



Community Redevelopment Authority (CRA)

Wednesday, November 16, 2022 Regular Meeting Packet

Board Members:

Tom Gdowski - Chairman

Jim Truell - Vice Chairman

Sue Pirnie

Bart Qualsett

Krae Dutoit

4:00 PM

Call to Order

Roll Call

A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

B - RESERVE TIME TO SPEAK ON AGENDA ITEMS

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.

DIRECTOR COMMUNICATION

This is an opportunity for the Director to comment on current events, activities, and issues of interest to the commission.



Community Redevelopment Authority (CRA)

Wednesday, November 16, 2022
Regular Meeting

Item A1

Agenda - November 16, 2022 Meeting

Staff Contact:



THE REGIONAL PLANNING COMMISSION of Hall County, Grand Island, Wood River and the Villages of Alda, Cairo and Doniphan, Nebraska

AGENDA AND NOTICE OF MEETING

Monday, November 14, 2022

5:30 p.m.

City Hall Council Chambers — Grand Island

1. **Call to Order** - This is a public meeting subject to the open meetings laws of the State of Nebraska. The requirements for an open meeting are posted on the wall in this room and anyone who would like to find out what those are is welcome to read through them. The Planning Commission may vote to go into Closed Session on any Agenda Item as allowed by State Law.

The Commission will discuss and may take action on any item listed on this agenda.

The order of items on the agenda may be reorganized by the Chair to facilitate the flow of the meeting to better accommodate the public.

2. **Minutes of the November 2, 2022.**

3. **Request Time to Speak.**

4. **Public Hearing – Comprehensive Plan Amendment-Grand Island.** Public Hearing Concerning an amendment to the future land use element of the Grand Island Comprehensive Plan for property between Webb and U.S. Highway 281 north of 13th Street Grand Island, Hall County, Nebraska. (C-07-23GI)

5. **Public Hearing – Redevelopment Plan – Grand Island.** Public Hearing Concerning a redevelopment plan amendment for CRA Area No. 28 to allow for commercial and residential redevelopment of the Conestoga Mall Property located at 3404 W. 13th Street Grand Island, Hall County, Nebraska. Resolution 2023-05 (C-08-23GI)

6. **Public Hearing – Proposed Rezoning – Rezoning-Grand Island** Public Hearing regarding the rezoning of Lots 1, 4 and 5 of Conestoga Eighth Subdivision, Grand Island Hall County, Nebraska. This property is located north of 13th Street between Webb Road and U.S. Highway 281 and is the Conestoga Mall at 3404 W. 13th Street in the City of Grand Island. The request would rezone property from CD Commercial Development Zone to amended CD Commercial Development Zone and RD Residential Development Zone. (C-09-23GI)

- a. **Preliminary and Final Plat – Conestoga Mall Ninth Subdivision-** Grand Island - Located at 3404 W 13th Street between Webb Road and U.S.

Highwy 281 north of 13th Street in the City of Grand Island. (Preliminary Plat 15 lots, 2 Outlots 50.433 acres, Final Plat 14 lots, 1 Outlots 50.433 acres). This property is under consideration for rezoning to CD Commercial Development Zone and RD Residential Development Zone.

7. Directors Report

8. Next Meeting December 7, 2022.

9. Adjourn.

PLEASE NOTE: This meeting is open to the public, and a current agenda is on file at the office of the Regional Planning Commission, located on the second floor of City Hall in Grand Island, Nebraska.

COMMUNITY REDEVELOPMENT AUTHORITY
AGENDA MEMORANDUM
4 p.m. Wednesday, November 16, 2022

2. APPROVAL OF MINUTES. The minutes of the Community Redevelopment Authority meeting November 9, 2022 are submitted for approval. A MOTION is in order.

3. REDEVELOPMENT PLAN CRA AREA 28- WOODSONIA HWY. 281, LLC CONESTOGA MALL

Concerning a redevelopment plan for CRA Area No. 28 for redevelopment of the Conestoga Mall to include multifamily residential, outlots for restaurants and/or strip retail, a hotel and refacing and redeveloping the existing mall with a new anchor at the south end. This area qualifies as extremely blighted and council has declared the area extremely blight so the term of the TIF contract and bond can be extended to 20 years. The plan requests \$26,257,000 in tax increment financing along with associated interest on the TIF bonds. The developer is also requesting that this area be declared an enhanced employment area subject to a 1.5% occupation tax. This has been incorporated into the plan and it is anticipated that a bond in the amount of \$36,763,000 will be issued in conjunction with the redevelopment contract. The CRA may forward the plan to the Grand Island City Council for approval. A MOTION to approve Resolution 416 (forward to the Grand Island City Council) is in order.

4. DIRECTOR'S REPORT.

5. ADJOURNMENT

Chad Nabity
Director



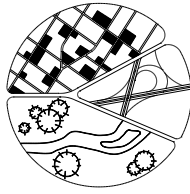
Community Redevelopment Authority (CRA)

**Wednesday, November 16, 2022
Regular Meeting**

Item B1

Meeting Minutes - November 9, 2022 Minutes

Staff Contact:



THE REGIONAL PLANNING COMMISSION OF HALL COUNTY, GRAND ISLAND,
WOOD RIVER AND THE VILLAGES OF ALDA, CAIRO, AND DONIPHAN,
NEBRASKA

Minutes
for
November 2, 2022

The meeting of the Regional Planning Commission was held Wednesday, November 2, 2022 at City Hall – Grand Island, Nebraska. Notice of this meeting appeared in the “Grand Island Independent” on October 22, 2022.

Present: Leslie Ruge	Nick Olson	Robin Hendricksen
Pat O’Neill	Leonard Rainforth	
Hector Rubio	Darrel Nelson	
Jaye Monter	Tyler Doane	

Absent: Judd Allan, Tony Randone and Greg Robb

Other:

Staff: Chad Nabity and Norma Hernandez

Press: Brandon Summers

1. Call to order.

Chairman O’Neill called the meeting to order at 6:00 p.m.

O’Neill stated that this was a public meeting subject to the open meetings laws of the State of Nebraska. He noted that the requirements for an open meeting are posted on the wall in the room and easily accessible to anyone who may be interested in reading them.

O’Neill also noted the Planning Commission may vote to go into Closed Session on any agenda item as allowed by State Law.

The Commission will discuss and may take action on any item listed on this agenda.

The order of items on the agenda may be reorganized by the Chair to facilitate the flow of the meeting to better accommodate the public.

2. Minutes of the October 5, 2022 meeting.

A motion was made by Nelson and second by Ruge to approve the minutes of the October 5, 2022 meeting.

The motion carried with eight members voting in favor (Nelson, O'Neill, Ruge, Olson, Monter, Rainforth, Rubio and Hendricksen) and one member abstaining (Doane), no members voting no (Allan, Robb and Randone were absent).

3. Request Time to Speak.

Geoff McGregor – 11750 Stonegate Circle, Omaha, NE – Item # 5

Nabity introduced the Boy Scouts Troop 14 and Troop 114 from Grand Island.

4. Presentation of 2022 Community Beautification Award

Nabity presented the 2022 Community Beautification Award to GTA. Krae Dutoit accepted the award.

5. Public Hearing – Proposed Rezoning – Grand Island. Public Hearing regarding the rezoning located at 4060 Stauss Road including West End Subdivision Lots 1-14 Inclusive and adjoining right of way to the center of the dedicated streets from LLR Large Lot Residential to B2 General Business Zone Resolution 2023-01 (C-06-23GI)

O'Neill opened the public hearing.

Nabity stated the purpose of the rezoning request is to extend the self storage buildings from the east and remove the existing house. The owner of the property has purchased the property to west and would like to expand the storage units. The rezoning is consistent with the City's Comprehensive Land Use Plan and staff is recommending approval.

Mr. McGregor – Mr. McGregor is the owner of the property explained the long term plan is to expand the existing facility on the current parcel.

O'Neill closed the public hearing.

A motion was made by Hendricksen and second by Ruge to approve the proposed rezoning at 4060 Stauss Road.

The motion was carried with nine members voting in favor (Nelson, O'Neill, Ruge, Olson, Monter, Rainforth, Rubio, Hendricksen and Doane) and no members abstaining or voting no (Allan, Robb and Randone were absent).

Consent Agenda

- 6. Final Plat – RNS Engle Subdivision** – Hall County – Located south of Gunther Road and west of 90th Road in Hall County. (1 Lot, 1.257 Acres)
- 7. Preliminary and Final Plat Central Community College Second Subdivision – Grand Island** – Located at the north of Husker Highway and east of U.S. Highway 281 – (7 Lots, 29.26 Acres)

A motion was made by Ruge and second by Rubio to approve all items on the consent agenda.

The motion was carried with nine members voting in favor (Nelson, O’Neill, Ruge, Olson, Monter, Rainforth, Rubio, Hendricksen and Randone)

8. Comprehensive Plans

1. Approval of Contract of Doniphan Comprehensive Plan

A motion was made by Rainforth and second by Olson to approve the Doniphan Comprehensive Plan Contract.

The motion was carried with nine members voting in favor (Nelson, O’Neill, Ruge, Olson, Monter, Rainforth, Rubio, Hendricksen and Randone) (Allan, Robb and Randone were absent)

2. Approval of Contract of Alda Comprehensive Plan

A motion was made by Nelson and second by Hendricksen to approve the Alda Comprehensive Plan Contract.

The motion was carried with nine members voting in favor (Nelson, O’Neill, Ruge, Olson, Monter, Rainforth, Rubio, Hendricksen and Randone) (Allan, Robb and Randone were absent)

3. Payment of Claims

A motion was made by Monter and second by Rainforth to approve the payment of claims.

The motion was carried with nine members voting in favor (Nelson, O’Neill, Ruge, Olson, Monter, Rainforth, Rubio, Hendricksen and Randone). (Allan, Robb and Randone were

absent)

4. Updates on Comp Plan Process

Comp Plan Survey Cards – Everyone should take them and pass them out to people. The codes on the cards link to the survey, mapping and mindmixer. We do have a change order for \$350 to pay for gift cards Marvin Planning will be purchasing to incentivize participation in the surveys.

Consultants were in GI last week. Open House meetings held at Walnut, Barr and Westridge.

9. Directors Report

10. Next Meeting November 14, 2022 at 5:30 p.m.

11. Adjourn.

O'Neill adjourned the meeting at 6:30 p.m.

Leslie Ruge, Secretary
By Norma Hernandez



Community Redevelopment Authority (CRA)

Wednesday, November 16, 2022
Regular Meeting

Item I1

**Redevelopment Plan for CRA Area 28 - Fore redevelopment of
Conestoga Mall Property at 3404 W. 13th**

Staff Contact:

**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 16th day of November, 2022.

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

ATTEST:

By: _____
Chair

By: _____
Secretary

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.

EXHIBIT B

FORM OF REDEVELOPMENT PLAN

**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 13th 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:



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 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– Year 1 funding contribution of \$1,000,000
- City of Grand Island Funding Contribution – Year 1 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:

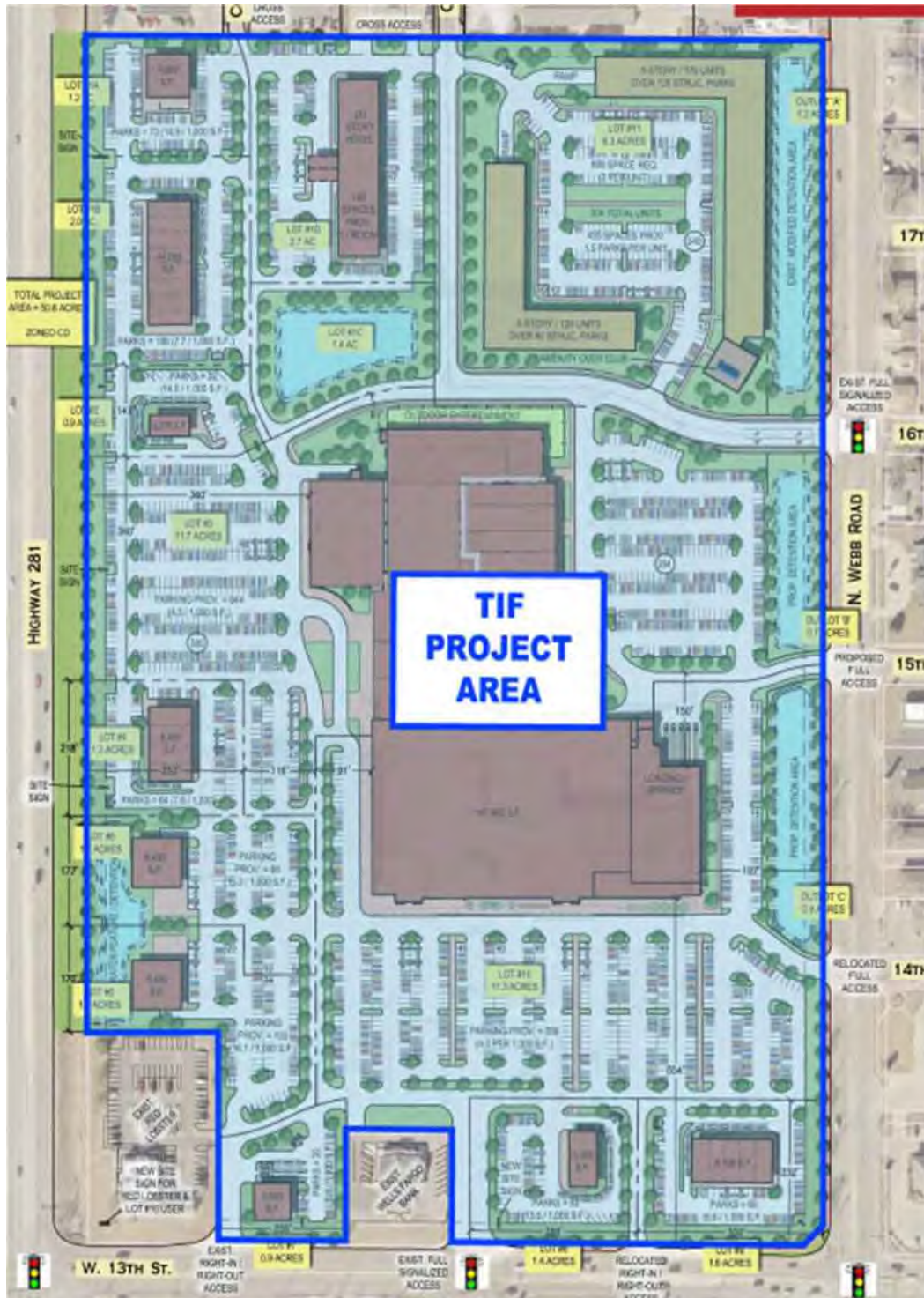
The Redevelopment Project site shall be limited to the following geographic area (“**Project Site**”):

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



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”

- [illegible]

12

Redevelopment Project Area:

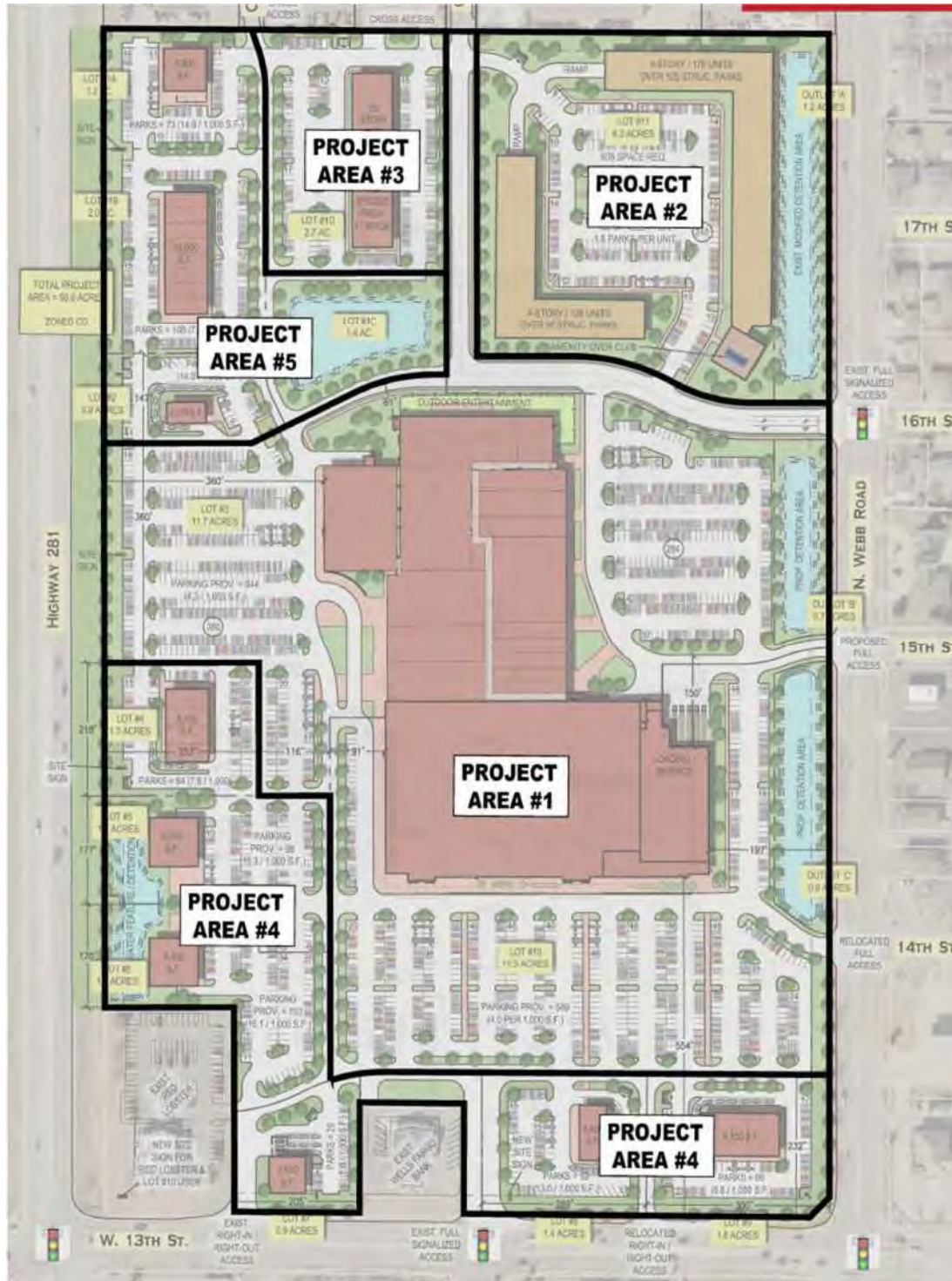
The “Redevelopment Project Area” is the area where it is proposed that the Redevelopment Project’s public improvements and enhancements will be implemented:



“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.

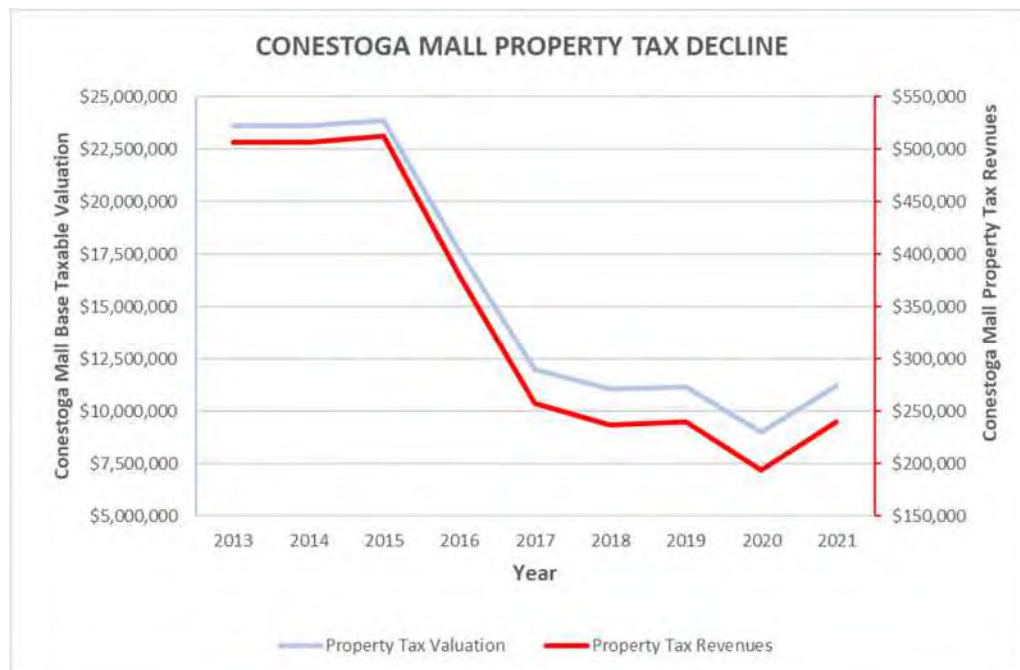
8. Time Frame for Development

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
Total Net New Sales	\$61,425,357	\$81,668,174
% of Total	42.00%	51.00%

*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

REDEVELOPMENT PROJECT BUDGET - CONESTOGA MARKETPLACE							
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
TOTALS:	\$221,584,845	\$148,065,016	\$26,257,076	\$36,762,753	\$4,000,000	\$1,000,000	\$5,500,000

EXHIBIT B

City Benefit

CONESTOGA REDEVELOPMENT - CITY BENEFIT - 30 YEARS (Assumes 1.50% Growth Rate)			
Category	Annual Revenue	Project Duration (Years)	Total
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
TOTAL			\$155,250,877

GRAND ISLAND CITY SALES TAX REVENUES (2.00% SALES TAX)			
Site	Use	Annual Sales	City Sales Tax Revenues
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
TOTAL ANNUAL		\$153,056,250	\$3,061,125

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

EXHIBIT B [CONTINUED]

GRAND ISLAND FOOD AND BEVERAGE RETAILERS OCCUPATION TAX (1.50% TAX)			
Site	Use	New Annual Sales	New City Sales Tax Revenues
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
TOTAL ANNUAL		\$16,835,000	\$252,525

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

*Assumes 50% Project Material Purchased In Grand Island

EXHIBIT C

[Enclosed Market Retail Study – Canyon Research]

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].

EXHIBIT E

[Enclosed “But For – Analysis”]



Prepared For:
Woodsonia Hwy 281, LLC

RETAIL SALES IMPACT ANALYSIS Conestoga Mall Redevelopment Grand Island, Nebraska

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

CANYON RESEARCH SOUTHWEST, INC.

COMMERCIAL REAL ESTATE RESEARCH AND ANALYSIS

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

October 2022

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

CANYON RESEARCH SOUTHWEST, INC.

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 13th 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 13th 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
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
Total Out-of-Town Sales	\$61,425,357	\$81,668,174
% of Total	42.0%	51.0%

Notes: *Excludes hotel sales.

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

October 2022

INTRODUCTION

Study Objective and Organization

Plans call for redevelopment of Conestoga Mall located at 13th 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 13th 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	
Totals	49.5		366,938	304	150



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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.

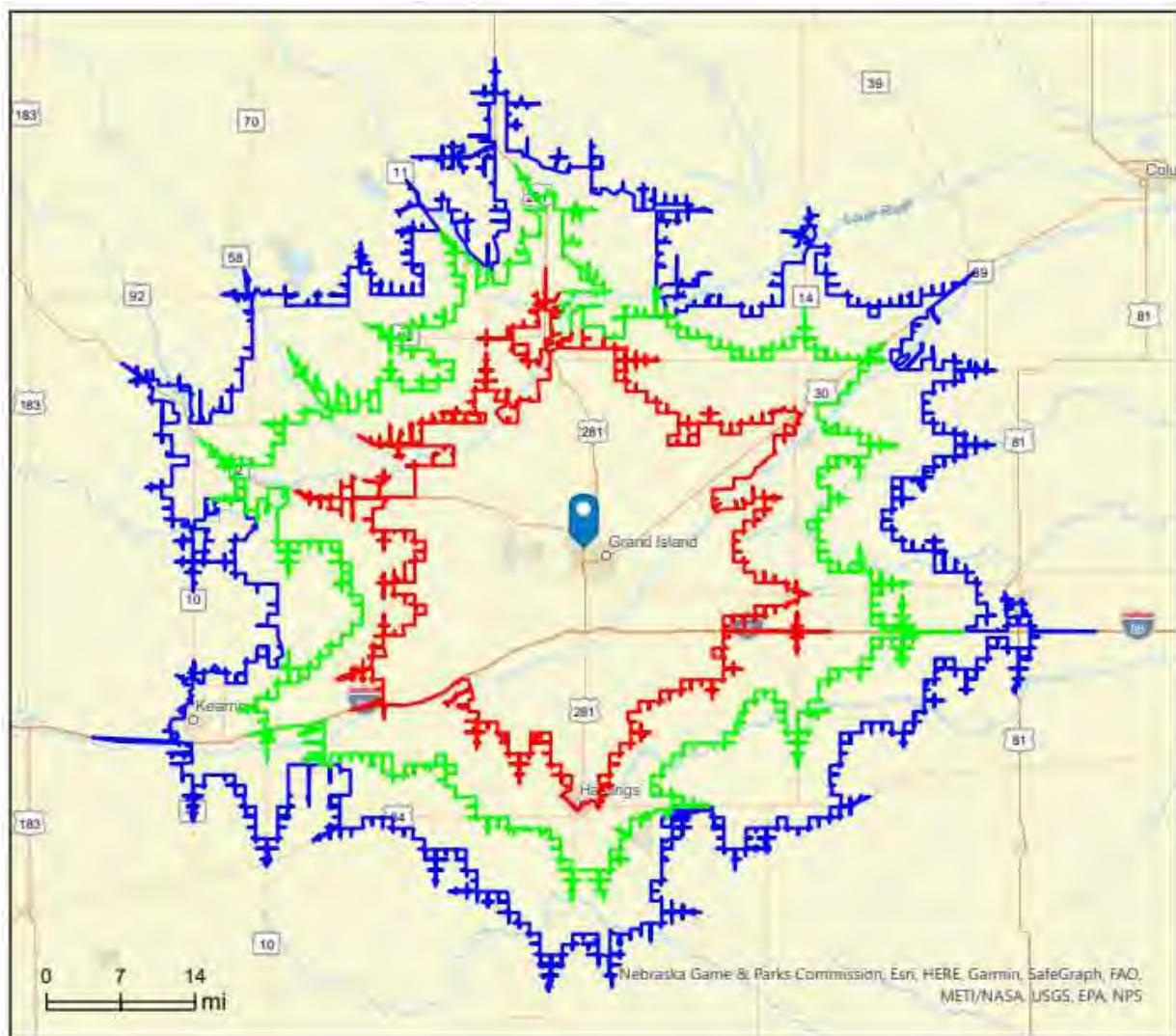
Target, for example, operates 14 stores in Nebraska, including six in Omaha and three in Lincoln. The closest Target stores to Grand Island is in Kearney, Nebraska 43 miles to the west along Interstate 80. The closest Target store to the east is in Lincoln, 99 miles from Grand Island. For further comparison, 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	Primary	Trade Area Secondary	Tertiary	Total Population
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 Average
	Primary	Secondary	Tertiary	
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%
Totals	100.0%	100.0%	100.0%	100.0%
Median Household Income	\$61,903	\$61,823	\$62,511	\$63,015

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 primary 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.

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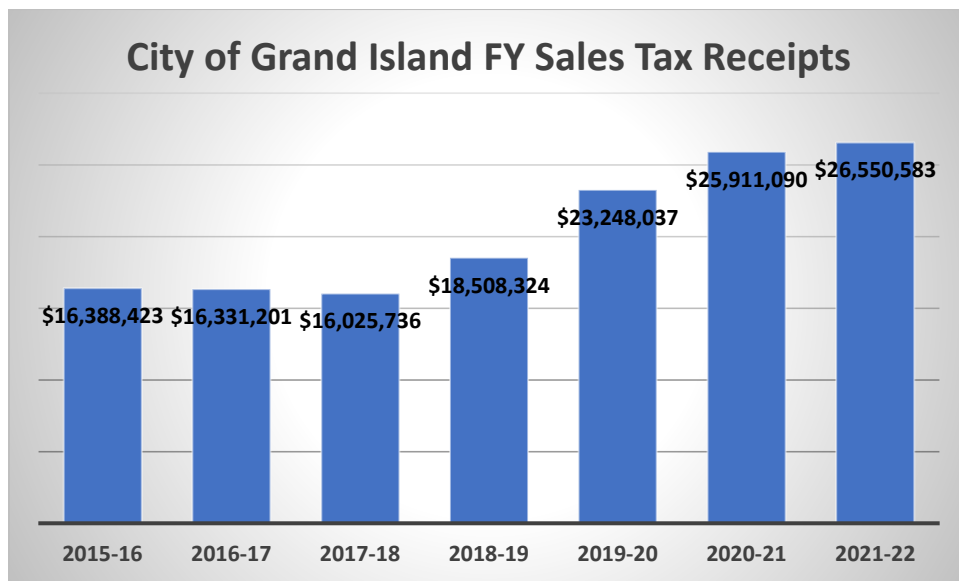
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RETAIL MARKET ANALYSIS

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

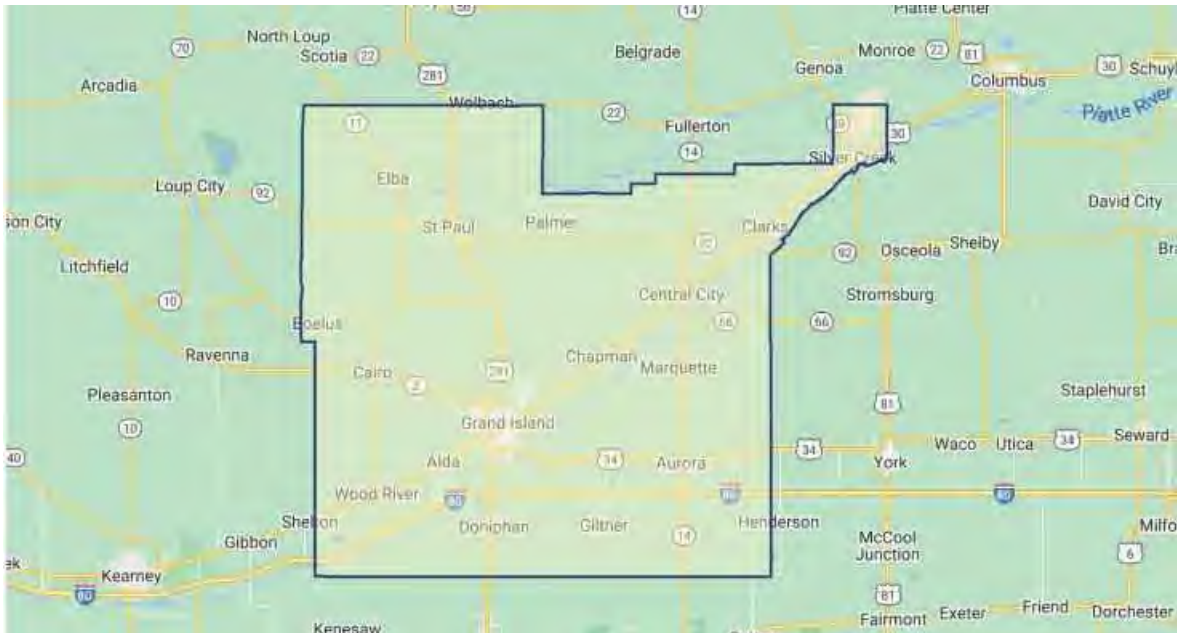
The City of Grand Island provided actual sales tax receipts for fiscal years 2015-2016 through 2021-2022. The bar chart below provides an illustration of historical fiscal year trends in the City's sales tax receipts.



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.

