‡: 14304837-1

Sample Layers	Asbestos Content
Tan Sheet Flooring with Fibrous Backing	20% Chrysotile
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

**Location: 48-2, Tan Designed VSF**

Lab ID-Version‡: 14304838-1

Sample Layers	Asbestos Content
Yellow Mastic	ND
Tan Sheet Flooring with Fibrous Backing	20% Chrysotile
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: 48-3, Drywall & Joint Compound**

Lab ID-Version‡: 14304839-1

Sample Layers	Asbestos Content
White Drywall with Brown Paper	ND
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

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**ASBESTOS PLM REPORT**

**Location: 48-4, Wall Texture**

Lab ID-Version‡: 14304840-1

Sample Layers	Asbestos Content
White Texture	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: Maint-1, 12"x12" White w/ Black Streaked VFT w/ Tan-Yellow Mastic**

Lab ID-Version‡: 14304841-1

Sample Layers	Asbestos Content
White Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: JC-1, 12"x12" Tan w/ Brown Streaked VFT w/ Black Mastic**

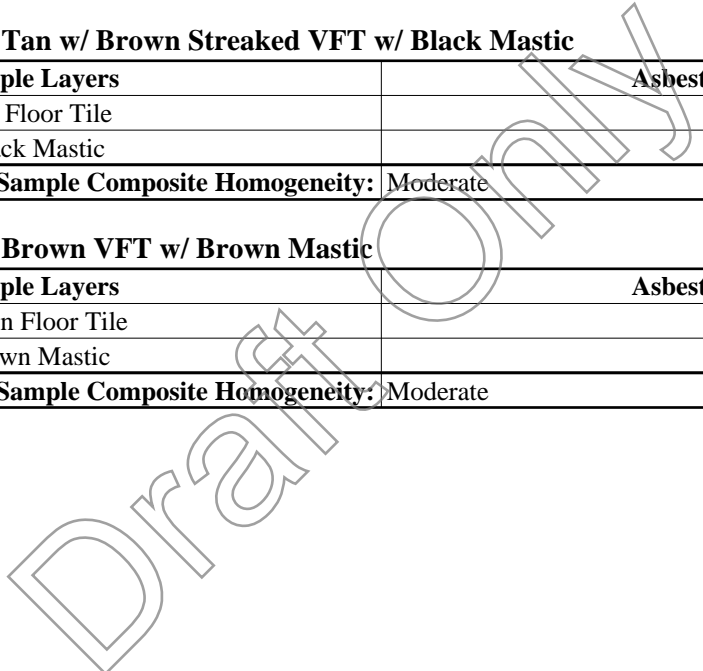
Lab ID-Version‡: 14304842-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
Black Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: JC-2, 12"x12" Brown VFT w/ Brown Mastic**

Lab ID-Version‡: 14304843-1

Sample Layers	Asbestos Content
Brown Floor Tile	ND
Brown Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	



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**ASBESTOS PLM REPORT**

**Location: JC-3, 12"x12" Black w/ White Streaked VFT**

Lab ID-Version‡: 14304844-1

Sample Layers	Asbestos Content
Black Floor Tile	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: JC-4, 12"x12" Tan Mottled VFT w/ Yellow Mastic**

Lab ID-Version‡: 14304845-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
Black Mastic	5% Chrysotile
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: JC-5, 12"x12" Beige Mottled VFT w/ Yellow Mastic**

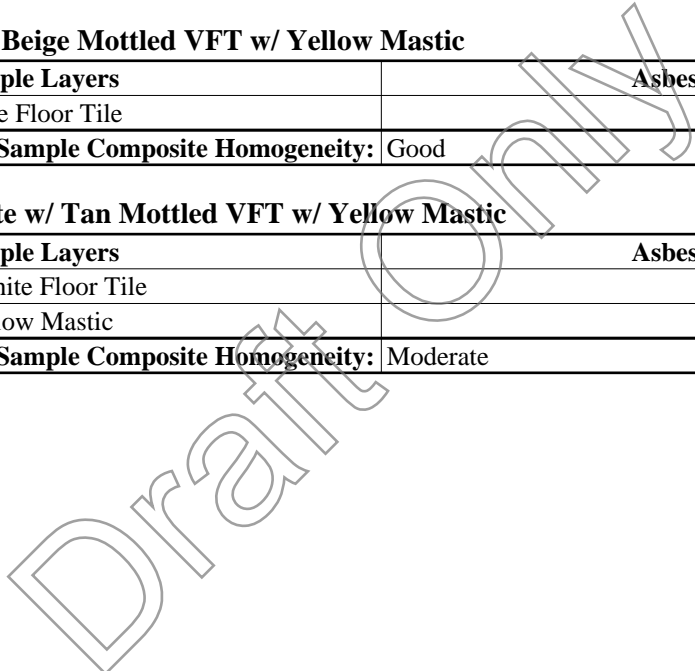
Lab ID-Version‡: 14304846-1

Sample Layers	Asbestos Content
Beige Floor Tile	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: JC-6, Off-White w/ Tan Mottled VFT w/ Yellow Mastic**

Lab ID-Version‡: 14304847-1

Sample Layers	Asbestos Content
Off-White Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b> Moderate	



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**ASBESTOS PLM REPORT**

**Location: JC-7, 2x4 CT w/ Pineholes and Holes**

Lab ID-Version‡: 14304848-1

Sample Layers	Asbestos Content
Beige Ceiling Tile with White Surface	ND
<b>Composite Non-Asbestos Content:</b>	40% Cellulose 40% Glass Fibers
<b>Sample Composite Homogeneity:</b>	Good

**Location: 16-1, 12"x12" Cream w/ Brown Streaked VFT w/ Black Mastic**

Lab ID-Version‡: 14304849-1

Sample Layers	Asbestos Content
Cream Floor Tile	ND
Black Mastic	ND
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: 22-1, Tan/Olive/Blue Mottled VFT**

Lab ID-Version‡: 14304850-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
<b>Sample Composite Homogeneity:</b>	Good

**Location: PR-1, 12"x12" VFT (Under Carpet in Restroom)**

Lab ID-Version‡: 14304851-1

Sample Layers	Asbestos Content
Yellow Mastic	ND
Cream Floor Tile	ND
Black Mastic	ND
<b>Sample Composite Homogeneity:</b>	Poor

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C/O: Mike Smith  
Re: Conestoga Mall; NESHAPDate of Sampling: 07-12-2022  
Date of Receipt: 07-14-2022  
Date of Report: 07-19-2022**ASBESTOS PLM REPORT****Total Samples Submitted:** 12**Total Samples Analyzed:** 12**Total Samples with Layer Asbestos Content > 1%:** 1**Location: CR-1, 2x2 CT w/ Deep Design**

Lab ID-Version‡: 14309731-1

Sample Layers	Asbestos Content
Gray Ceiling Tile with White Surface	ND
<b>Composite Non-Asbestos Content:</b>	60% Glass Fibers 20% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

**Location: SO-1, 12x12 White w/ Black Streaked VFT and Yellow Mastic**

Lab ID-Version‡: 14309732-1

Sample Layers	Asbestos Content
White Floor Tile	ND
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: 8A-2, Yellow Carpet Mastic**

Lab ID-Version‡: 14309733-1

Sample Layers	Asbestos Content
Yellow Mastic	ND
<b>Sample Composite Homogeneity:</b>	Good

**Location: 57-1, 12x12 Cream w/ Beige Streaked VFT w/ Black Mastic**

Lab ID-Version‡: 14309734-1

Sample Layers	Asbestos Content
Cream Floor Tile	ND
Black Mastic	ND
<b>Sample Composite Homogeneity:</b>	Moderate

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2975278, Page 2 of 4

Client: Heartland Testing & Consulting  
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Date of Sampling: 07-12-2022  
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 Date of Report: 07-19-2022

**ASBESTOS PLM REPORT**

**Location: 64-1, Tan Square Design VSF**

Lab ID-Version‡: 14309735-1

Sample Layers	Asbestos Content
Tan Sheet Flooring with Fibrous Backing	ND
<b>Composite Non-Asbestos Content:</b> 20% Cellulose	
<b>Sample Composite Homogeneity:</b> Good	

**Location: SRR-1, Black Flashing Tar**

Lab ID-Version‡: 14309736-1

Sample Layers	Asbestos Content
Black Roof Flashing	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: SRR-2, Black Flashing Tar**

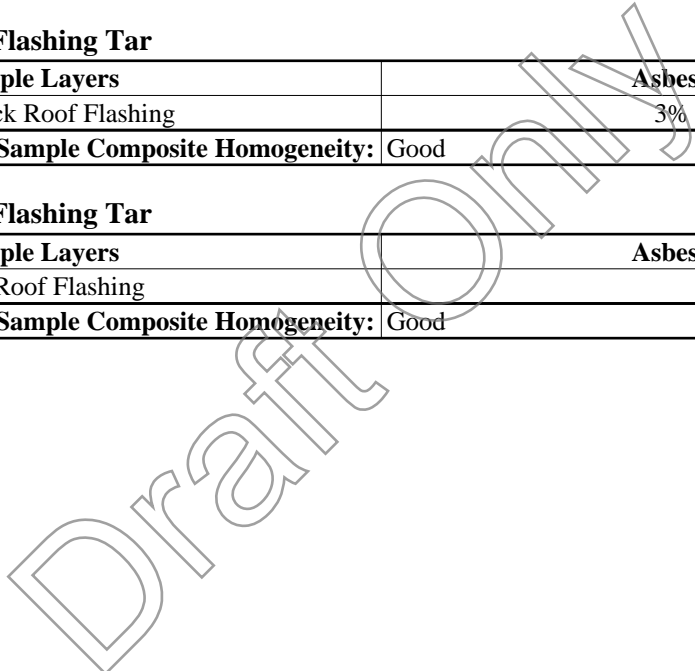
Lab ID-Version‡: 14309737-1

Sample Layers	Asbestos Content
Gray/Black Roof Flashing	3% Chrysotile
<b>Sample Composite Homogeneity:</b> Good	