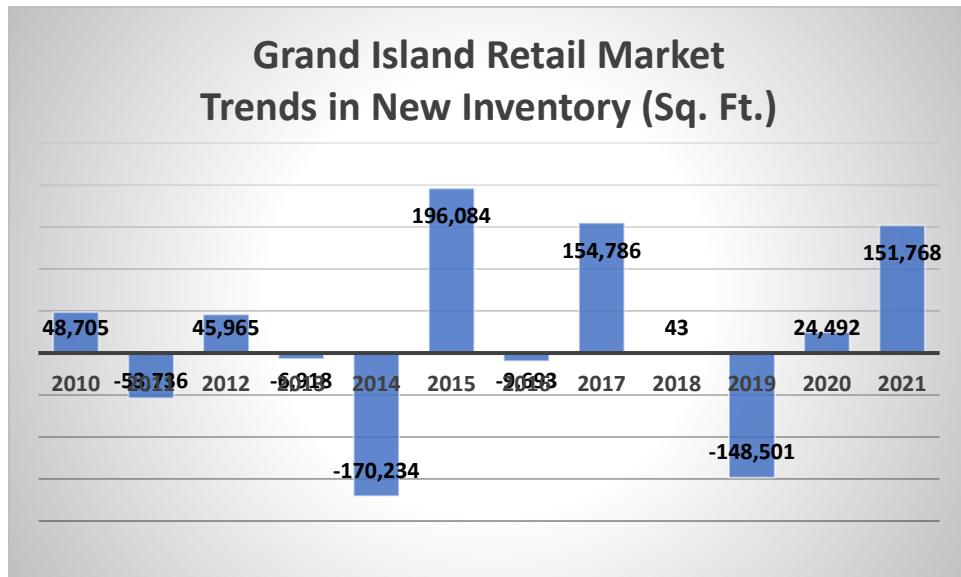
Grand Island, Nebraska Market Retail Market Conditions; 2022 Q3

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
Totals	5,150,229	5.5%	\$11.10	-2,471	0

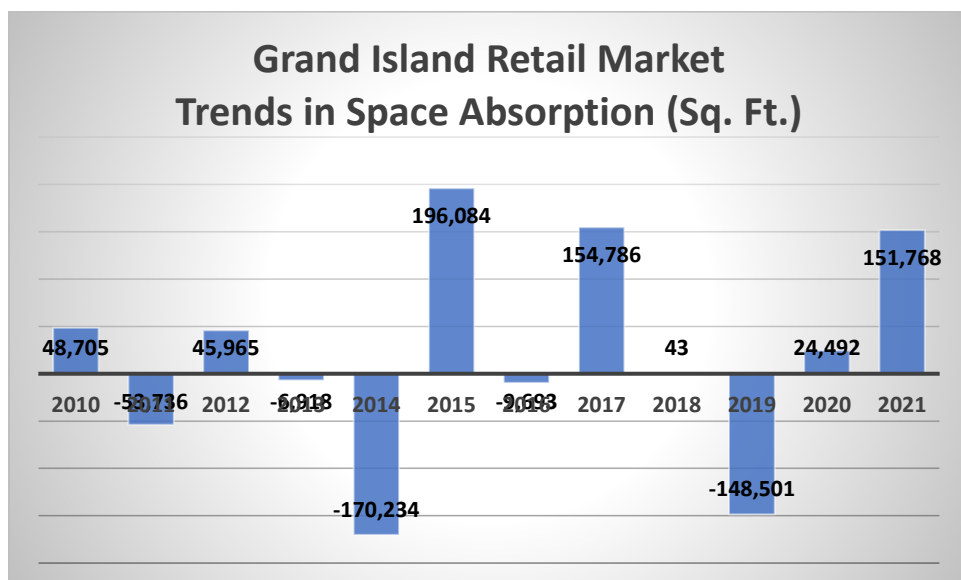
Source: CoStar.

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

Retail Category	Primary	Secondary	Total Sales
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
Total Retail Expenditures	\$867,232,677	\$266,319,438	\$1,133,552,115

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 13th 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 13th 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 13th 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	
Totals		366,938	150

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
Totals		366,938			\$150,877,225	\$165,115,925

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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
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
Total Out-of-Town Sales	\$61,425,357	\$81,668,174
% of Total	42.0%	51.0%

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

EXHIBIT A

Canyon Research Southwest, Inc., Client Roster

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

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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)

EXHIBIT B

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

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.

Iliff, Thorn & Company

Marketing Assistant (January 1982 to December 1983)

Joined Iliff, 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



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



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 Acquistitions, 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 plotted 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.

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 13th Street; thence, westerly along the centerline of West 13th 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%
Total Area	78.45		100.0%

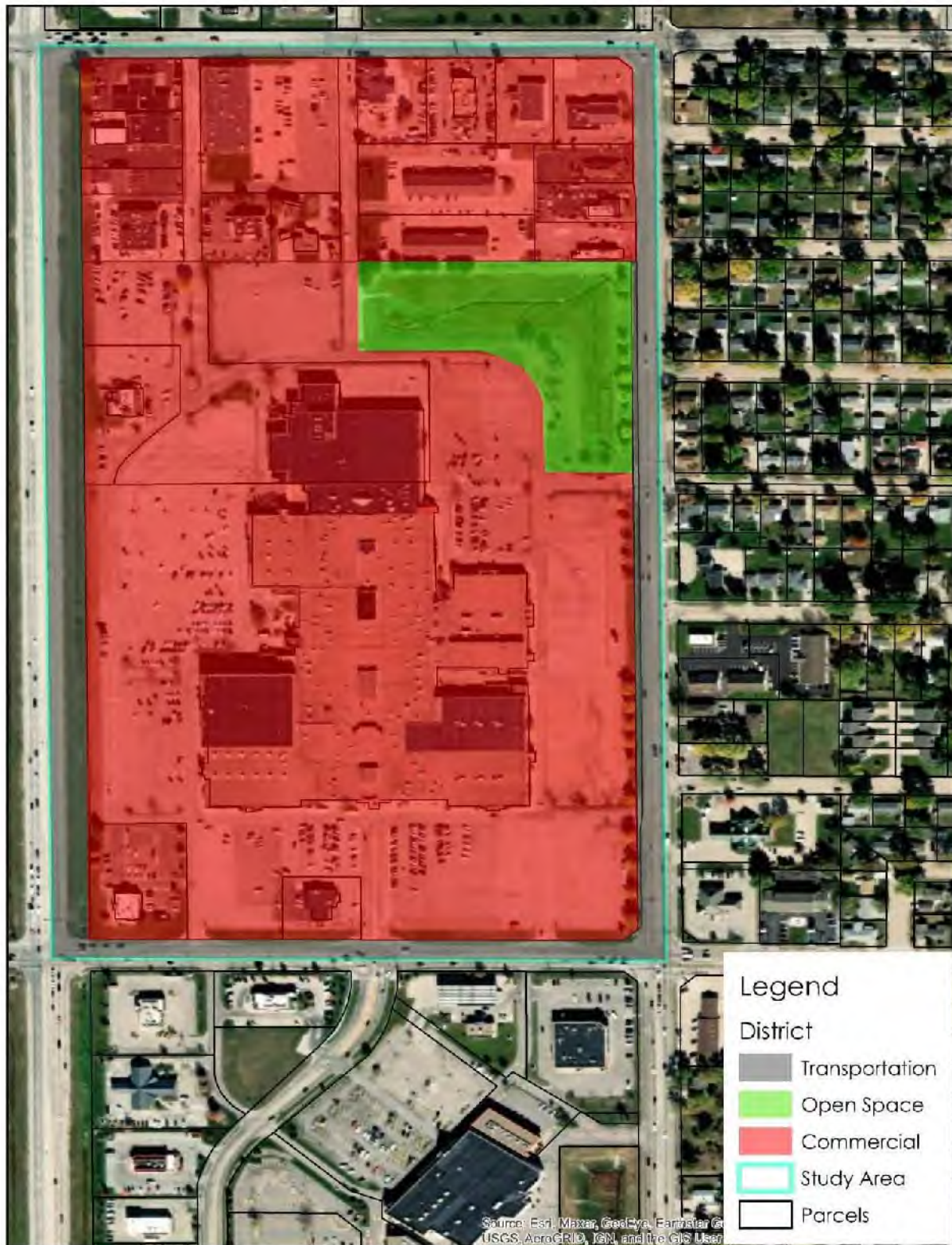
Source: Marvin Planning Consultants 2022

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.

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

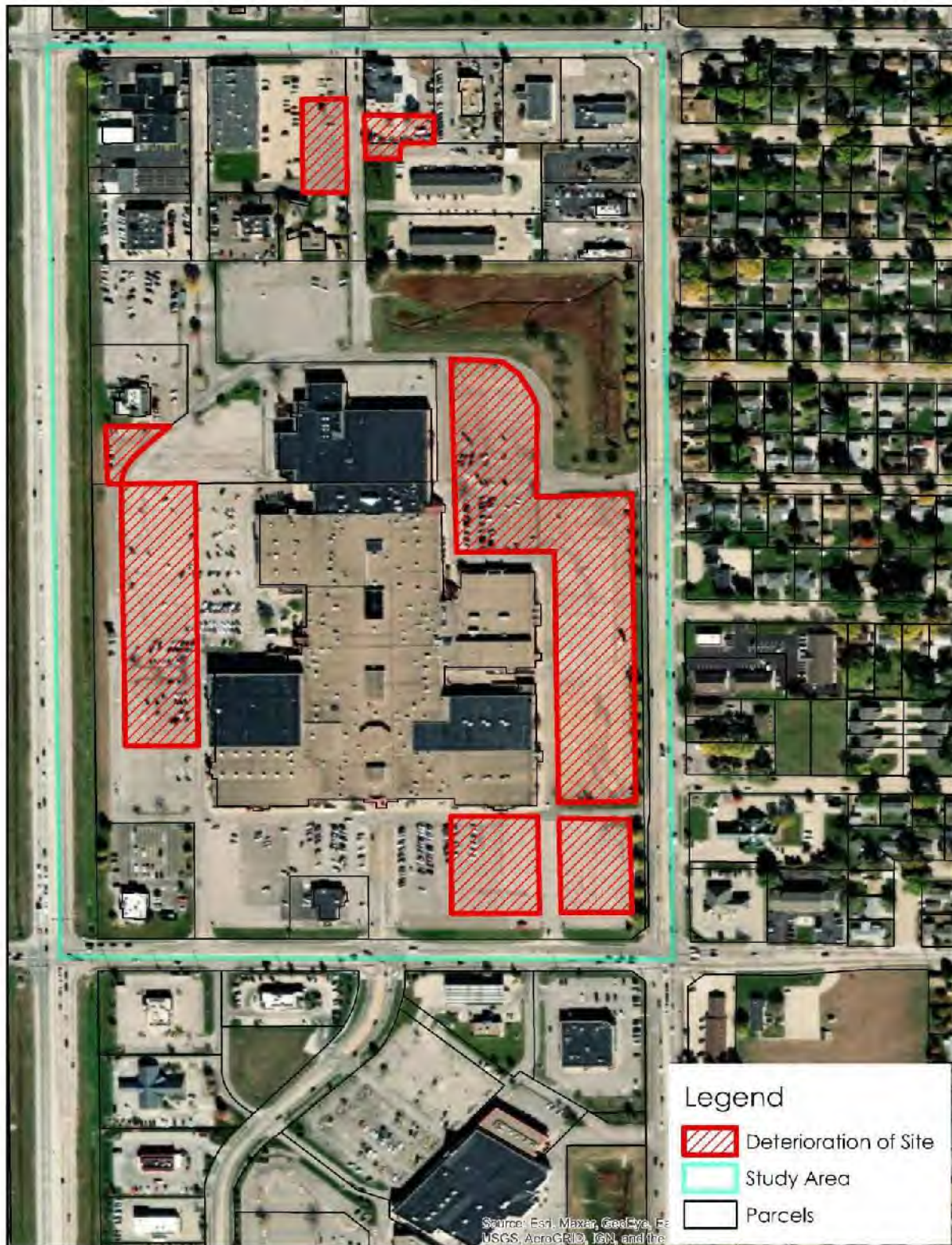
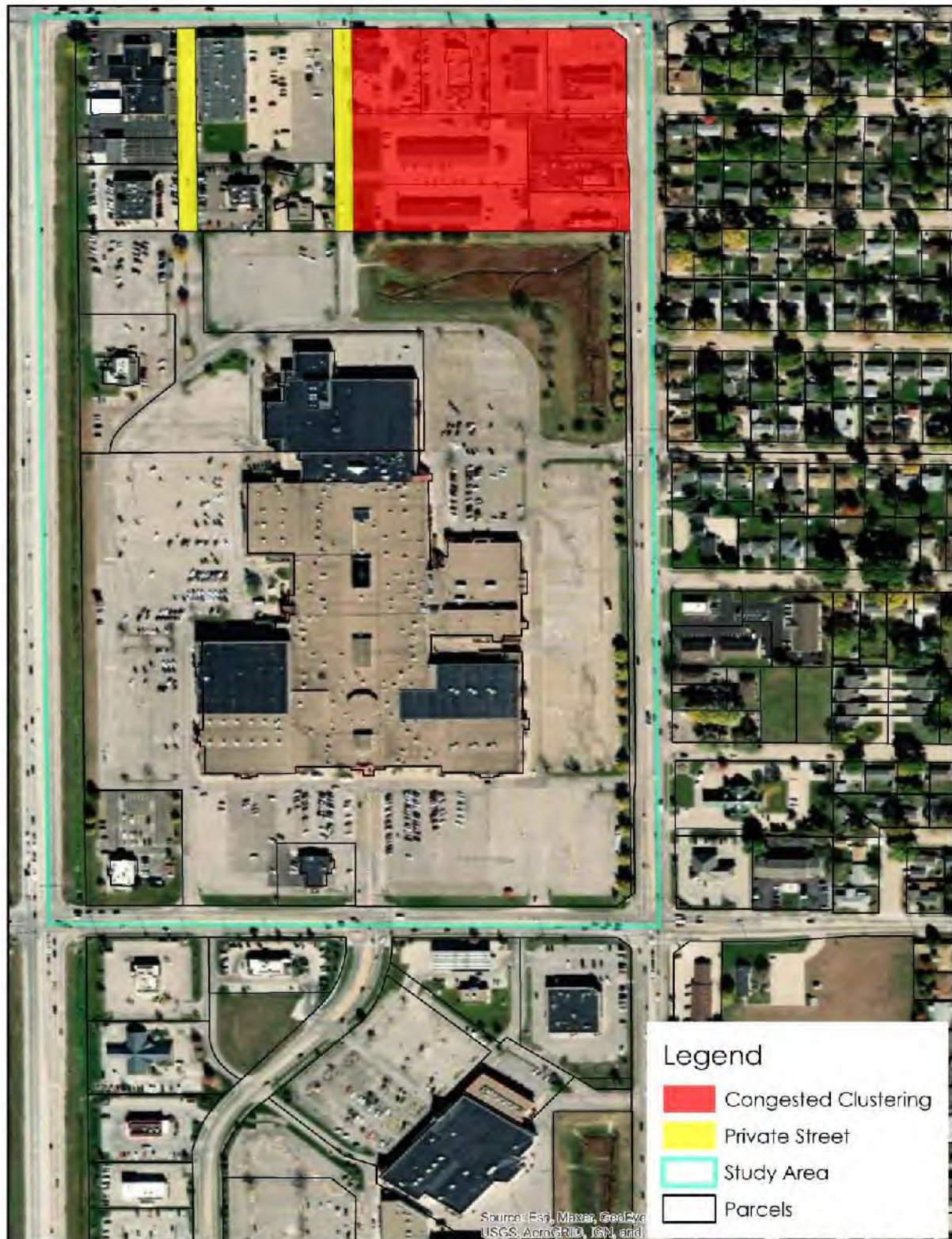


Figure 5
Improper Platting



Retail Markets of the 21st Century

Retail in the 21st Century has been evolving rapidly. The evolution led by consumers wanting more than the 1960 to 1970 malls with their shopping experience has been a big factor; however, the rise of e-commerce and Amazon has also been a major contributing factor to the retail revolution.

With the retail revolution of the 21st Century, several mainstream retailers have had trouble competing. The major tenants of Sears, Yonkers, and JC Penneys have all vacated their spaces at the Conestoga Mall. Yonkers left in 2015, while the other two left shortly after. Sears filed for Chapter 11 bankruptcy protection, and closed February 2019. All three tenants left behind empty boxes, merchandise, and storage equipment in the spaces. A lack of major retailers located at Conestoga Mall impairs and arrests sound growth of this facility in the future.

The buildup of the mall area

Looking at the Conestoga Mall on aerials, the mall is located on the southernmost location of the land. North of the primary mall was eventual built-out with smaller strip centers. These strip centers to the north impair the future expansion of the primary mall. Also, the location of the primary mall and strip centers creates an issue with expanding parking on the mall property. These factors do impair and arrest sound growth of the study area.