**Location: SRR-3, Black Flashing Tar**

Lab ID-Version‡: 14309738-1

Sample Layers	Asbestos Content
Black Roof Flashing	ND
<b>Sample Composite Homogeneity:</b> Good	



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 Date of Receipt: 07-14-2022  
 Date of Report: 07-19-2022

**ASBESTOS PLM REPORT**

**Location: JCR-1, Black Roof Tar**

Lab ID-Version‡: 14309739-1

Sample Layers	Asbestos Content
Black Roofing Tar	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: JCR-2, Black Asphalt Roll w/ Black Tar**

Lab ID-Version‡: 14309740-1

Sample Layers	Asbestos Content
Black Roofing Material with Grey Pebbles	ND
Black Tar	ND
<b>Sample Composite Homogeneity:</b> Moderate	

**Location: JCR-3, Black Roof Tar**

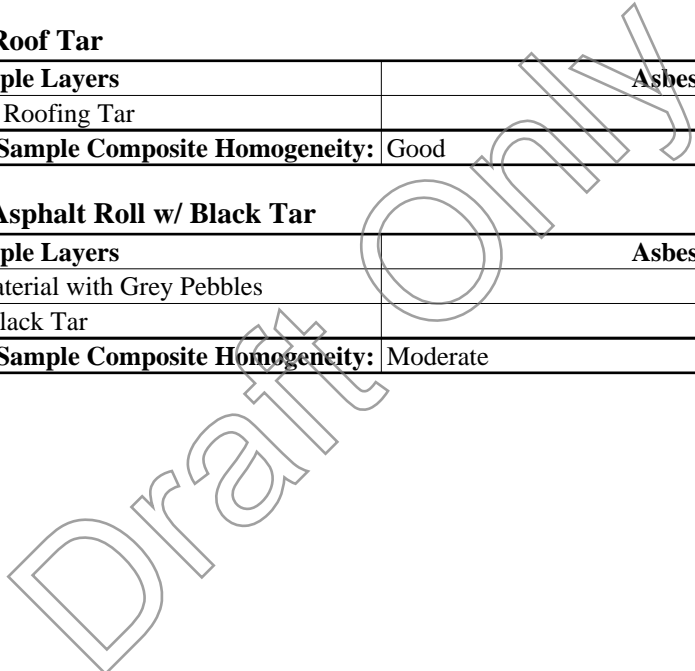
Lab ID-Version‡: 14309741-1

Sample Layers	Asbestos Content
Black Roofing Tar	ND
<b>Sample Composite Homogeneity:</b> Good	

**Location: JCR-4, Black Asphalt Roll w/ Black Tar**

Lab ID-Version‡: 14309742-1

Sample Layers	Asbestos Content
Black Roofing Material with Grey Pebbles	ND
Black Tar	ND
<b>Sample Composite Homogeneity:</b> Moderate	



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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


**Donnie Combs**  
**Eurofins EMLab P&K - Houston**  
**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**

**Order #:** JP221037792  
**Project #:** 2982869  
**Date Received:** 26-Jul-2022  
**Date Analyzed:** 27-Jul-2022  
**Date Reported:** 27-Jul-2022

**EMLab ID 2982869**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents	
8B-1	LAYER 1 Sheet Flooring, Beige, Homogeneous	None Detected	Fibrous Glass Non-Fibrous Material	4% 96%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 3 Float, Gray, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 4 Mastic, Black, Homogeneous	Chrysotile 4%	Non-Fibrous Material	96%
8B-2	LAYER 1 Floor Tile, White, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
17-1	Mastic, Black, Homogeneous	None Detected	Cellulose Fiber Non-Fibrous Material	5% 95%
20-1	LAYER 1 Floor Tile, Tan/ Mottled, Homogeneous	None Detected	Non-Fibrous Material	100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material	100%
23A-1	Floor Tile, White/Brown/ Mottled, Homogeneous	None Detected	Non-Fibrous Material	100%
24-1	Mastic, Black, Homogeneous	None Detected	Cellulose Fiber Non-Fibrous Material	5% 95%
31-1	Floor Tile, White/ Gray/ Mottled, Homogeneous	None Detected	Non-Fibrous Material	100%

Duane Salinas Analyst

  
 Scott Ward, Ph.D. Lab Director

Results apply to the sample as received and relate only to the items tested. This report is for the exclusive use of the addressed client and shall not be reproduced except in full, without written approval by Eurofins J3 Resources, Inc. (EJ3). Samples are analyzed according to the methods listed above and are subject to the inherent limitations of PLM and interference of matrix components. Reporting limit for the above method is a function of the quantity of sample analyzed, matrix interference, sample preparation, fiber size, and distribution. Asbestos may be detected in concentrations of <1% by area if sufficient material is analyzed. All reported results have been determined by calibrated visual estimation (CVE) unless otherwise noted. According to the USEPA 1991 Clarification and the Texas Asbestos Health Protection Rule, a material containing asbestos of <10% by CVE (including <1% asbestos) can only be demonstrated as a non-asbestos containing building material (non-ACBM) if confirmed by point counting. EJ3 recommends TEM confirmation of soils, vermiculite and non-friable organically bound materials (NOB) reported as None Detected or < 1% Asbestos by PLM. All samples received in good condition unless otherwise noted. This report shall not be used to claim product approval, certification, or endorsement by NVLAP, NIST, or any agency of the federal government.

NVLAP Lab Code: 600120-0 AIHA-LAP, LLC Lab ID: 157714 TDSHS License: 30-0457 Page 1 of 4

**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


**Donnie Combs**  
**Eurofins EMLab P&K - Houston**  
**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**

**Order #:** JP221037792  
**Project #:** 2982869  
**Date Received:** 26-Jul-2022  
**Date Analyzed:** 27-Jul-2022  
**Date Reported:** 27-Jul-2022

**EMLab ID 2982869**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
39-1	Mastic, Black, Homogeneous	None Detected	Non-Fibrous Material 100%
40A-1	LAYER 1 Sheet Flooring, White, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
41-1	LAYER 1 Floor Tile, Tan/Brown/Pitted, Homogeneous	Chrysotile 3%	Non-Fibrous Material 97%
	LAYER 2 Mastic, Black, Homogeneous	Chrysotile 5%	Non-Fibrous Material 95%
42-1	LAYER 1 Floor Tile, White/Gray Streaks, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
43-1	Floor Tile, Black, Homogeneous	None Detected	Non-Fibrous Material 100%
48-5	Mud Insulation, Gray, Homogeneous	None Detected	Fibrous Glass 25% Non-Fibrous Material 75%
49-1	LAYER 1 Floor Tile, White, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%

Duane Salinas Analyst

  
 Scott Ward, Ph.D. Lab Director

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**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**


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**Project #:** 2982869  
**Date Received:** 26-Jul-2022  
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**Date Reported:** 27-Jul-2022

**EMLab ID 2982869**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
51-1	Sheet Flooring, Beige, Homogeneous	None Detected	Cellulose Fiber 20% Fibrous Glass 2% Non-Fibrous Material 78%
52-1	LAYER 1 Floor Tile, White/Black Streaks, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
58-1	LAYER 1 Floor Tile, Tan, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
Y-10	LAYER 1 Floor Tile, White/Brown Streaks, Homogeneous	Chrysotile 3%	Non-Fibrous Material 97%
	LAYER 2 Mastic, Black, Homogeneous	None Detected	Cellulose Fiber 2% Non-Fibrous Material 98%
Y-11	LAYER 1 Floor Tile, Blue/ Green, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Yellow, Homogeneous	None Detected	Non-Fibrous Material 100%
Y-12	Floor Tile, White/Blue Streaks, Homogeneous	None Detected	Non-Fibrous Material 100%
JC-8	Mastic, Black/ Yellow, Homogeneous	Chrysotile 2%	Non-Fibrous Material 98%

Duane Salinas Analyst

  
 Scott Ward, Ph.D. Lab Director

Results apply to the sample as received and relate only to the items tested. This report is for the exclusive use of the addressed client and shall not be reproduced except in full, without written approval by Eurofins J3 Resources, Inc. (EJ3). Samples are analyzed according to the methods listed above and are subject to the inherent limitations of PLM and interference of matrix components. Reporting limit for the above method is a function of the quantity of sample analyzed, matrix interference, sample preparation, fiber size, and distribution. Asbestos may be detected in concentrations of <1% by area if sufficient material is analyzed. All reported results have been determined by calibrated visual estimation (CVE) unless otherwise noted. According to the USEPA 1991 Clarification and the Texas Asbestos Health Protection Rule, a material containing asbestos of <10% by CVE (including <1% asbestos) can only be demonstrated as a non-asbestos containing building material (non-ACBM) if confirmed by point counting. EJ3 recommends TEM confirmation of soils, vermiculite and non-friable organically bound materials (NOB) reported as None Detected or < 1% Asbestos by PLM. All samples received in good condition unless otherwise noted. This report shall not be used to claim product approval, certification, or endorsement by NVLAP, NIST, or any agency of the federal government.

**Bulk Asbestos Fiber Analysis by Polarized Light Microscopy (PLM)**

**Appx E Sub E 40 CFR 763 / EPA 600/R-93/116**

**Donnie Combs**  
**Eurofins EMLab P&K - Houston**  
**10900 Brittmoore Park Drive, Ste. G**  
**Houston TX 77041**


**Order #:** JP221037792  
**Project #:** 2982869  
**Date Received:** 26-Jul-2022  
**Date Analyzed:** 27-Jul-2022  
**Date Reported:** 27-Jul-2022

**EMLab ID 2982869**

Sample ID #	Sample Description	Asbestos Constituents	Non-Asbestos Constituents
JC-9	LAYER 1 Floor Tile, White/Black Streaks, Homogeneous	None Detected	Non-Fibrous Material 100%
	LAYER 2 Mastic, Black, Homogeneous	Chrysotile 4%	Non-Fibrous Material 96%
JC-10	Duct Sealant, Silver/ Black, Homogeneous	Chrysotile 6%	Non-Fibrous Material 94%

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Duane Salinas Analyst

  
 Scott Ward, Ph.D. Lab Director

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Client: Heartland Testing & Consulting  
 C/O: Mike Smith  
 Re: Conestoga Mall; NESHAP

Date of Sampling: 07-27-2022  
 Date of Receipt: 07-28-2022  
 Date of Report: 08-02-2022

**ASBESTOS PLM REPORT**

**Total Samples Submitted:** 6

**Total Samples Analyzed:** 6

**Total Samples with Layer Asbestos Content > 1%:** 1

**Location: BB-1, Drywall and Joint Compound**

Lab ID-Version‡: 14372398-1

Sample Layers	Asbestos Content
White Drywall with Brown Paper	ND
White Joint Compound with Paint	ND
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Moderate

**Location: BB-2, Tan Vinyl Plank Flooring**

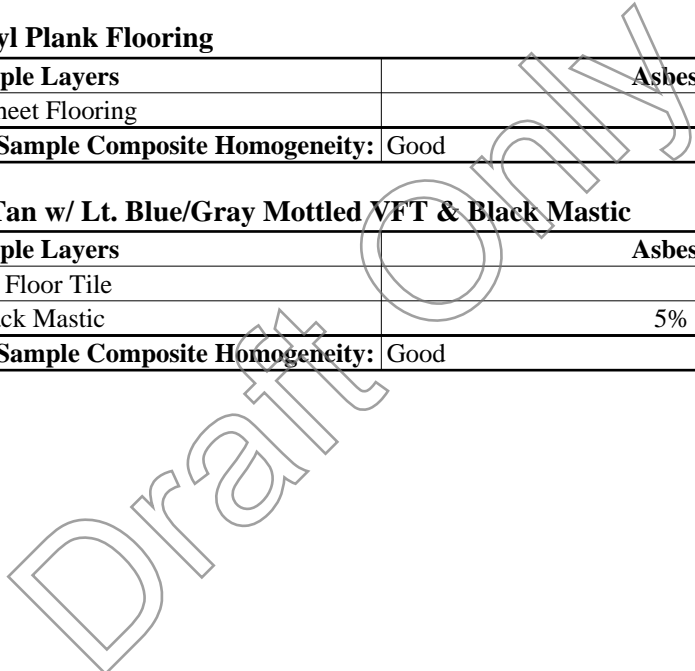
Lab ID-Version‡: 14372399-1

Sample Layers	Asbestos Content
Tan Sheet Flooring	ND
<b>Sample Composite Homogeneity:</b>	Good

**Location: D-1, 12"x12" Tan w/ Lt. Blue/Gray Mottled VFT & Black Mastic**

Lab ID-Version‡: 14372400-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
Black Mastic	5% Chrysotile
<b>Sample Composite Homogeneity:</b>	Good



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Inhomogeneous samples are separated into homogeneous subsamples and analyzed individually. ND means no fibers were detected. When detected, the minimum detection and reporting limit is less than 1% unless point counting is performed. Floor tile samples may contain large amounts of interference material and it is recommended that the sample be analyzed by gravimetric point count analysis to lower the detection limit and to aid in asbestos identification.

‡ A "Version" indicated by -"x" after the Lab ID# with a value greater than 1 indicates a sample with amended data. The revision number is reflected by the value of "x".

Client: Heartland Testing & Consulting  
C/O: Mike Smith  
Re: Conestoga Mall; NESHAP

Date of Sampling: 07-27-2022  
Date of Receipt: 07-28-2022  
Date of Report: 08-02-2022

**ASBESTOS PLM REPORT**

**Location: D-2, Drywall**

Lab ID-Version‡: 14372401-1

Sample Layers	Asbestos Content
White Drywall with Brown Paper	ND
<b>Composite Non-Asbestos Content:</b>	10% Cellulose
<b>Sample Composite Homogeneity:</b>	Good

**Location: D-3, 12"x12" Beige/Tan Mottled VFT**

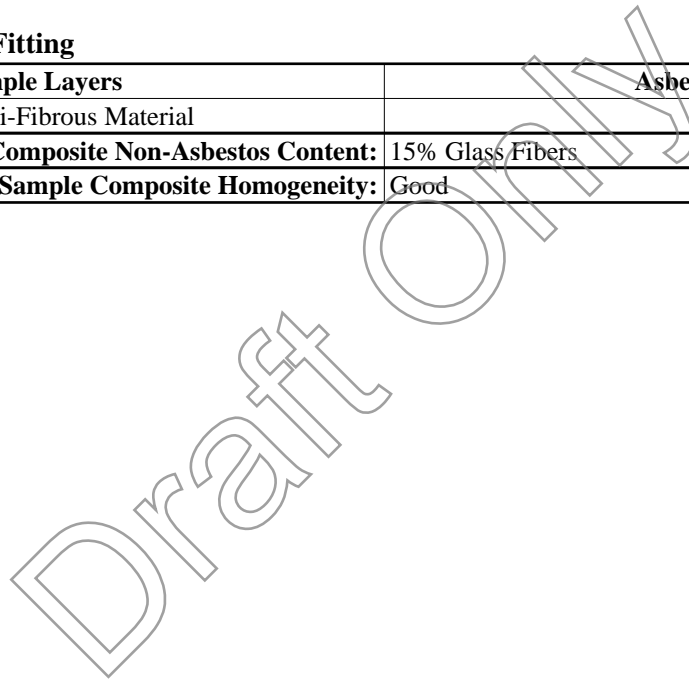
Lab ID-Version‡: 14372402-1

Sample Layers	Asbestos Content
Beige Floor Tile	ND
<b>Sample Composite Homogeneity:</b>	Good

**Location: D-4, Mudded Fitting**

Lab ID-Version‡: 14372403-1

Sample Layers	Asbestos Content
White Semi-Fibrous Material	ND
<b>Composite Non-Asbestos Content:</b>	15% Glass Fibers
<b>Sample Composite Homogeneity:</b>	Good



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Inhomogeneous samples are separated into homogeneous subsamples and analyzed individually. ND means no fibers were detected. When detected, the minimum detection and reporting limit is less than 1% unless point counting is performed. Floor tile samples may contain large amounts of interference material and it is recommended that the sample be analyzed by gravimetric point count analysis to lower the detection limit and to aid in asbestos identification.

‡ A "Version" indicated by -"x" after the Lab ID# with a value greater than 1 indicates a sample with amended data. The revision number is reflected by the value of "x".

## Appendix E – Asbestos Sample Photographs

Draft Only

P.O. BOX 290 • ALDA • 6 8 8 10  
PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7  
[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)

# HEARTLAND TESTING & CONSULTING, LLC



**Photo 1:**

**View of  
Sample SR-1 &  
SR-2.**



**Photo 2:**

**View of  
Sample SR-3 &  
SR-4.**

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[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)



# HEARTLAND TESTING & CONSULTING, LLC



**Photo 3:**  
**View of**  
**Sample SR-8.**



**Photo 4:**  
**View of sample**  
**C-2.**

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[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)

# HEARTLAND TESTING & CONSULTING, LLC



**Photo 5:**

**View of  
Sample C-8 &  
C-11.**



**Photo 6:**

**View of  
Sample Y-4 &  
Y-10.**

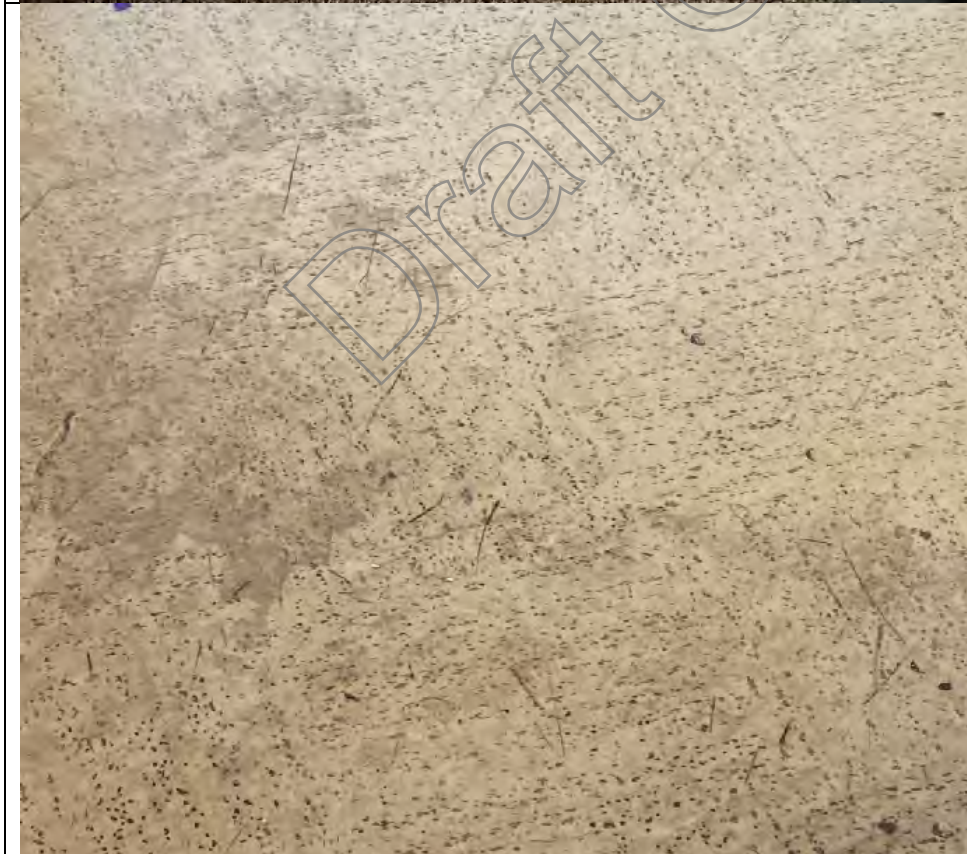
P.O. BOX 290 • ALDA • 6 8 8 10  
PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7  
[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)