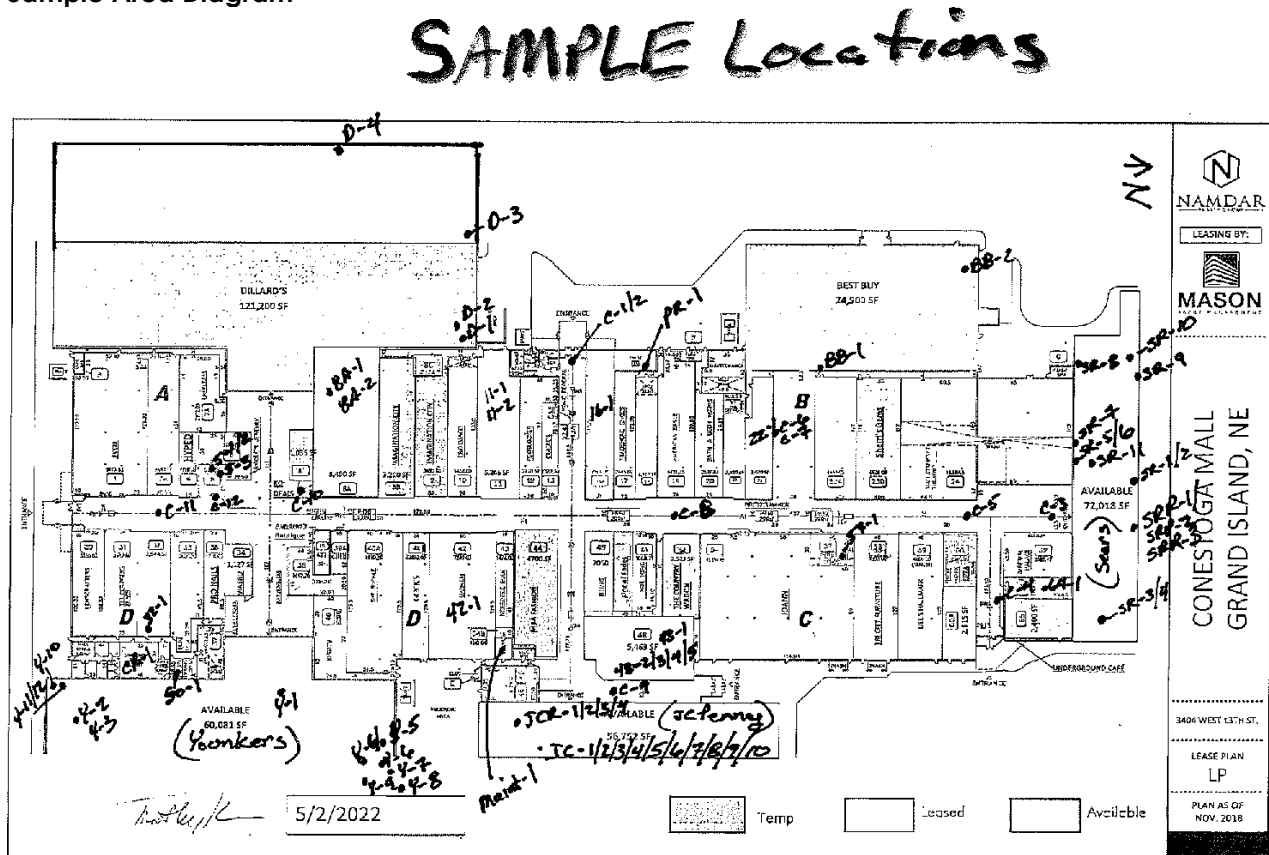
Defective/Inadequate Street Layouts

Under normal blight evaluation, this criteria would apply to public streets. However, in the case of this study area, it applies to the internal traffic circulation of the mall property and the adjoining strip centers to the north. Figure 8 indicates the primary and secondary circulation loops. The Figure also indicates potential concerns with the layouts on the site. There are enough circulation concerns on-site to make Defective/Inadequate Street Layouts a contributing factor to declaring the area as Blighted.

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.

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- Sample 8B-1 – Black Mastic contains 4% chrysotile asbestos.
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- 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 21st 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

HEARTLAND TESTING & CONSULTING, LLC

LIMITED NESHAP ASBESTOS SAMPLING REPORT

**Conestoga Mall
3404 W 13th Street
Grand Island, Nebraska**

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

August 5, 2022

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LIMITED NESHAP ASBESTOS SAMPLING REPORT

Date of Report: August 5, 2022

Project Name: Limited NESHAP Asbestos Inspection

Site Characterization: Conestoga Mall
3408 W 13th Street
Grand Island, NE 68803

Inspection Date: July 11th, July 12th, July 14th, 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
VFT & Black Mastic (Under SR-1)	Sears	60,000 sf.	Mastic – 5% Chrysotile	No	SR-2
12"x12" Gray Mottled VFT w/ Yellow Mastic	Sears	-	ND	No	SR-3
VFT (Under SR-3) & Black Mastics	Sears	SR-2	Mastic – 5% Chrysotile	No	SR-4
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
12"x12" Tan Mottled VFT & Black Mastic	Sears	SR-2	Mastic – 5% Chrysotile	No	SR-8
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
Drywall & Joint Compound	Original Structure	Walls & Ceilings	Joint Compound – 0.5%	No	C-2
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
Ceiling Texture	Original Corridor	13,000 sf.	10% Chrysotile	No	C-8
Ceiling Texture	Corridor	-	ND	No	C-9
2'x4' Ceiling Tile w/ Pinholes and Dents	Corridor	-	ND	No	C-10
Ceiling Texture	Original Corridor	C-8	10% Chrysotile	No	C-11
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
12"x12" Black VFT w/ Black Mastic	Younkers	10 sf.	Mastic – 5% Chrysotile	No	Y-4
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
12"x12" White w/ Brown Streaked VFT & Black Mastic	Younkers	5,000 sf.	Tile – 3% Chrysotile	No	Y-10
12"x12" Blue/Green VFT	Younkers	-	ND	No	Y-11
12"x12" Off-White w/ Blue Streaked VFT	Younkers	-	ND	No	Y-12
Ceiling Texture (E & S Vestibules)	Younkers	C-8	10% Chrysotile	No	C-8
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 #
VSF w/ Mastic (Bathroom)	Unit 8B	80 sf.	Mastic - 4% Chrysotile	No	8B-1
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
12"x12" Tan w/ Brown Pitted VFT & Black Mastic	Unit 41	300 sf.	Tile - 3% Chrysotile Mastic - 5% Chrysotile	No	41-1
12"x12" VFT and Mastic	Unit 42	-	ND	No	42-1
12"x12" Black VFT	Unit 43	-	ND	No	43-1
Tan VSF	Unit 48	150 sf.	20% Chrysotile	No	48-1
Tan Designed VSF	Unit 48	200 sf.	20% Chrysotile	No	48-2
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
12"x12" Tan Marbled VFT & Black Mastic	JC Penny	30,000 sf.	Mastic - 5% Chrysotile	No	JC-4
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
Black/Yellow Mastic	JC Penny	JC-4	2% Chrysotile	No	JC-8
12"x12" White w/ Black Streaked VFT & Black Mastic (Sales Floor)	JC Penny	JC-4	Mastic - 4% Chrysotile	No	JC-9
Silver/Black HVAC Duct Sealant (JC Penny Roof)	JC Penny	80 sf.	6% Chrysotile	No	JC-10
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
Gray/Black Patch Sealant	Sears Roof	1 sf.	3% Chrysotile	No	SRR-2
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
12"x12" Blue/Gray Mottled VFT & Black Mastic	Dillard's	120,000 sf.	Mastic – 5% Chrysotile	No	D-1
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
Transite Soffit Panels	Sky Light Areas	3,000 sf.	Assumed	No	----
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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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.

State of Nebraska

Department of Health and Human Services
Division of Public Health

Michael Aaron Smith
Asbestos Management Planner

License #: 920
Status: Active

Expiration: 02/28/2023

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Appendix B – Regulatory Overview:

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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)

NDEQ 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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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

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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
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10900 Brittmoore Park Drive, Ste. G
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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 Fibrous Glass Non-Fibrous Material	10% <1% 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 Fibrous Glass Non-Fibrous Material	10% <1% 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%

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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 Mineral Wool Non-Fibrous Material	60% 20% 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 Fibrous Glass Non-Fibrous Material	10% <1% 90%
C-3	Ceiling Texture, White, Homogeneous	None Detected	Non-Fibrous Material	100%
C-4	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber Mineral Wool Non-Fibrous Material	60% 20% 20%
C-5	Ceiling Texture, White, Homogeneous	None Detected	Non-Fibrous Material	100%
C-6	Ceiling Tile, White/ Gray, Homogeneous	None Detected	Cellulose Fiber Mineral Wool Non-Fibrous Material	60% 20% 20%

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

Donnie Combs
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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	
C-7	LAYER 1 Joint Compound, White, Homogeneous	None Detected		Non-Fibrous Material	100%
	LAYER 2 Wallboard, Brown/ White, Homogeneous	None Detected		Cellulose Fiber Fibrous Glass Non-Fibrous Material	10% <1% 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 Mineral Wool Non-Fibrous Material	70% 10% 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 Non-Fibrous Material	2% 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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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.

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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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Eurofins EMLab P&K - Houston
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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	
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%

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

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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					

Taylor Smylie

Analyst


Scott Ward, Ph.D. Lab Director

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NVLAP Lab Code: 200525-0

TDSHS License: 30-0273

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
Sample Composite Homogeneity:	Moderate

Location: 5-2, Black Baseboard

Lab ID-Version‡: 14304824-1

Sample Layers	Asbestos Content
Black Baseboard	ND
Yellow Mastic	ND
Sample Composite Homogeneity:	Moderate

Location: 5-3, Mudded Fitting

Lab ID-Version‡: 14304825-1

Sample Layers	Asbestos Content
Gray Semi-Fibrous Material	ND
Composite Non-Asbestos Content:	15% Glass Fibers 5% Cellulose
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	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".

Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2974469, Page 2 of 9

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
Sample Composite Homogeneity: 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".

Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2974469, Page 3 of 9

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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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".

Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2974469, Page 4 of 9

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
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	Moderate

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

Lab ID-Version‡: 14304833-1

Sample Layers	Asbestos Content
Brown Baseboard	ND
Brown Mastic	ND
Sample Composite Homogeneity:	Moderate

Location: Y-9, Mudded Pipe Hager Fitting

Lab ID-Version‡: 14304834-1

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

Location: 11-1, Gray Pebble Pattern VSF

Lab ID-Version‡: 14304835-1

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

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2974469, Page 5 of 9

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: 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
Sample Composite Homogeneity:	Moderate

Location: 48-1, Tan VSF

Lab ID-Version‡: 14304837-1

Sample Layers	Asbestos Content
Tan Sheet Flooring with Fibrous Backing	20% Chrysotile
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	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
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	Moderate

Location: 48-3, Drywall & Joint Compound

Lab ID-Version‡: 14304839-1

Sample Layers	Asbestos Content
White Drywall with Brown Paper	ND
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	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: 48-4, Wall Texture**

Lab ID-Version‡: 14304840-1

Sample Layers	Asbestos Content
White Texture	ND
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: Moderate	

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

Lab ID-Version‡: 14304844-1

Sample Layers	Asbestos Content
Black Floor Tile	ND
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: Moderate	

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2974469, Page 8 of 9

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

Lab ID-Version‡: 14304848-1

Sample Layers	Asbestos Content
Beige Ceiling Tile with White Surface	ND
Composite Non-Asbestos Content:	40% Cellulose 40% Glass Fibers
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	Moderate

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

Lab ID-Version‡: 14304850-1

Sample Layers	Asbestos Content
Tan Floor Tile	ND
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	Poor

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

Date 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
Composite Non-Asbestos Content:	60% Glass Fibers 20% Cellulose
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	Moderate

Location: 8A-2, Yellow Carpet Mastic

Lab ID-Version‡: 14309733-1

Sample Layers	Asbestos Content
Yellow Mastic	ND
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	Moderate

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2975278, Page 2 of 4

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

Date of Sampling: 07-12-2022
Date of Receipt: 07-14-2022
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
Composite Non-Asbestos Content:	20% Cellulose
Sample Composite Homogeneity:	Good

Location: SRR-1, Black Flashing Tar

Lab ID-Version‡: 14309736-1

Sample Layers	Asbestos Content
Black Roof Flashing	ND
Sample Composite Homogeneity:	Good

Location: SRR-2, Black Flashing Tar

Lab ID-Version‡: 14309737-1

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

Location: SRR-3, Black Flashing Tar

Lab ID-Version‡: 14309738-1

Sample Layers	Asbestos Content
Black Roof Flashing	ND
Sample Composite Homogeneity:	Good

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2975278, Page 3 of 4

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

Date of Sampling: 07-12-2022
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
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: Moderate	

Location: JCR-3, Black Roof Tar

Lab ID-Version‡: 14309741-1

Sample Layers	Asbestos Content
Black Roofing Tar	ND
Sample Composite Homogeneity: 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
Sample Composite Homogeneity: Moderate	

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Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2975278, Page 4 of 4

Eurofins J3 Resources, Inc.

3113 Red Bluff Road, Pasadena, TX 77503

Phone: (713) 290-0223 - Fax: (713) 290-0248

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J3 Resources

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

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

Eurofins J3 Resources, Inc.

3113 Red Bluff Road, Pasadena, TX 77503

Phone: (713) 290-0223 - Fax: (713) 290-0248

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J3 Resources

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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NVLAP Lab Code: 600120-0

AIHA-LAP, LLC Lab ID: 157714

TDSHS License: 30-0457

Page 2 of 4

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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
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

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NVLAP Lab Code: 600120-0

AIHA-LAP, LLC Lab ID: 157714

TDSHS License: 30-0457

Page 3 of 4

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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	
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%

Duane Salinas

Analyst


Scott Ward, Ph.D. Lab Director

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NVLAP Lab Code: 600120-0

AIHA-LAP, LLC Lab ID: 157714

TDSHS License: 30-0457

Page 4 of 4

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
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	Moderate

Location: BB-2, Tan Vinyl Plank Flooring

Lab ID-Version‡: 14372399-1

Sample Layers	Asbestos Content
Tan Sheet Flooring	ND
Sample Composite Homogeneity:	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
Sample Composite Homogeneity:	Good

The test report shall not be reproduced except in full, without written approval of the laboratory. The report must not be used by the client to claim product certification, approval, or endorsement by any agency of the federal government. Eurofins EMLab P&K reserves the right to dispose of all samples after a period of thirty (30) days, according to all state and federal guidelines, unless otherwise specified.

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
Composite Non-Asbestos Content:	10% Cellulose
Sample Composite Homogeneity:	Good

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

Lab ID-Version‡: 14372402-1

Sample Layers	Asbestos Content
Beige Floor Tile	ND
Sample Composite Homogeneity:	Good

Location: D-4, Mudded Fitting

Lab ID-Version‡: 14372403-1

Sample Layers	Asbestos Content
White Semi-Fibrous Material	ND
Composite Non-Asbestos Content:	15% Glass Fibers
Sample Composite Homogeneity:	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".

Eurofins EPK Built Environment Testing, LLC

EMLab ID: 2987259, Page 3 of 3

Appendix E – Asbestos Sample Photographs

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

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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HEARTLAND TESTING & CONSULTING, LLC



Photo 3:

**View of
Sample SR-8.**



Photo 4:

**View of sample
C-2.**

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HEARTLAND TESTING & CONSULTING, LLC



Photo 5:

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



Photo 6:

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

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HEARTLAND TESTING & CONSULTING, LLC



Photo 7:

**View of
Sample 41-1.**

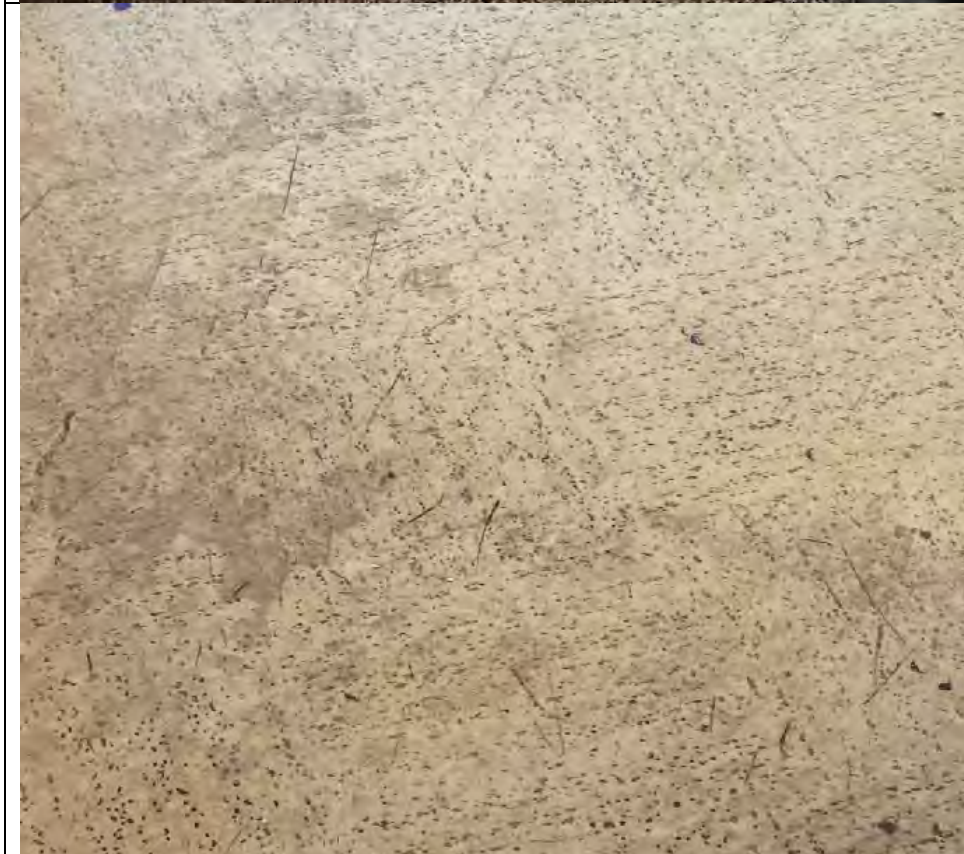


Photo 8:

**View of
Sample 48-1.**

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PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7
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HEARTLAND TESTING & CONSULTING, LLC



Photo 9:

**View of
Sample 48-2.**



Photo 10:

**View of
Sample JC-4.**

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MIKE@ONEILLWR.COM

HEARTLAND TESTING & CONSULTING, LLC



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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MIKE@ONEILLWR.COM

HEARTLAND TESTING & CONSULTING, LLC



Photo 13:

**View of
sample D-1.**



Photo 14:

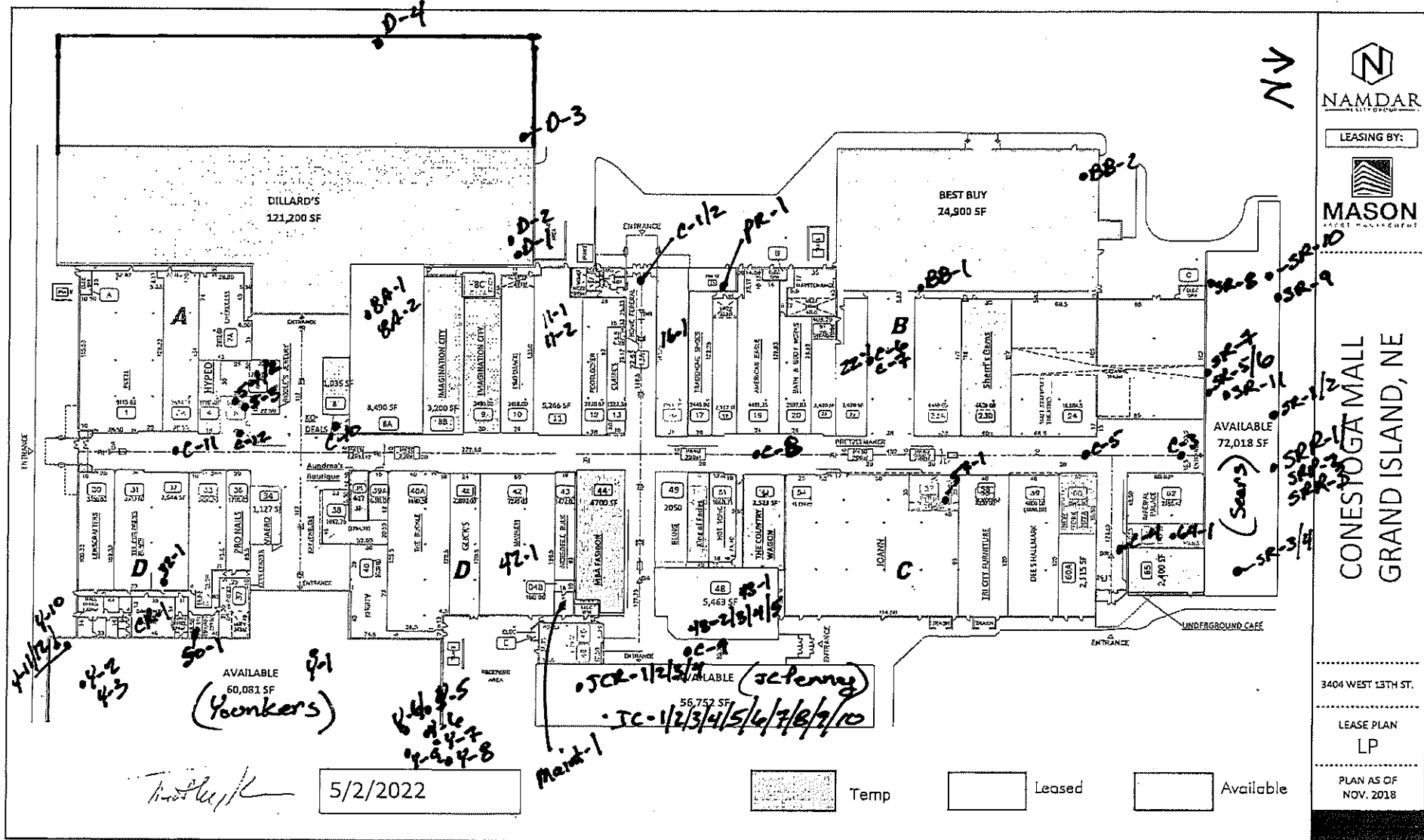
**View of
Assumed
transite soffit.**

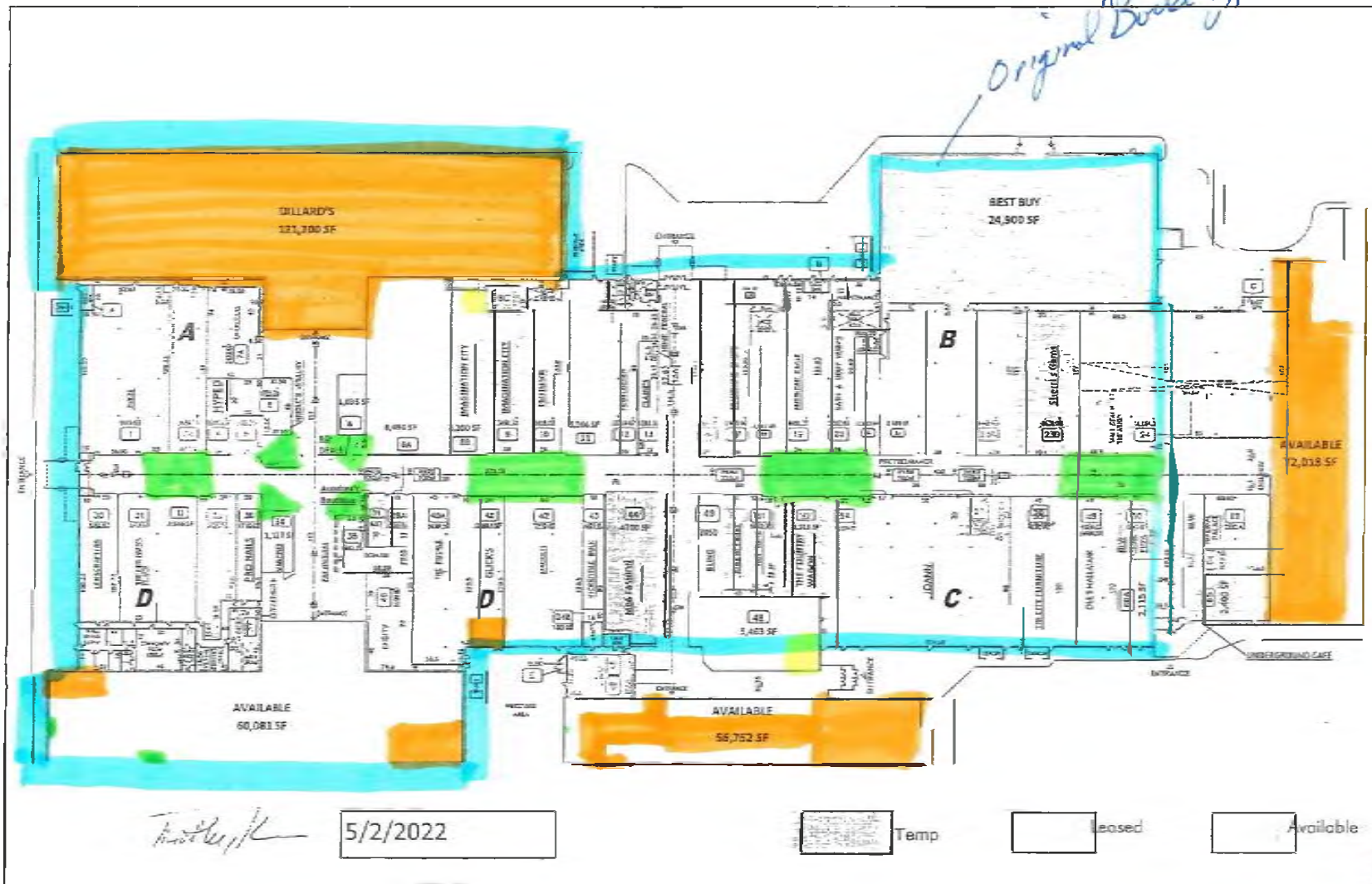
P.O. BOX 290 • ALDA • 6 8 8 10
PHONE: (3 0 8) 708-0604 • FAX: (3 0 8) 3 8 1 - 1 6 9 7
MIKE@ONEILLWR.COM

Appendix F – Facility Diagrams

P.O. BOX 290 • ALDA • 6 8 8 10
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MIKE@ONEILLWR.COM

SAMPLE Locations





NAMDAR

LEASING BY:

MASON

CONESTOGA MALL
GRAND ISLAND, NE

3404 WEST 13TH ST.

LEASE PLAN
LP

PLAN AS OF
NOV. 2018

Ceiling Texture
Floor Tile/Mastic
VSF Flooring



**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.

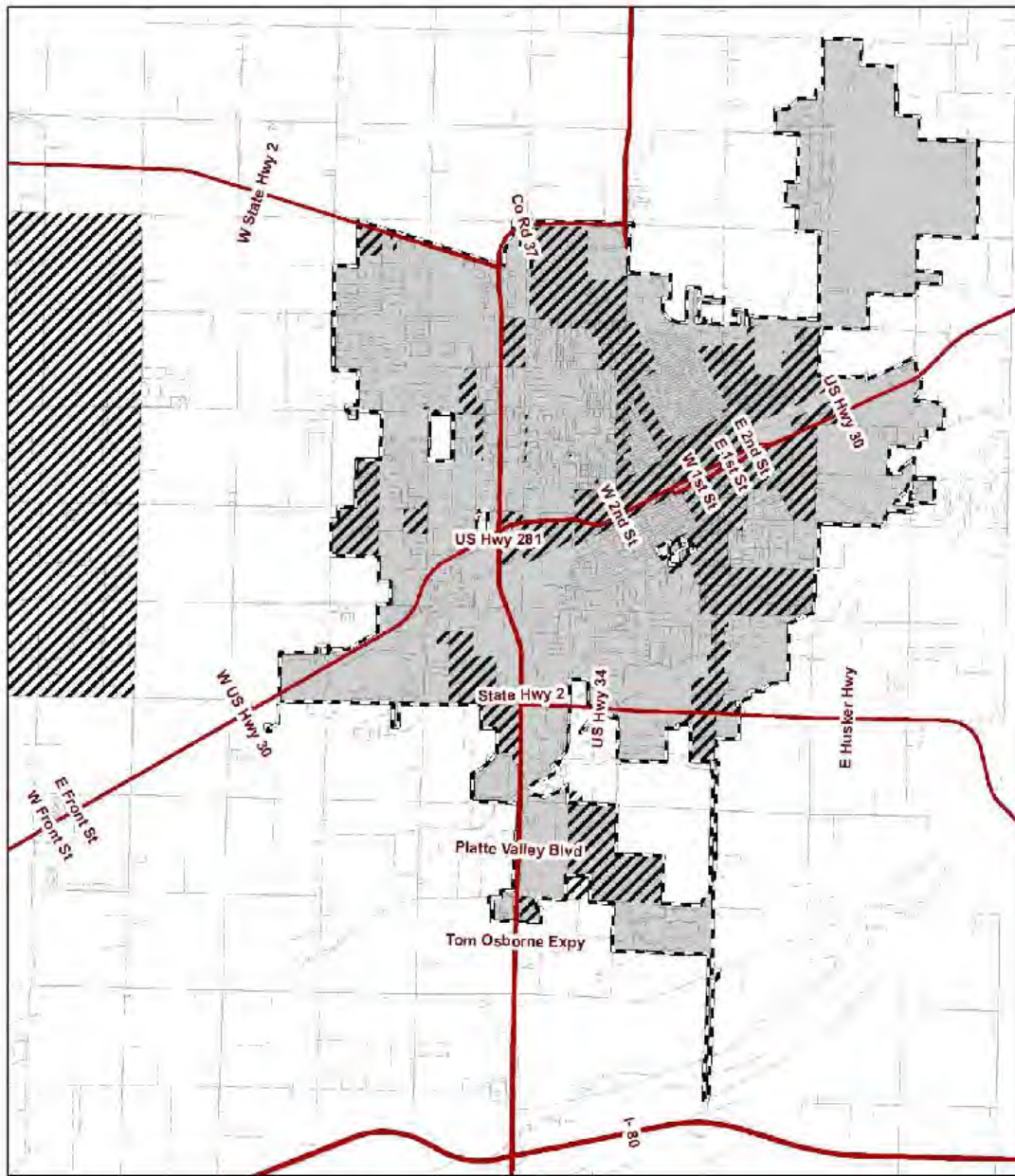
ANALYSIS

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'.