# HEARTLAND TESTING & CONSULTING, LLC



**Photo 7:**  
**View of**  
**Sample 41-1.**



**Photo 8:**  
**View of**  
**Sample 48-1.**

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**Photo 9:**

**View of  
Sample 48-2.**



**Photo 10:**

**View of  
Sample JC-4.**

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**Photo 11:**

**View of  
Sample JC-10.**



**Photo 12:**

**View of  
Sample SRR-2,  
material  
appears to be a  
patch material.**

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PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7  
[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)



# HEARTLAND TESTING & CONSULTING, LLC



**Photo 13:**

**View of  
sample D-1.**



**Photo 14:**

**View of  
Assumed  
transite soffit.**

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PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7  
[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)

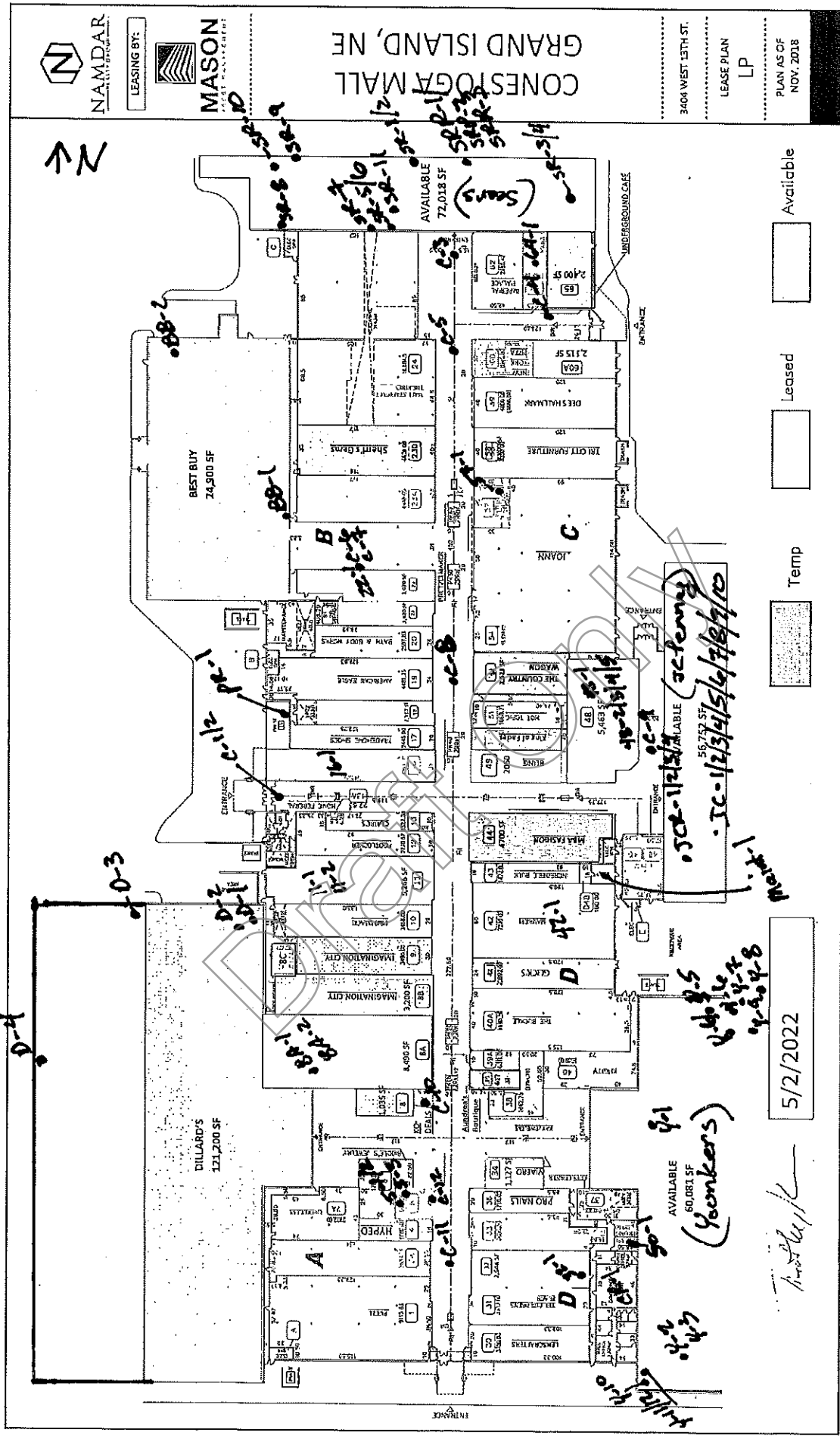


## Appendix F – Facility Diagrams

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PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7  
[MIKE@ONEILLWR.COM](mailto:MIKE@ONEILLWR.COM)

# SAMPLE Locations





LEASING BY:



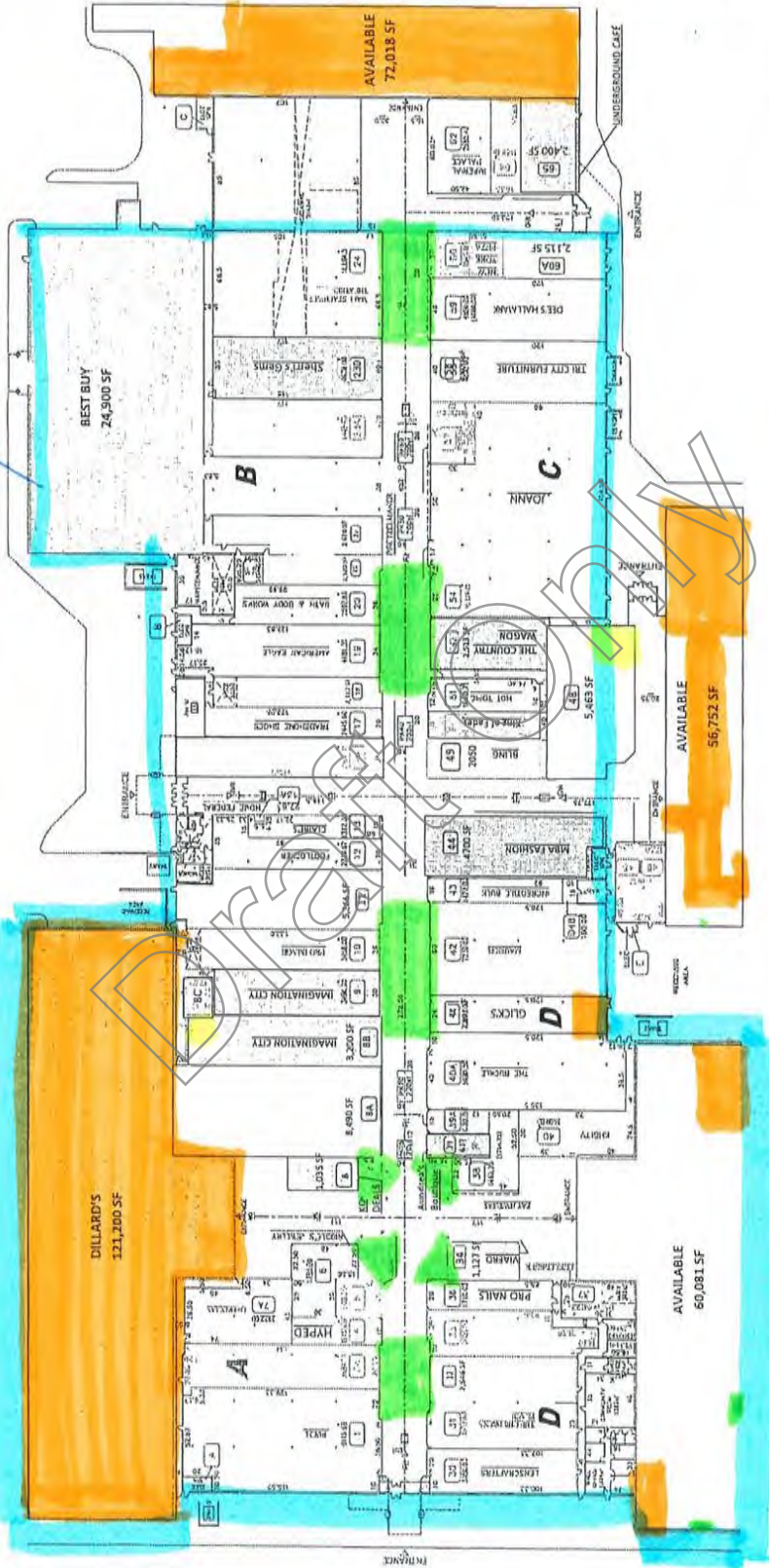
# CONESTOGA MALL GRAND ISLAND, NE

3404 WEST 13TH ST.

LEASE PLAN  
LP

PLAN AS OF  
NOV. 2018

*Original Bidding*



Available  Leased  Temp

5/2/2022

*Handwritten signature*

*Ceiling Texture*  
*Floor Tile/Mastic*  
*VSF Flooring*



Draft Only

**EXTREMELY BLIGHTED DETERMINATION STUDY  
CITY OF GRAND ISLAND, NEBRASKA  
AUGUST 2022**

A study to determine if areas already declared Blighted and Substandard meet the Legislative requirements to be declared extremely blighted for purposes of receiving potential funding, extended TIF periods and tax credits.