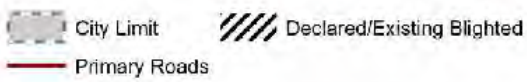
Study completed, compiled, and submitted by The Team

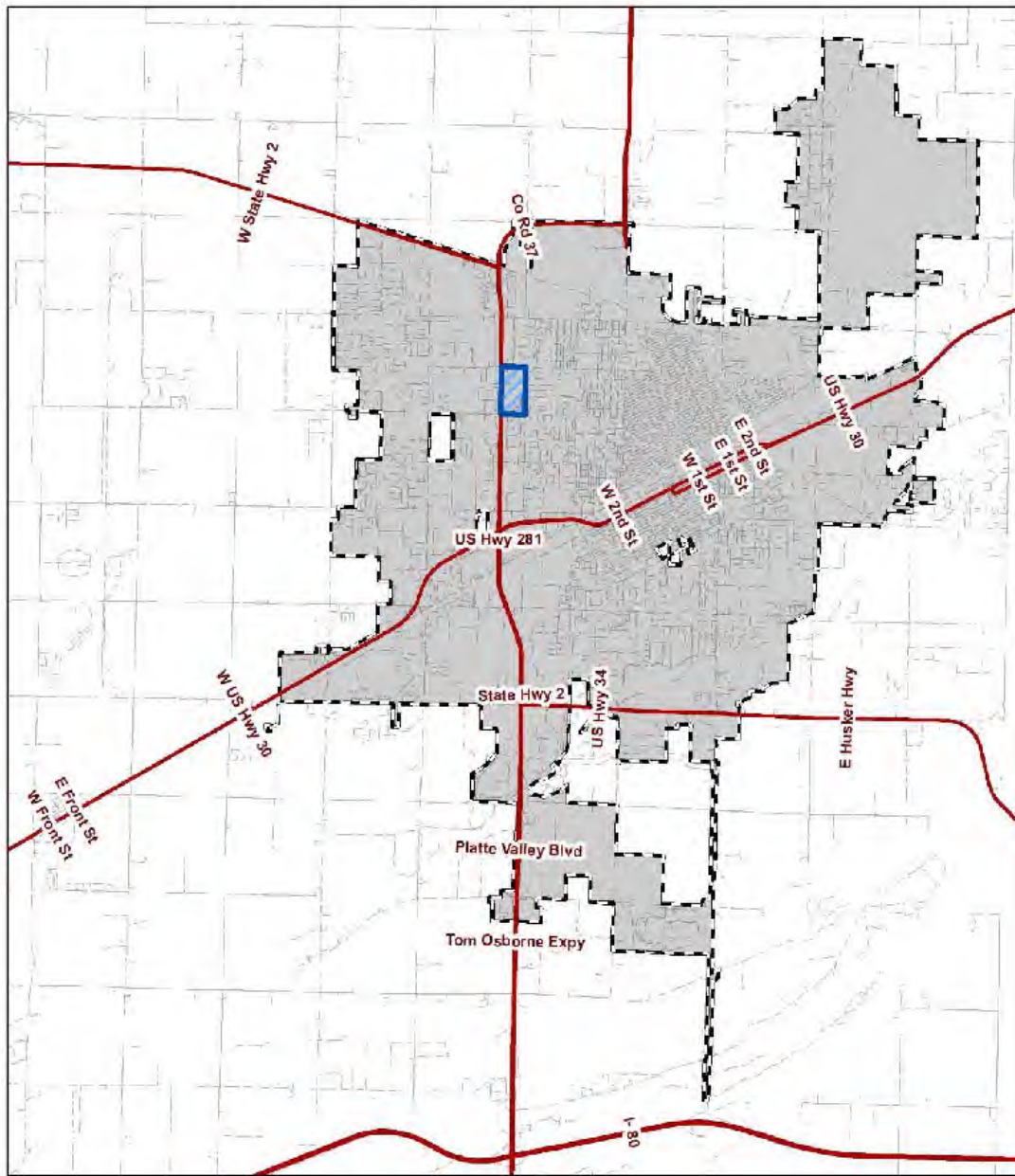
ATTACHMENTS

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



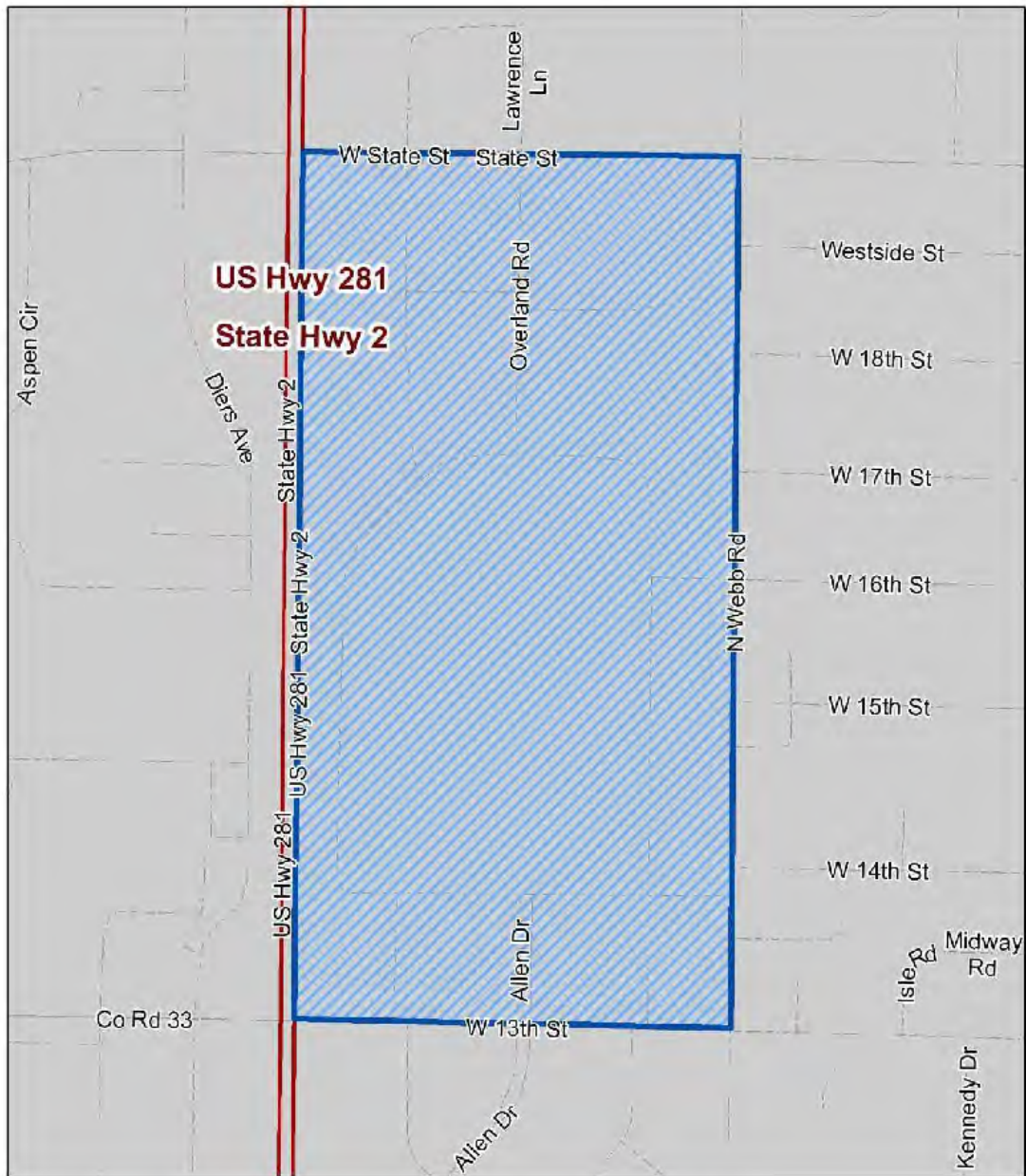
City of Grand Island: Existing Blight Areas





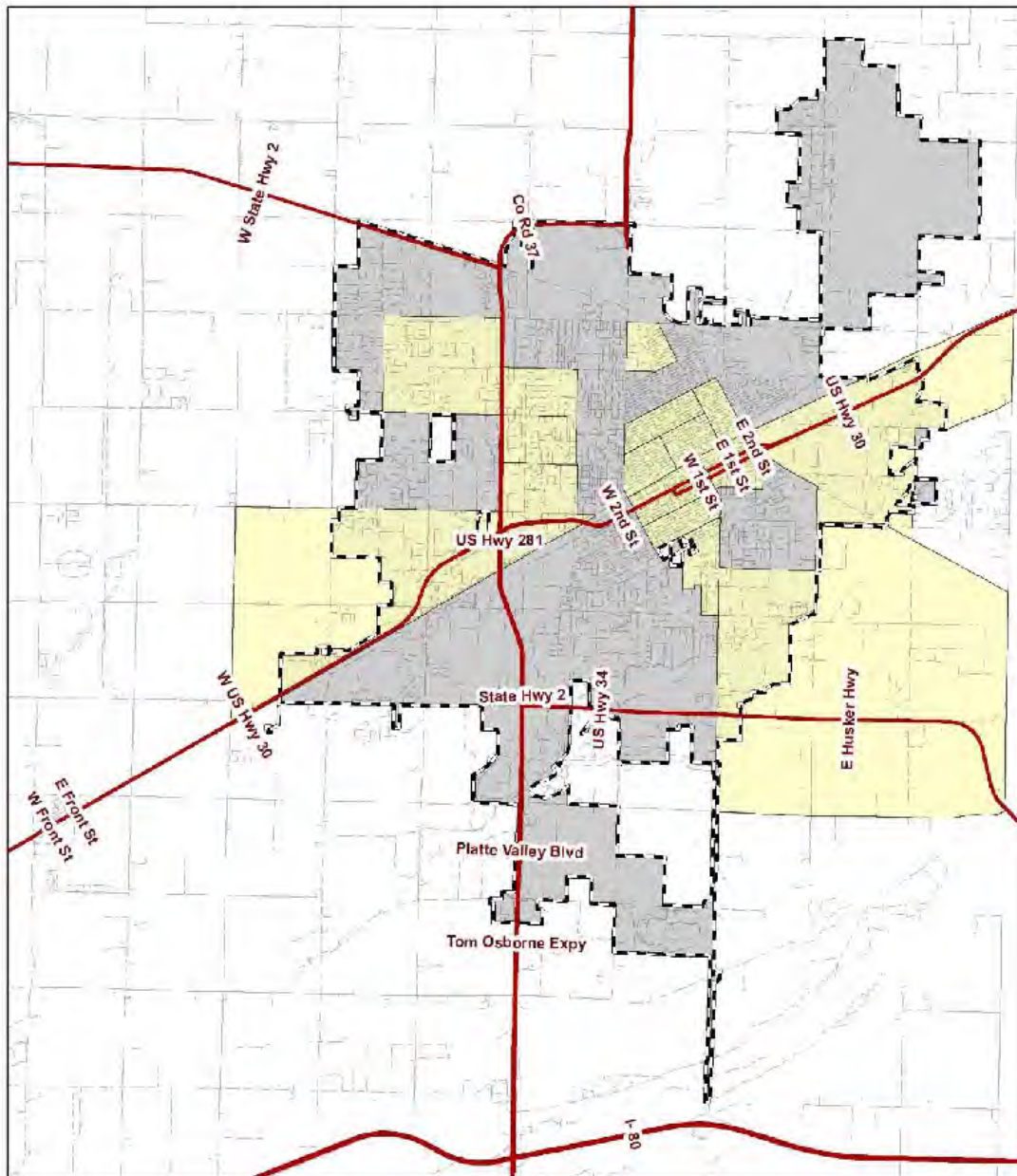
City of Grand Island: Proposed Blight Area