Prepared by Marvin Planning Consultants, Inc and Kurt Elder  
AUGUST 2022

## BLIGHT and EXTREMELY BLIGHTED AREA STUDY

REF: Statute 18-2101 to 18-2154 and section of the act, aka Community Development Law

### REASONS FOR COMPLETING AN EXTREMELY BLIGHTED STUDY

Section 2: (1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, **the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.**

### LEGISLATIVE DIRECTION

Section 2: (2) Prior to making such declaration, the governing body of **the city shall conduct or cause to be conducted a study or an analysis** on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. (...) The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

### PROCESS

Brief: For an area to be designated as extremely blighted and substandard two finding, through three facets, need to be meet. These facets are defined in Nebraska statute. (i.e. 18-2103 – Terms, ...) However, for brevity they are simplified into two broad components **(a)** areas that have been found blighted and substandard through city council action, and **(b)** have been found to be contain extremely blighted components.

This study primarily determines which areas meet the statutory definition of extremely blighted

An approved blighted and substandard area is also extremely blighted if **(i) the average rate** of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate is at **least two hundred percent of the average rate of unemployment in the state** during the same period; and **(ii) the average poverty rate** in the area exceeds **twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area**

Because Grand Island's approved blight areas do not conform to defined census geographies. This study honors the intention of the statute and completes an independent analysis of poverty and unemployment components. Census areas that are qualified in each study form the basis for determining extreme blight. To be clear if 'Geography A' was qualified in both studies then any declared blight in 'Geography A' could be nominated as extremely blighted.

Lastly, if a census geography or portion of is in the City of Grand Island corporate limits it was considered in the development of the separate components.

### DATA TABLES

*Council Approved Blight -*

The Community development law requires that an Extremely Blighted and Substandard area be an approved blighted area. The City of Grand Island keeps a list of approved blight areas in their offices and online at <https://www.grand-island.com/departments/regional-planning/community-redevelopment-authority-cra/blight->



[study-areas](#). Also, attached is 'Proposed Blight Area' and 'Proposed Extreme Blight Area' which details a blighted area. Both blight and extreme blight can share common public hearings.

#### *Extremely Blighted Components -*

Part (i) is a state comparison. The 2020 Nebraska Unemployment rate according to the US Census American Community Survey (five-year average) was 3.37%. Therefore, the average rate of our selected area would require an unemployment rate of at least 6.74%

Marvin Planning Consultants, Inc. and Kurt Elder (The Team) developed an area with an average unemployment greater than of 7.52%. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Unemployment Area', which details our proposed unemployment area.

Part (ii) is a local area finding. Grand Island's 2020 poverty rate was 11.83% but in line with state statute, we developed an area with greater than 20% poverty. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Poverty Review', which details our proposed poverty area.

All data was 2020 US Census American Community 5-year Survey data. We choose to utilize only block-group level information from the census to minimize independent margins of error. Furthermore, our data methodology and averaging process/interpretation received support from UNO's David Drozd Research Coordinator at the UNO Center for Public Affairs and notified Sen. Justin Wayne (i.e., Nebraska Legislature, Chair of the Urban Affairs Committee) office to confirm his support. His legislative assistant relayed support.

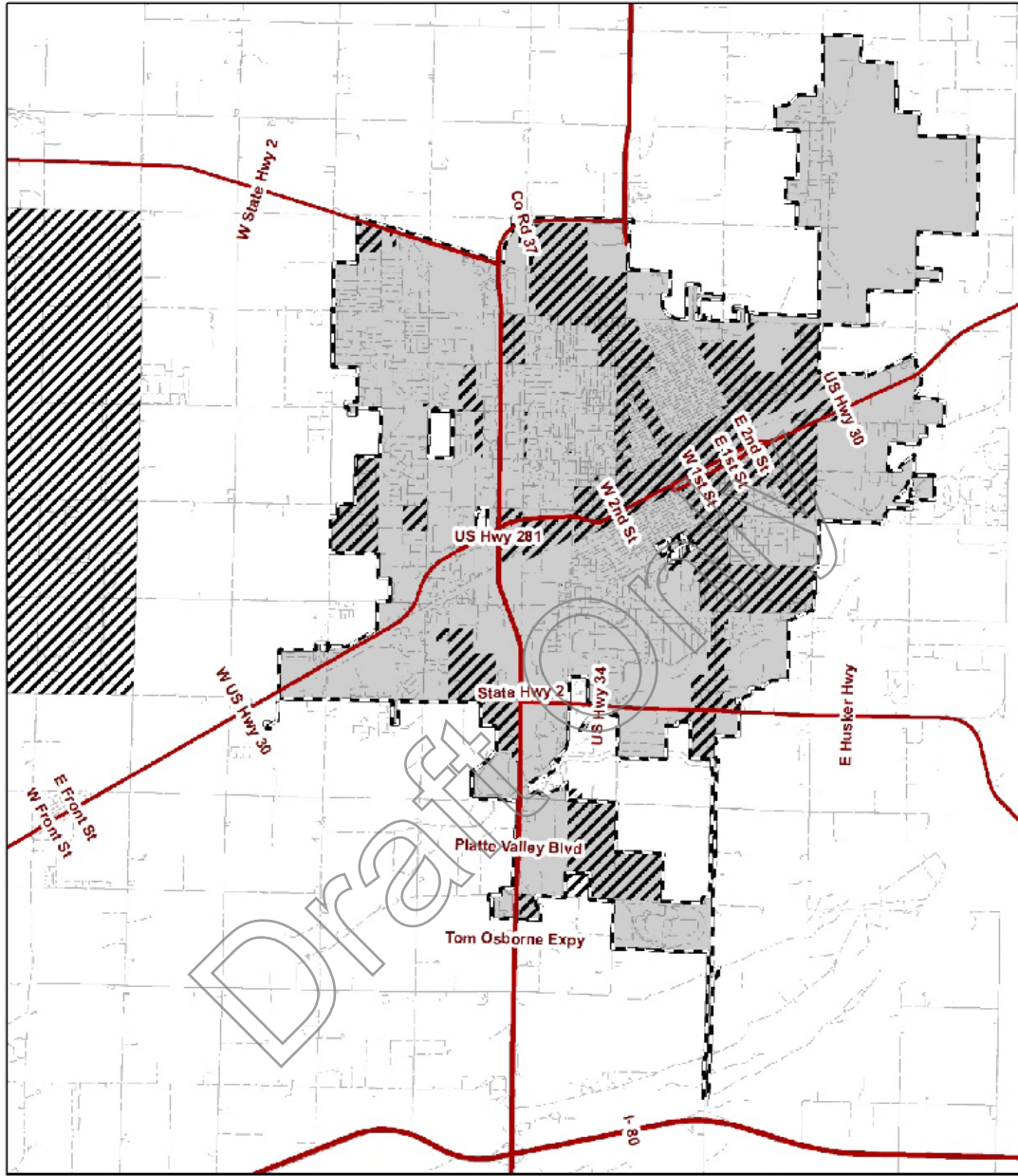
#### **ANALYSIS**

The Team overlaid these three facets/area reviews (i.e., approved blight, 20%+ poverty, 200%+ of the Nebraska's unemployment rate, and delineated areas where the three intersected. This proposed extremely blighted area is attached as 'Proposed Extreme Blight Area'.

Study completed, compiled, and submitted by The Team

#### **ATTACHMENTS**

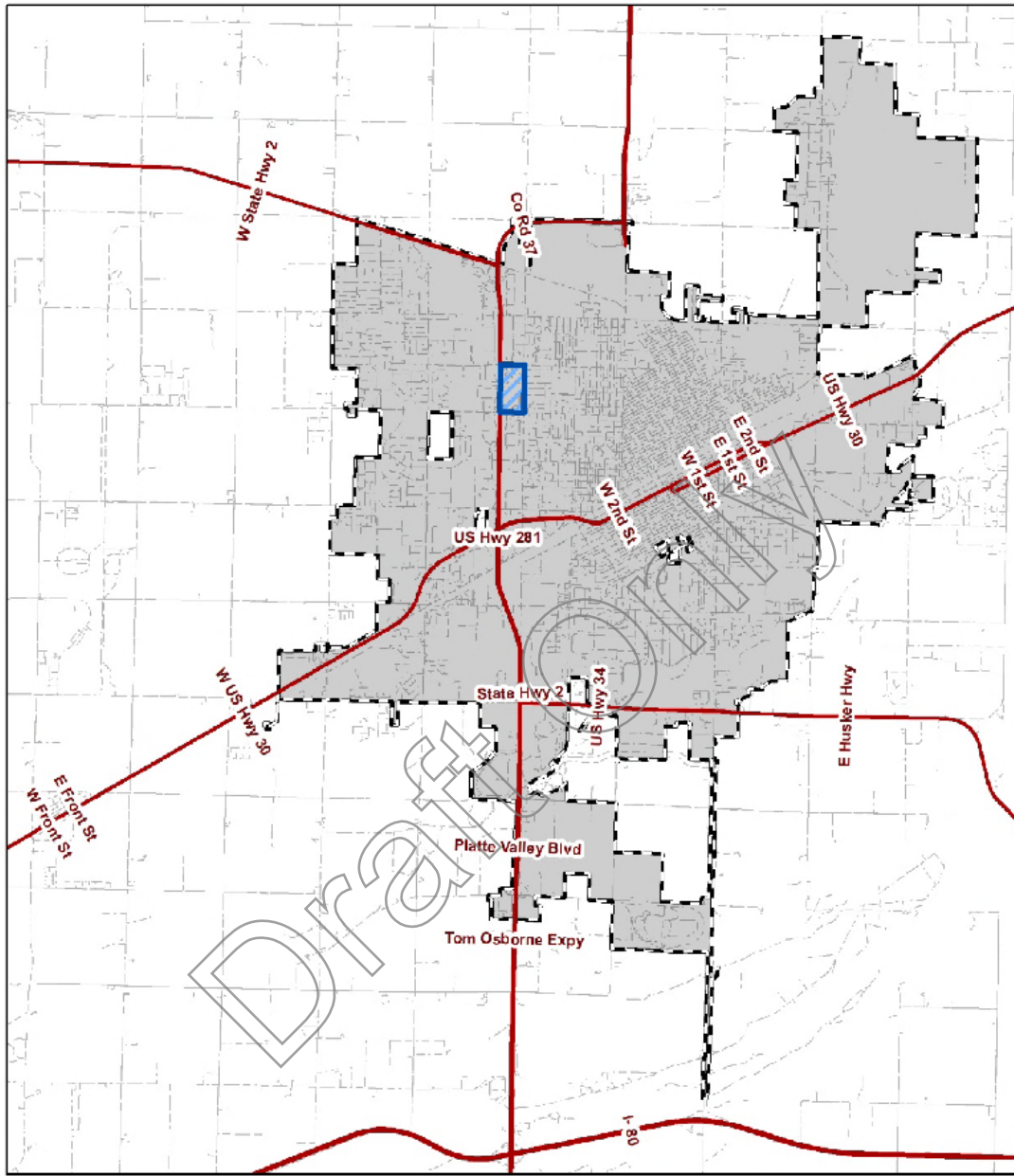
'Existing Blight Area'  
'Proposed Blight Area'  
'Proposed Blight Area - Detail'  
'Employment Review'  
'Poverty Review'  
'Proposed Extreme Blight Area'