City of Grand Island: Proposed Extreme Blight Areas - Detail

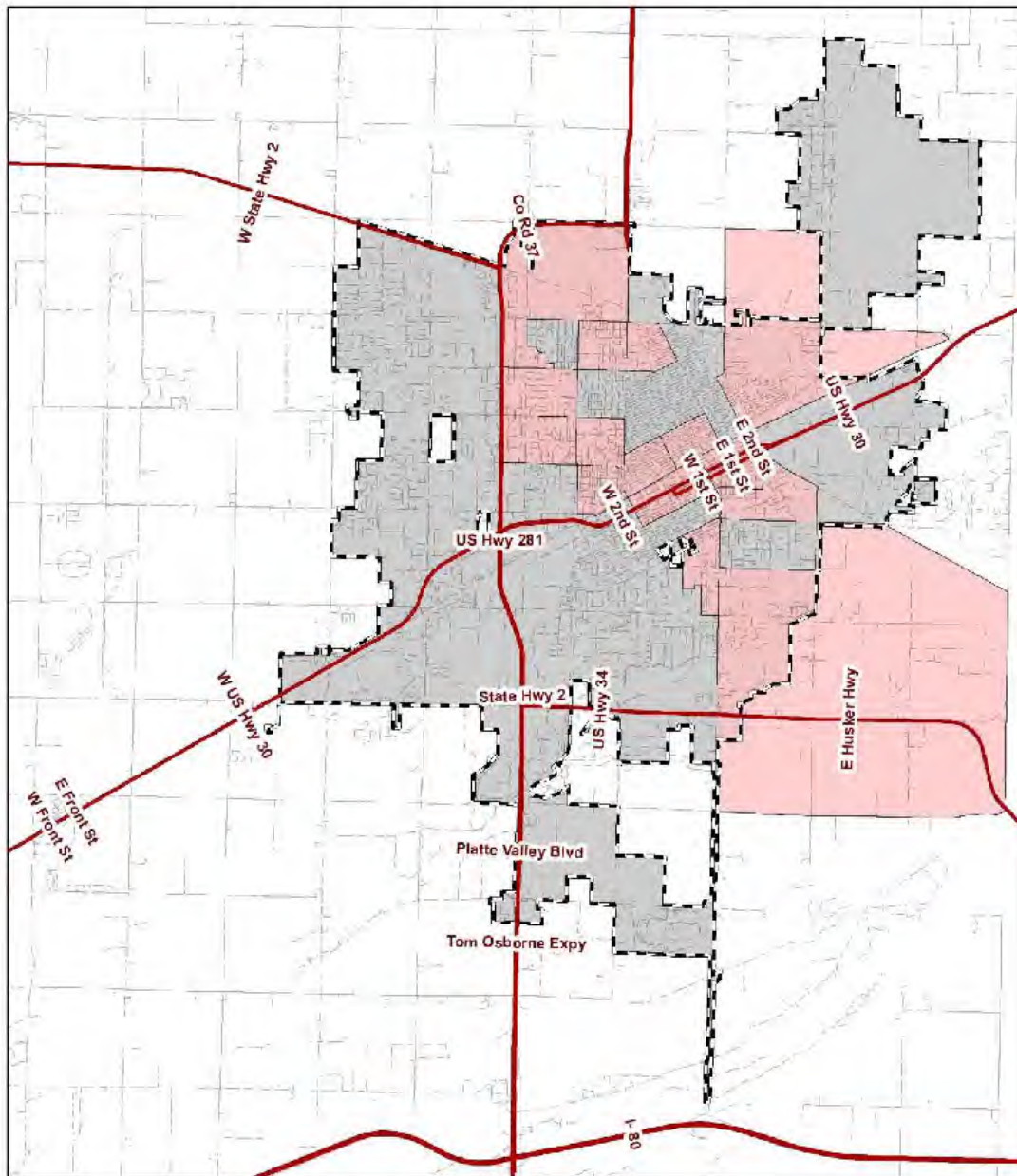




City of Grand Island: Employment Review

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

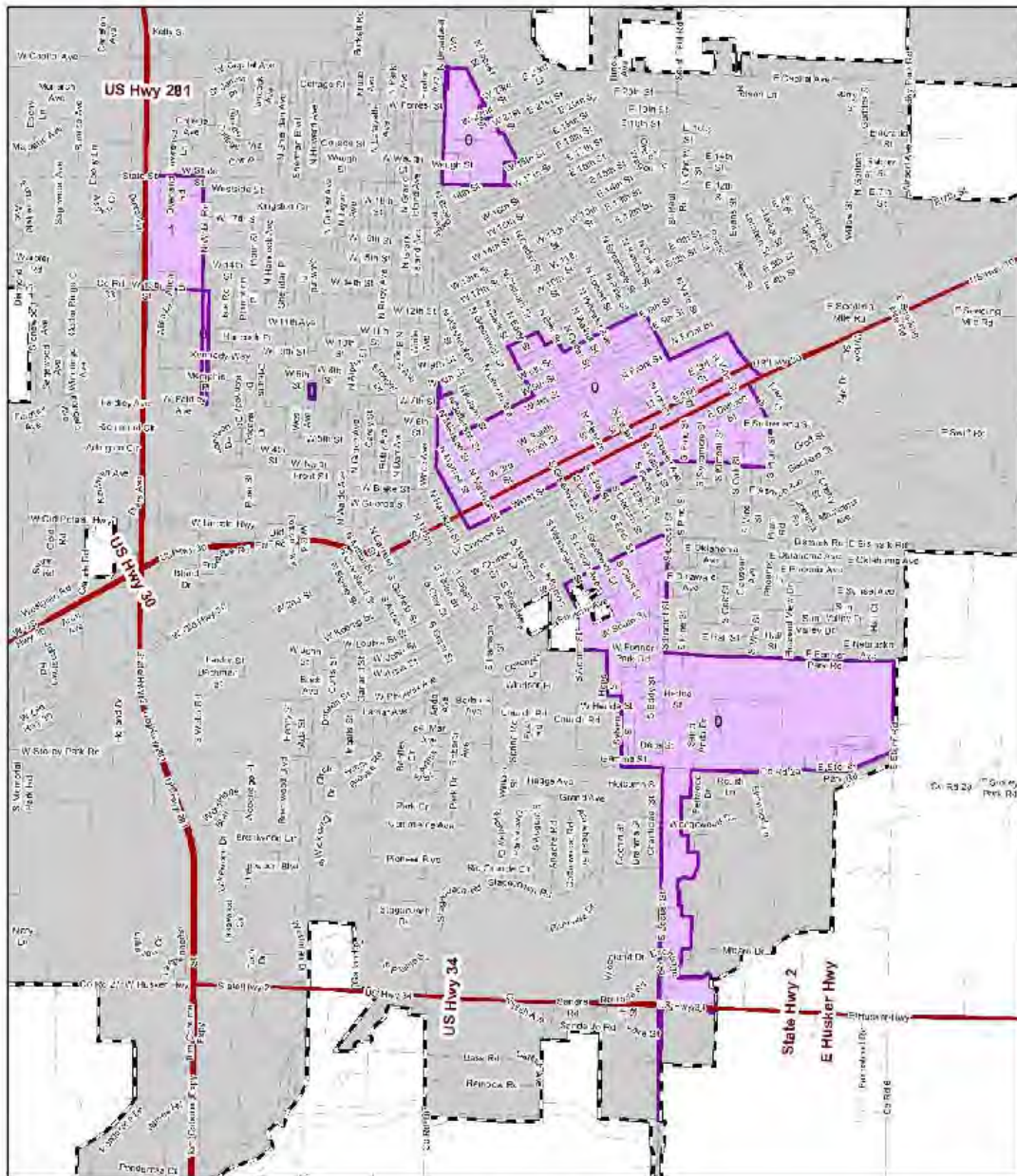




City of Grand Island: Poverty Review

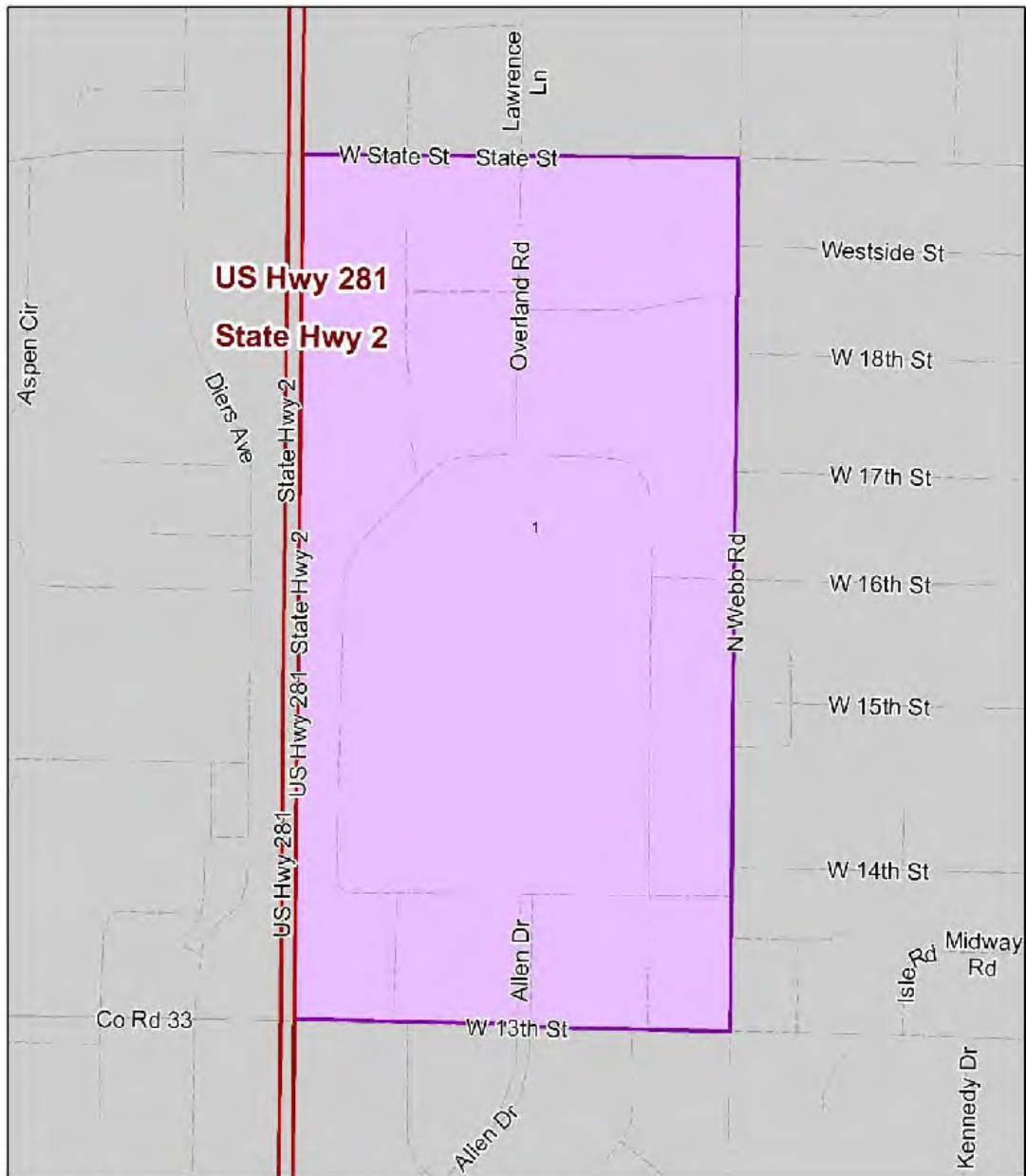
 City Limit
  Avg Poverty >20% (2020 ACS)
 Primary Roads





City of Grand Island: Proposed Extreme Blight Areas





City of Grand Island: Proposed Extreme Blight Area

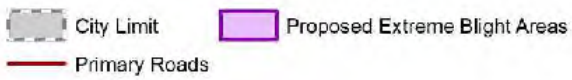


EXHIBIT E - "BUT FOR" ANALYSIS

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/LEGAL/PM/OTHER)	\$3,500,000
COMMISSIONS & MARKETING	\$1,000,000
FINANCINGS COSTS (INTEREST/ORIGINATION/CLOSING)	\$6,000,000
DEVELOPMENT FEE	\$1,500,000
TOTAL DEVELOPMENT COSTS	\$221,584,845
LESS DEVELOPMENT COSTS PAID BY OTHERS (6)	\$82,650,000
TOTAL REDEVELOPER COSTS	\$138,934,845

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

		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CASHFLOW		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
SOURCES / USES												
Uses												
Total Developer Incurred Initial Development Costs		\$138,934,845										
Total Uses		\$138,934,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sources												
TIF, EEA, ARPA, Grow Grand Island, CRA Proceeds		\$73,519,829										
Private Capital, Debt, Equity		\$65,415,016										
Total Sources		\$138,934,845	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Future Sale (Multi-Family)												
Gross Revenue Proceeds (x % Cap Rate)	7.00%											\$40,133,719
Sales Cost	3.50%											-\$1,404,680
Future Sale (Mall)												
Gross Revenue Proceeds (x % Cap Rate)	10.00%											\$13,373,320
Sales Cost	3.50%											-\$468,066
UNLEVERAGED CASH FLOW ANALYSIS (BEFORE DEBT)		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
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												
Internal Rate of Return (IRR)	5.58%	\$ (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
Notes:												
(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									



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Woodsonia Hwy 281, LLC

Address:

20010 Manderson Street, Suite 101, Elkhorn, NE 68022

Telephone No.: 402-513-9003

Fax No.: _____

Email: drew@woodsonia.net; mitch@woodsonia.net

Contact:

Drew Snyder; Mitch Hohlen

Application Submission Date: 10/10/2022

Brief Description of Applicant's Business:

Woodsonia Real Estate, Inc., an affiliate of Woodsonia Hwy 281, LLC is a Midwest-based full-service real estate brokerage, management and development firm, with successfully completed mixed-use, retail, residential and commercial projects in excess of \$500 million to date. Our team strives to bring first class expertise and knowledge to create assets communities can be proud of.

Woodsonia is ideally positioned to handle every facet of complex redevelopment projects with skills and expertise to provide site planning and design, legal, financial, construction management, brokerage, leasing and facility management services. With a reputation of consistent delivery, Woodsonia maintains trusted relationships with local city officials, business leaders and other area developers.

Legal Description/Address of Proposed Project

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

Community Redevelopment Area Number

28

Present Ownership Proposed Project Site:
Conestoga Realty, LLC

Is purchase of the site contingent on Tax Increment Financing Approval? Yes ☒ No ☐

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

Site Plan attached as Exhibit A1.

Building square footage, size of property, description of building attached as Exhibit A2.

Preliminary Plat (Division Plan) attached as Exhibit A3.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ _____
B. Building	\$ <u>16,000,000</u>

Construction Costs:

A. Renovation or Building Costs:	\$ <u>180,350,000</u>
B. On-Site Improvements:	
Sewer	\$ <u>877,987</u>
Water	\$ <u>296,025</u>
Electric	\$ <u>379,282</u>
Gas	\$ <u>1,046,706</u>
Public Streets/Sidewalks/Access Drives	\$ <u>2,524,845</u>

Public Parking Lots	\$ 2,500,000
Trails	\$ 0
Grading/Dirtwork/Fill	\$ 660,000
Demolition	\$ 2,950,000
Other / Off Site Improvements	\$ 2,000,000
Total	\$ 209,584,842

Soft Costs:

A. Architectural & Engineering Fees:	\$ 2,850,000
B. Financing Fees:	\$ 6,000,000
C. Legal	\$ 500,000
D. Developer Fees:	\$ 1,500,000
E. Audit Fees	\$
F. Contingency Reserves:	\$
G. Other (Please Specify)	\$ 1,150,000
TOTAL	\$ 12,000,000

Total Estimated Market Value at Completion: \$ 149,834,400

Source for Estimated Market Value Income Capitalization Approach / Market Comparable Sales

Source of Financing:

A. Private Financing (Equity / Private Commercial Bank Loans)	\$ 148,065,000
B. Tax Credits:	
1. N.I.F.A.	
2. Historic Tax Credits	\$ 0
3. New Market Tax Credits	\$ 0
4. Opportunity Zone	\$ 0
C. Industrial Revenue Bonds:	\$ 0
D. Tax Increment Assistance:	\$ 0
E. Enhanced Employment Area	\$ 26,257,000
	\$ 36,763,000

G. Nebraska Housing Trust Fund

\$ 0

H. Other

\$ 10,500,000

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

Architect - Simonson & Associates: 1717 Ingersoll Ave, Suite 117, Des Moines, IA 50309

Attn: Clark Snyder - 515.440.5626

Engineer - Olsson Engineering: 201 E. Second Street, Grand Island, NE 68801

Attn: Brian Degen - 308.384.8750

General Contractor - Chief Construction: 3935 Westgate Road, Grand Island, NE 68803

Attn: Chad Micek - 308.389.7222

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

Project Area 1 = \$998,376

Project Area 2 = \$654,849

Project Area 3 = \$225,440

Project Area 4 = \$199,675

Project Area 5 = \$221,146

Total Project Areas 1 - 5 = \$2,299,485

See Exhibit B for Project Breakdown.

Project Construction Schedule:

Construction Start Date:

Q2 2023

Construction Completion Date:

Q4 2030

If Phased Project:

<u>2023</u>	Year	<u>15</u>	% Complete
<u>2024</u>	Year	<u>30</u>	% Complete
<u>2025</u>	Year	<u>65</u>	% Complete
<u>2026</u>	Year	<u>75</u>	% Complete
<u>2027</u>	Year	<u>85</u>	% Complete
<u>2030</u>	Year	<u>100</u>	% Complete

XII. Please Attach Construction Pro Forma - Attached as Exhibit C

XIII. Please Attach Annual Income & Expense Pro Forma - Attached as Exhibit D
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Across the five project areas, Tax Increment Financing ("TIF") is being requested in the amount of \$26,257,000. The present value of the project generated TIF represents approximately 11.85% of the total project capital structure and will be used towards the more than \$68,000,000 in TIF eligible expenses for the project including, but not limited to the near \$40,000,000 mall redevelopment expenses.

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

As provided in the attached Exhibit D, the project maintains a significant funding shortfall. Without the use of TIF and the accompanying requested incentives, the proposed project generates an Internal Rate of Return (IRR) of -4.61%. With the proposed use of TIF, as well as other funding / incentives mechanisms, the project is anticipated to generate a 5.58% IRR.

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

Troy Bolander - Director of Planning - Joplin, MO
Email: TBolande@joplinmo.org / C: 417 624 0820

Woodsonia completed a \$180 million redevelopment project in Joplin, MO with Mr. Moore, which included the use of multiple incentives and several phases / project areas to the project.

Bill Moore - Rouse Frets White Goss in Kansas City
Email: wmoore@rousepc.com / C: 816.215.5703

Woodsonia completed a \$180 million redevelopment project in Joplin, MO with Mr. Moore, which included the use of multiple incentives and several phases / project areas to the project.

Larry Jobeun - Fullenkamp, Jobeun & Beller
Email: larry@fjjblaw.com / C: 402.681.3536

Woodsonia has seven large residential subdivisions / mixed use land development projects currently with Mr. Jobeun. Total projects values exceed \$500 million with \$70M - \$100M in public improvements / SID work, which Mr. Jobeun is specifically assisting on. Mr. Jobeun also assisted Woodsonia with the TopGolf redevelopment project by Westroads Mall in Omaha, which involved the use of an Occupation tax, as well as a \$35 million multi-family redevelopment project in urban Omaha involving the use of TIF.

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

Woodsonia
Real Estate Inc.



EXHIBIT A2

CONESTOGA REDEVELOPMENT PROJECT 1			
Project 1 (Activation July 2025)	USERS	Building Size	Property Tax Value
Lot 10 - Anchor	Anchor	147,863	\$16,500,000
Lot 3 - Mall	Mall	150,000	\$30,000,000
Total Project 1 - Subtotal		297,863	\$46,500,000

CONESTOGA REDEVELOPMENT PROJECT 2			
Project 2 (Activation July 2025)	USERS	Units	Property Tax Value
Lot 11 - Multi-Family	Multi-Family	305	\$30,500,000
Total Project 2 - Subtotal		305	\$30,500,000

CONESTOGA REDEVELOPMENT PROJECT 3			
Project 3 (Activation July 2026)	USERS	Building Size	Property Tax Value
Lot 1D - Hotel	Hotel	150	\$10,500,000
Total Project 3 - Subtotal			\$10,500,000

CONESTOGA REDEVELOPMENT PROJECT 4			
Project 4 (Activation July 2026)	USERS	Building Size	Property Tax Value
Lot 4 - Retail	Retail	8,400	\$2,400,000
Lot 5 - Restaurant	Restaurant	6,400	\$1,500,000
Lot 6 - Restaurant	Restaurant	6,400	\$1,500,000
Lot 7 - Restaurant / Retail	Retail	3,600	\$1,300,000
Lot 8 - Restaurant / Retail	Retail	4,000	\$1,300,000
Lot 9 - Restaurant / Retail	Retail	9,100	\$1,300,000
Total Project 4 - Subtotal		37,900	\$9,300,000

CONESTOGA REDEVELOPMENT PROJECT 5			
Project 3 (Activation July 2026)	USERS	Building Size	Property Tax Value
Lot 1A - Restaurant	Restaurant	4,900	\$2,000,000
Lot 1B - Multi-Tenant Retail	Retail	14,000	\$4,000,000
Lot 1C - Retail	Retail	10,000	\$3,000,000
Lot 2 - Restaurant / Retail	Retail	2,275	\$1,300,000
Total Project 3 - Subtotal		31,175	\$10,300,000

Total Projects 1 - 5			\$107,100,000
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CONESTOGA MALL EIGHTH
SUBDIVISION
PRELIMINARY PLAT
SEPTEMBER 2022

SUBDIVISION
AREA= 50.43 ACRES (2,196,876 S.F.)