City of Grand Island: Existing Blight Areas

- City Limit
- Declared/Existing Blighted
- Primary Roads

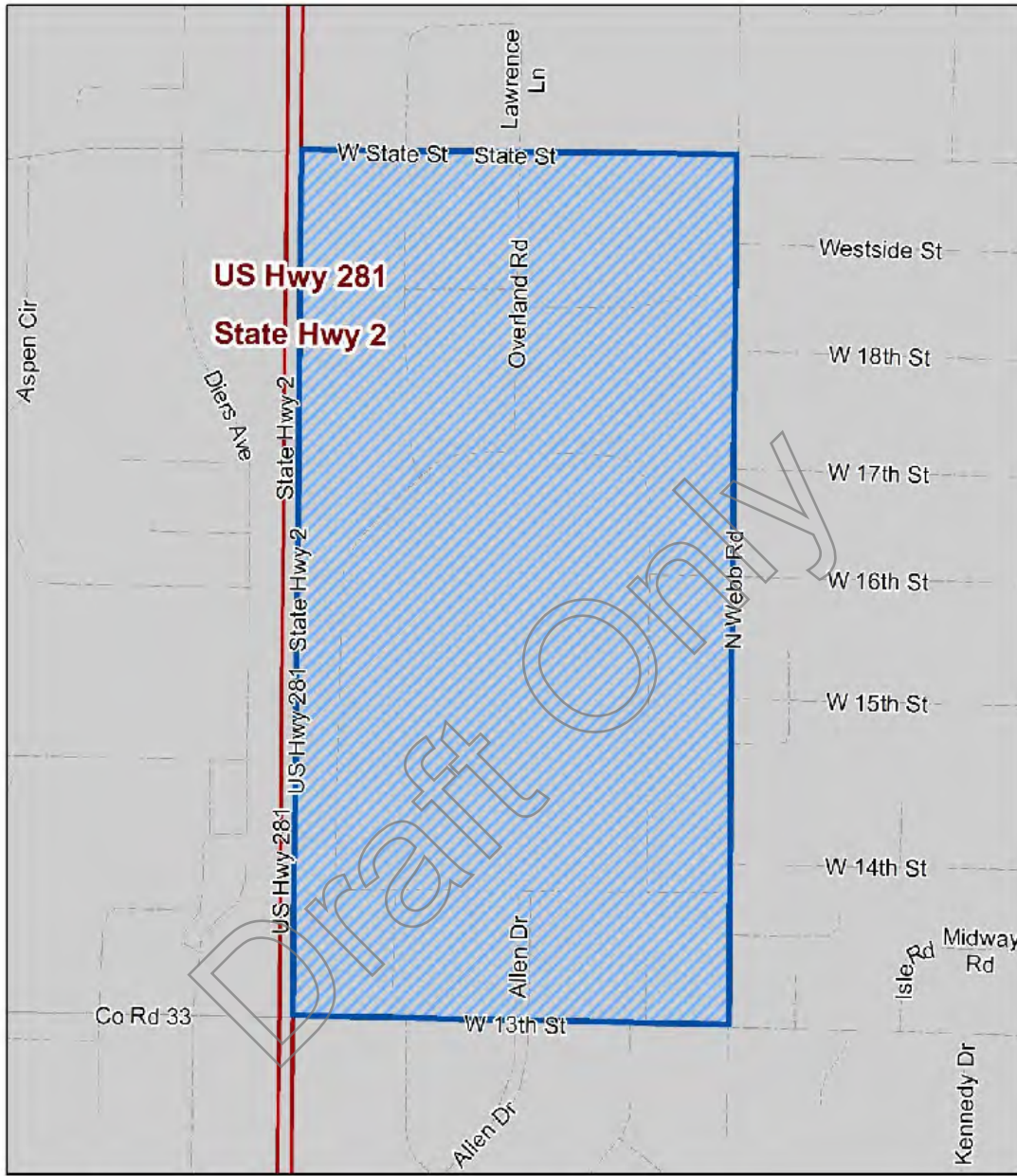




City of Grand Island: Proposed Blight Area

-  City Limit
-  Proposed Blight
-  Primary Roads



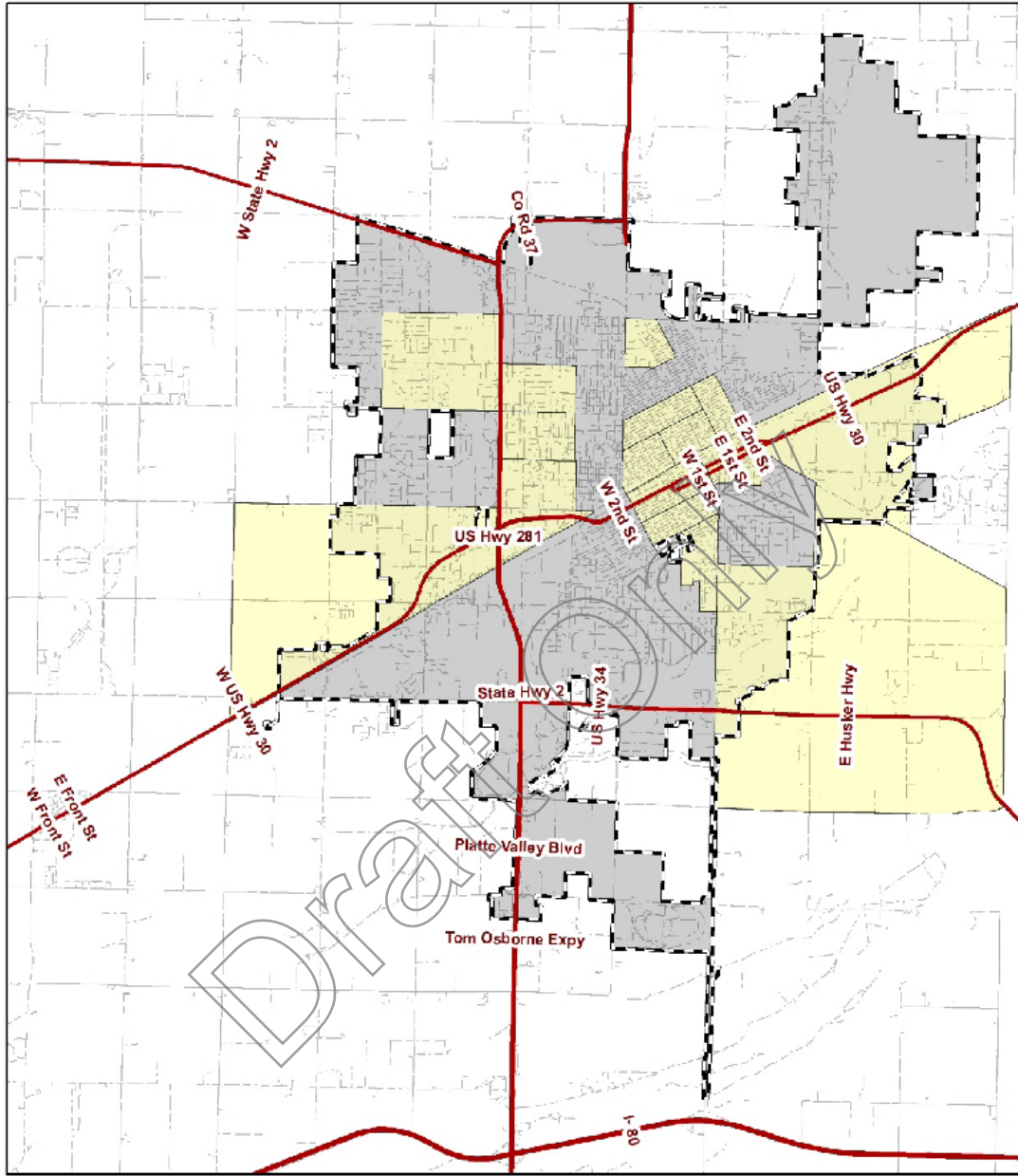


City of Grand Island: Proposed Extreme Blight Areas - Detail




-  City Limit
-  Proposed Blight
-  Primary Roads





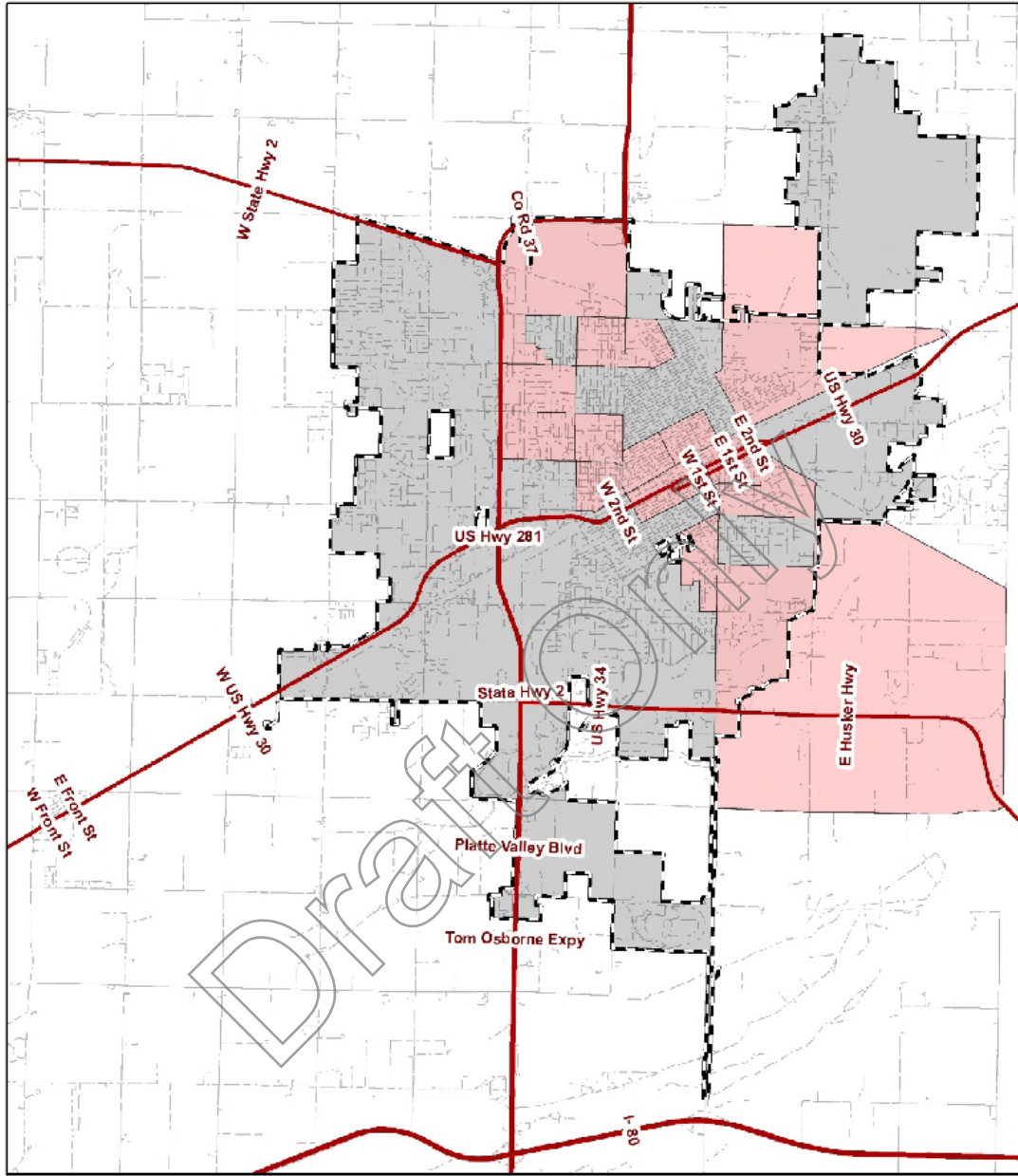


City of Grand Island: Employment Review

-  City Limit
-  Avg Unemployment > NEBR Unemployment Rate Threshold 6.74% (2020 ACS)
-  Primary Roads



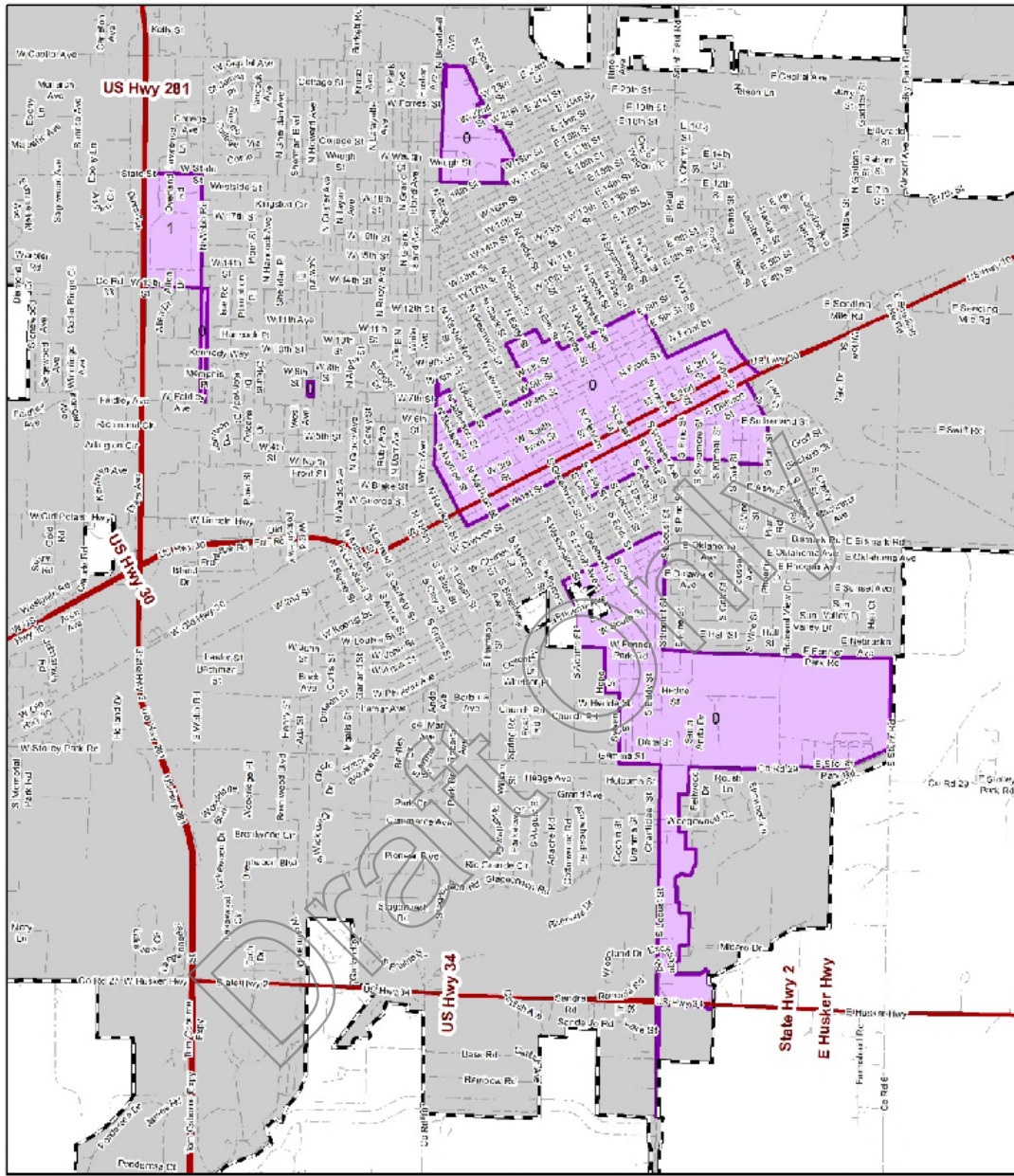




City of Grand Island: Poverty Review

- City Limit
- Avg Poverty >20% (2020 ACS)
- Primary Roads

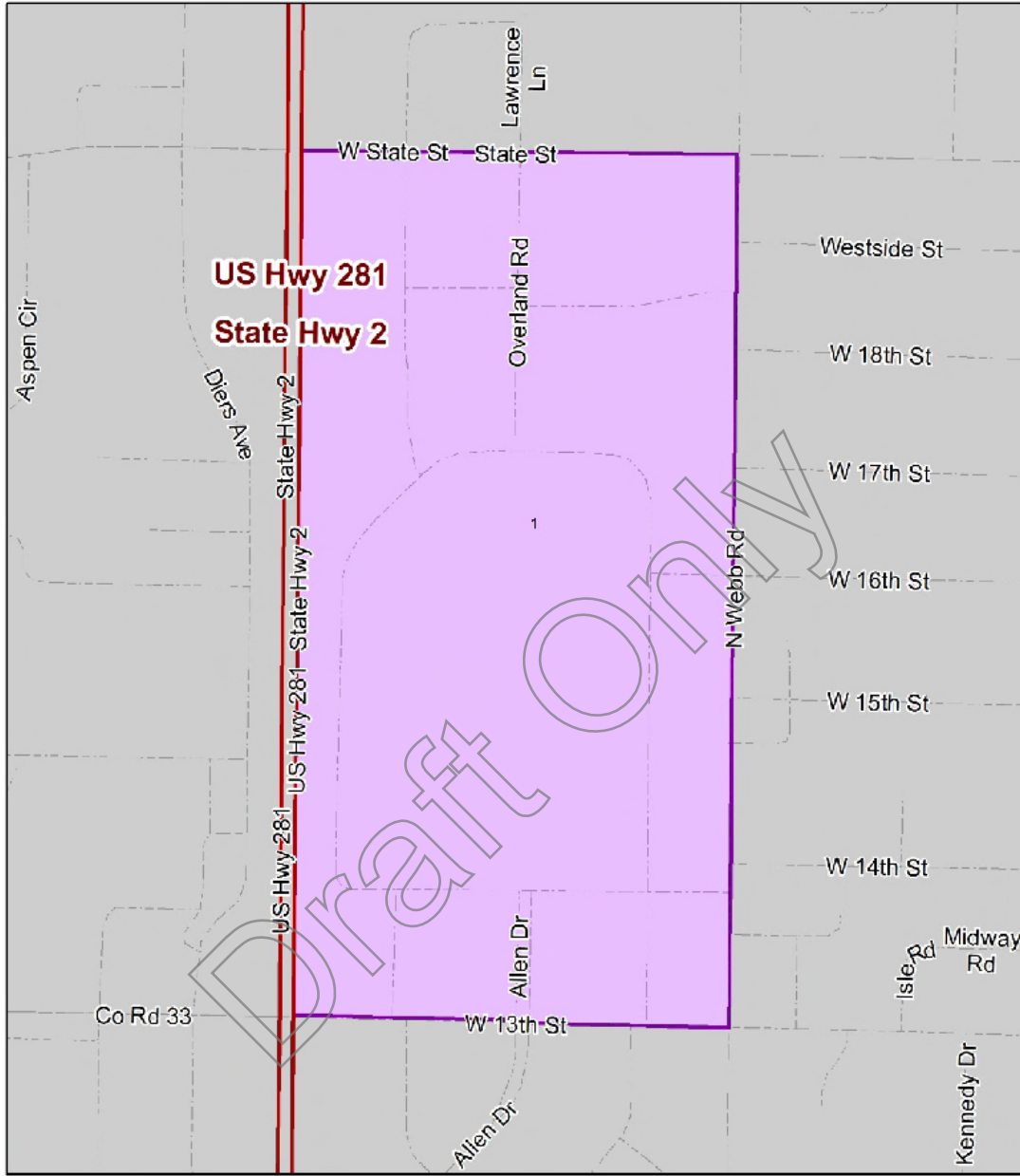




City of Grand Island: Proposed Extreme Blight Areas

- City Limit
- Proposed Extreme Blight Areas
- Primary Roads





City of Grand Island: Proposed Extreme Blight Area

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads



**EXHIBIT E**

**[Enclosed “But For – Analysis”]**

Draft Only

**EXHIBIT E - "BUT FOR" ANALYSIS**

BUDGET SUMMARY	
TOTAL PROPERTY ACQUISITION	\$16,000,000
TOTAL SITE PREPERATION	\$4,450,000
TOTAL UTILITY / SITE WORK	\$8,784,845
TOTAL HARD CONSTRUCTION COSTS	\$180,350,000
PROFESSIONAL SERVICES (ENG./ARCH/CONSULT/LLEGAL/PM/OTHER)	\$3,500,000
COMMISSIONS & MARKETING	\$1,000,000
FINANCINGS COSTS (INTEREST/ORIGINATION/CLOSING)	\$6,000,000
DEVELOPMENT FEE	\$1,500,000
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$221,584,845</b>
<b>LESS DEVELOPMENT COSTS PAID BY OTHERS (6)</b>	<b>\$82,650,000</b>
<b>TOTAL REDEVELOPER COSTS</b>	<b>\$138,934,845</b>

STABILIZED MULTI-FAMILY OPERATING PROFORMA	
	305 UNITS
Expected Gross Income	\$4,440,300
Vacancy	-\$266,418
Operating Expenses	-\$1,776,120
Net Operating Income	\$2,397,762

STABILIZED MALL OPERATING PROFORMA	
	Leasable SF 130,000
Expected Gross Income	\$1,560,000
Vacancy	-\$93,600
Repair & Replacement	-\$325,000
Net Operating Income	\$1,141,400

PAD Site Sales			
Lot	SF	\$ Per SF	Proceeds
Lot 1A	52,272	\$12.00	\$627,264
Lot 1B	87,120	\$12.00	\$1,045,440
Lot 1C	60,984	\$12.00	\$731,808
Lot 1D	117,612	\$12.00	\$1,411,344
Lot 2	39,204	\$12.00	\$470,448
Lot 4	56,628	\$15.00	\$849,420
Lot 5	74,052	\$15.00	\$1,110,780
Lot 6	78,408	\$15.00	\$1,176,120
Lot 7	39,204	\$15.00	\$588,060
Lot 8	60,984	\$15.00	\$914,760
Lot 9	69,696	\$15.00	\$1,045,440
Lot 10	492,228	\$7.53	\$3,706,477
Lot Sale Proceeds Less Anchor Sale			\$9,970,884

CASHFLOW		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Multi-Family Net Operating Income (NOI)	2.00%	\$0	\$599,441	\$2,397,762	\$2,445,717	\$2,494,632	\$2,544,524	\$2,595,415	\$2,647,323	\$2,700,269	\$2,754,275	\$2,809,360
Mall Net Operating Income (NOI)	2.00%	\$0	\$285,350	\$1,141,400	\$1,164,228	\$1,187,513	\$1,211,263	\$1,235,488	\$1,260,198	\$1,285,402	\$1,311,110	\$1,337,332
Pad Site Sales (Anchor Sale Year 1, 33% Lots Sold Thereafter)		\$0	\$3,706,477	\$3,323,296	\$3,323,296	\$3,323,296	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$4,591,267	\$6,862,458	\$6,933,241	\$7,005,440	\$3,755,787	\$3,830,903	\$3,907,521	\$3,985,671	\$4,065,385	\$4,146,692
<b>SOURCES / USES</b>												
<b>Uses</b>												
Total Developer Incurred Initial Development Costs		\$138,934,845										
<b>Total Uses</b>		\$138,934,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Sources</b>												
TIF, EEA, ARPA, Grow Grand Island, CRA Proceeds		\$73,519,829										
Private Capital, Debt, Equity		\$65,415,016										
<b>Total Sources</b>		\$138,934,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Future Sale (Multi-Family)</b>												
Gross Revenue Proceeds (x % Cap Rate)	7.00%											\$40,133,719
Sales Cost	3.50%											-\$1,404,680
<b>Future Sale (Mall)</b>												
Gross Revenue Proceeds (x % Cap Rate)	10.00%											\$13,373,320
Sales Cost	3.50%											-\$468,066
<b>UNLEVERAGED CASH FLOW ANALYSIS (BEFORE DEBT)</b>												
Cashflows with No Private Public Partnership Incentives		\$ (138,934,845)	\$ 4,591,267	\$ 6,862,458	\$ 6,933,241	\$ 7,005,440	\$ 3,755,787	\$ 3,830,903	\$ 3,907,521	\$ 3,985,671	\$ 4,065,385	\$ 51,634,293
Internal Rate of Return (IRR)	-4.61%											
Cashflows with Private Public Partnership Incentives		\$ (65,415,016)	\$ 4,591,267	\$ 6,862,458	\$ 6,933,241	\$ 7,005,440	\$ 3,755,787	\$ 3,830,903	\$ 3,907,521	\$ 3,985,671	\$ 4,065,385	\$ 51,634,293
Internal Rate of Return (IRR)	5.58%											
<b>Notes:</b>												
(1) NOI is projected to Increase 2.0% annually after stabilization	(3) Multi-Family & Mall Sale Assumed Year 10	(5) Pad Sales Assumed 33% Years 2, 3, 4										
(2) Sale Cap Rate is Gross of Selling Expenses	(4) Anchor Pad Sale Assumed Year 1	(6) Development Costs Paid By Others Include: Anchor Store, Hotel, Lots 1A, 1B, 1D, 2 - 9 Building Construction Costs										





COMMUNITY REDEVELOPMENT AUTHORITY

October 28, 2022

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 redevelopment of the Conestoga Mall property that includes new and remodeled commercial development as well as up 304 residential units at this time planned as one and two bedroom apartments.

The application seeks a 20 year TIF note if the area is declared extremely blighted by Council and a total of \$26,257,000 in TIF assistance for all phases of the development. It is estimated that this development will take place over the two to three years. Their plan is to develop the residential concurrent with redevelopment of the existing mall.

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

- CRA receives initial application, 4 p.m., November 9.
- Regional Planning Commission holds public hearing 5:30 p.m., November 14.
- CRA reviews Planning Commission recommendation, TBD November 16.
- Grand Island City Council holds public hearing and takes action, 7 p.m., November 22.
- CRA considers redevelopment contract, 4 p.m. on or after November 27.

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, AICP  
Director

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

**RESOLUTION NO. 414**

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED  
REDEVELOPMENT PLAN 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 9<sup>th</sup> day of November, 2022

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

By   
Chairperson

ATTEST:

  
Secretary

Woodsonia Hwy 281 LLC-Conestoga Mall-Area 18

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

**RESOLUTION NO. 415**

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 28, from Woodsonia Hwy 281 LLC, (The "Developer") for redevelopment located on Lots 1, 4 and 5 of Conestoga Mall Eighth Subdivision, an area within the city limits of the City of Grand Island, as set forth in Exhibit 1 attached hereto; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within Redevelopment Area 1;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**Section 1.** In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, after approval of the redevelopment plan amendment related to the redevelopment project, 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 9<sup>th</sup> day of November, 2022.

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

By   
Chairperson

ATTEST:

  
Secretary

Woodsonia Hwy. 281, LLC-Conestoga Mall-Area 28

**Exhibit 1**

**Draft Redevelopment Plan Forwarded to the Planning Commission**

Draft Only

Woodsonia Hwy. 281, LLC-Conestoga Mall-Area 28

**Resolution Number 2023-05**

**HALL COUNTY REGIONAL PLANNING COMMISSION**

**A RESOLUTION RECOMMENDING APPROVAL OF AN AMENDMENT TO A REDEVELOPMENT PLAN IN THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS**

**WHEREAS**, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "**Authority**"), referred the amendment of the Redevelopment Plan for CRA Area 28 requested by Woodsonia Hwy. 281, LLC to the Hall County Regional Planning Commission, (the "**Commission**") for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "**Act**"); and

**WHEREAS**, the Commission held a public hearing on the proposed plan on November 14, 2022, and

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

**WHEREAS**, the Commission advertised the time, date and location public hearing in the Grand Island Independent on Wednesday October and 24<sup>th</sup>, and

**WHEREAS**, there are no Neighborhood Associations registered with the City of Grand Island, and

**WHEREAS**, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

**NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:**

**Section 1.** The Commission hereby recommends approval of the Redevelopment Plan finding that it is in conformance with the comprehensive development plan (general plan for development) for the City of Grand Island.

**Section 2.** All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

**Section 3.** This resolution shall be in full force and effect from and after its passage as provided by law.

**DATED:** November 14, 2022

**HALL COUNTY REGIONAL PLANNING COMMISSION**

ATTEST:

By:   
Chair

By:   
Secretary

Secretary