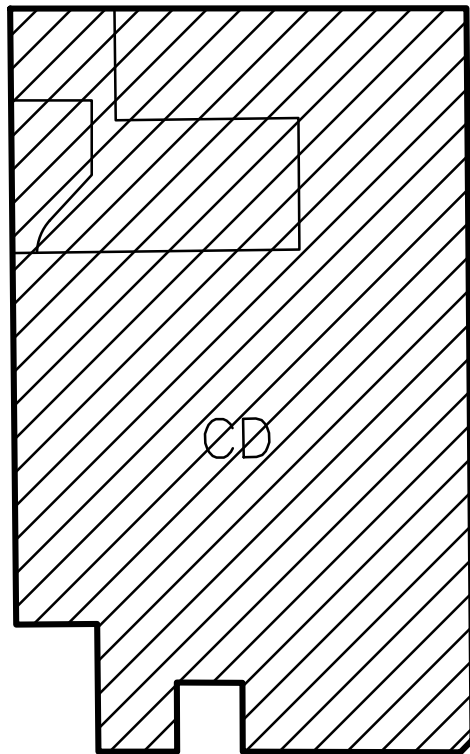
LOT USAGE
14 LOTS
1 OUTLOT

ENGINEER/LAND SURVEYOR
OLSSON
201 E. 2ND ST.
GRAND ISLAND, NE 68801

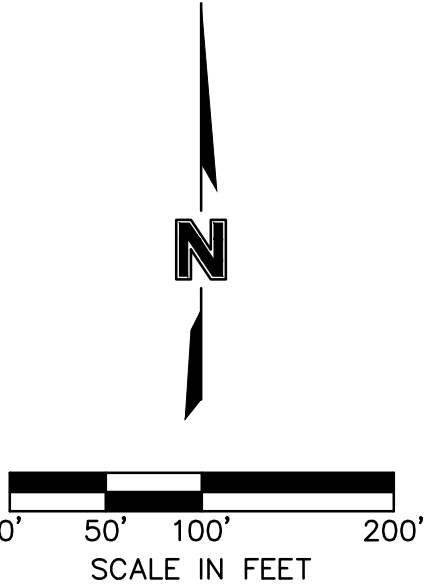
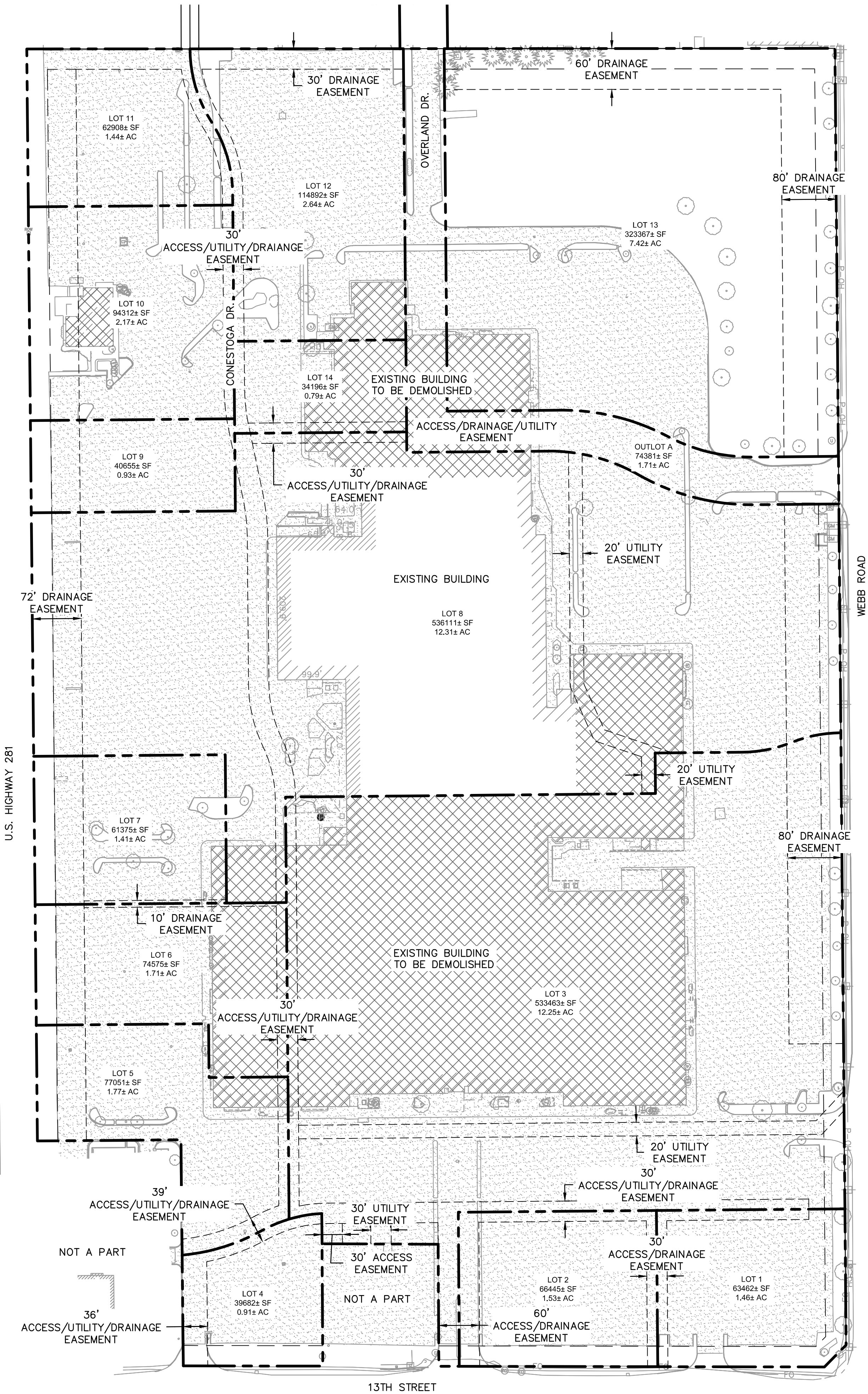
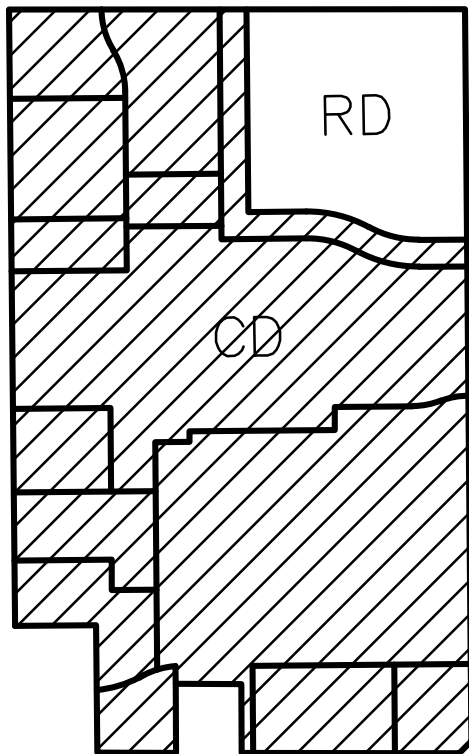
DEVELOPER
WOODSONIA REAL ESTATE, INC.
20010 MANDERSON STREET STE. 101
ELKHORN, NE 68022

LEGAL DESCRIPTION
A REPLAT OF ALL OF LOTS 1, 4 AND 5, CONESTOGA MALL EIGHTH
SUBDIVISION, CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA. SAID
TRACT CONTAINS A CALCULATED AREA OF 2,196,875.88 SQUARE FEET
OR 50.433 ACRES MORE OR LESS.

EXISTING ZONING



PROPOSED ZONING



olsson

201 East 2nd Street
Grand Island, NE 68801
TEL 308.384.8750
www.olsson.com

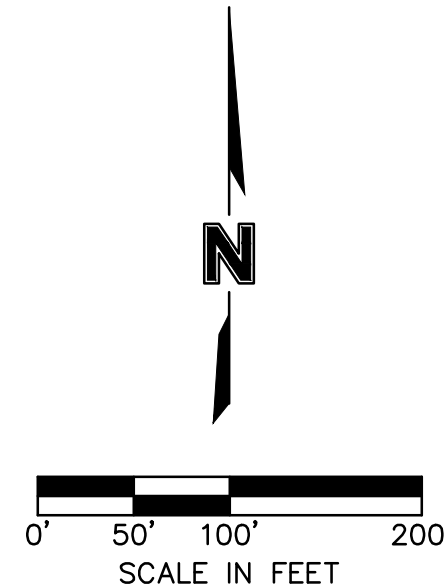
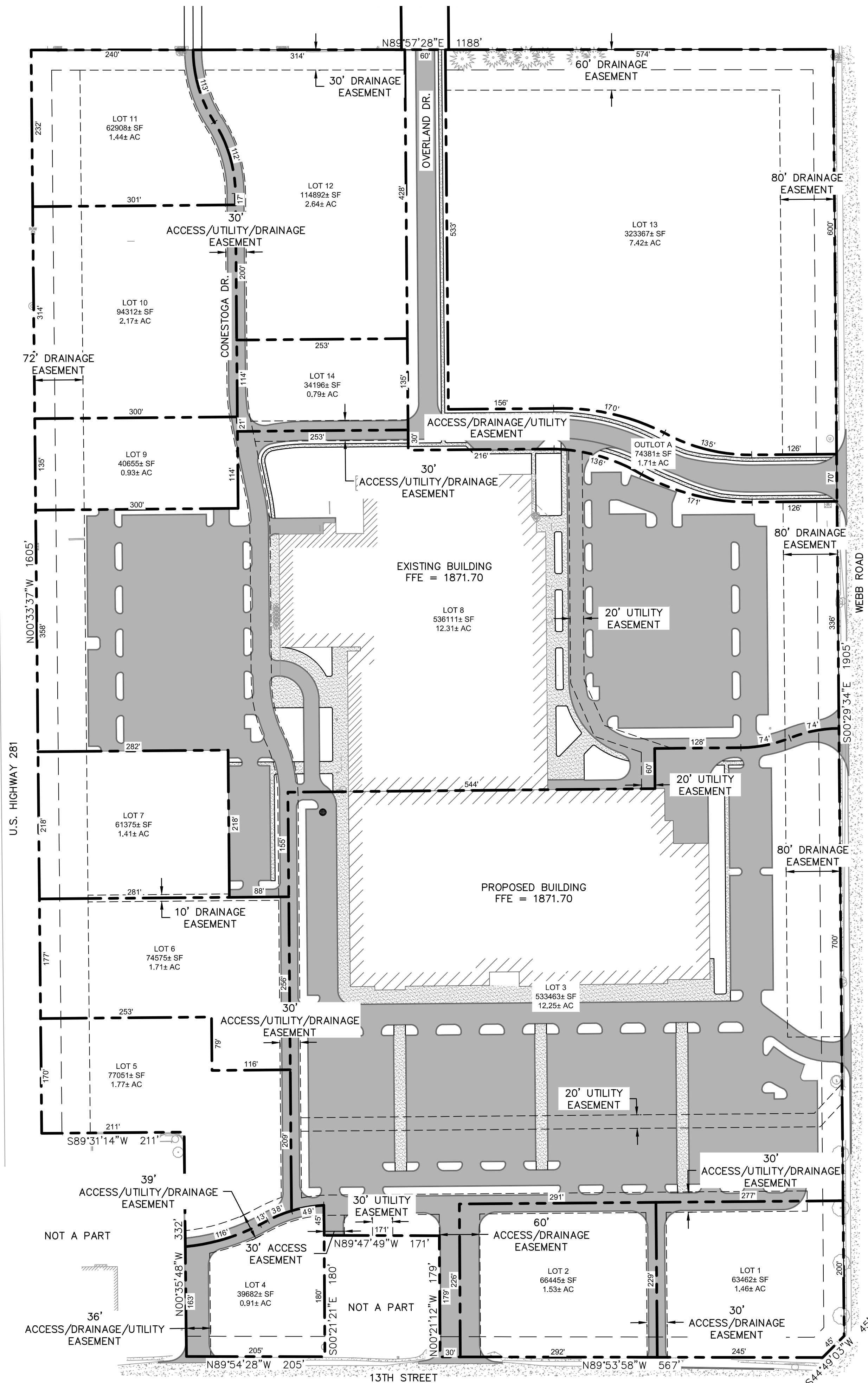
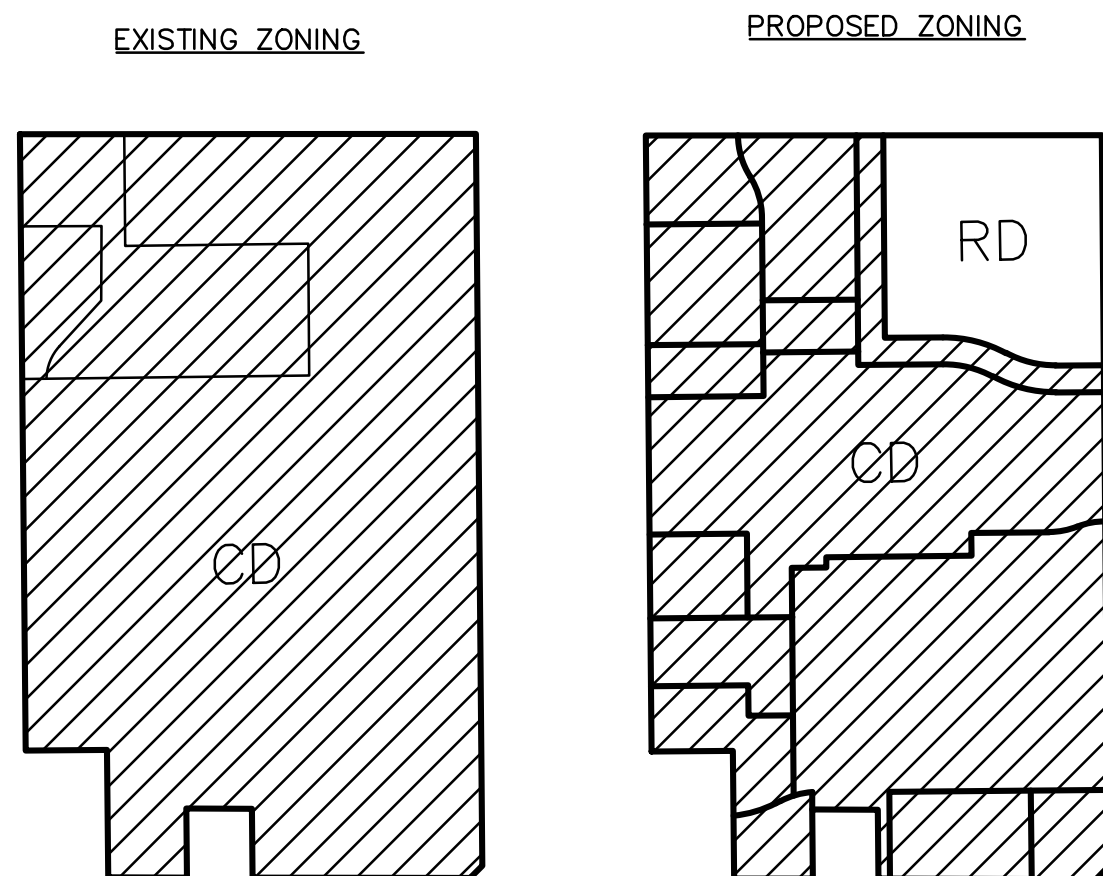
REV. NO.	DATE	REVISIONS DESCRIPTION

LOT LAYOUT EXISTING INFRASTRUCTURE	2022	REVISIONS
CONESTOGA MALL REDEVELOPMENT PRELIMINARY PLAT		
GRAND ISLAND, NEBRASKA		

drawn by: SMG
checked by: BJD
approved by: MMR
QA/QC by: A22-03182
project no.:
drawing no.:
date: 10.27.2022

SHEET
1 of 4

A REPLAT OF ALL OF LOTS 1, 4 AND 5, CONESTOGA MALL EIGHTH
SUBDIVISION, CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA. SAID
TRACT CONTAINS A CALCULATED AREA OF 2,196,875.88 SQUARE FEET
OR 50.433 ACRES MORE OR LESS.



olson

201 East 2nd Street
Grand Island, NE 68801
TEL 308.384.8750 www.olsson.com

[illegible]

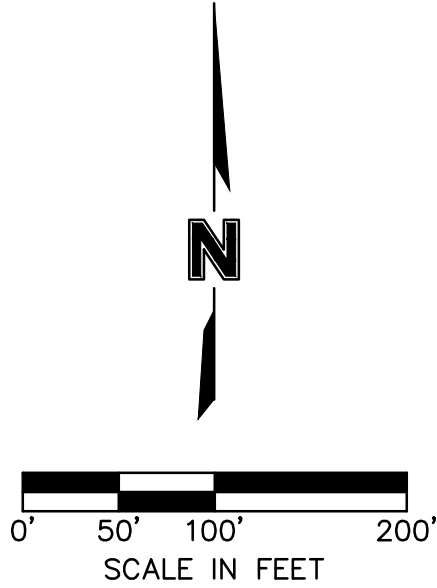
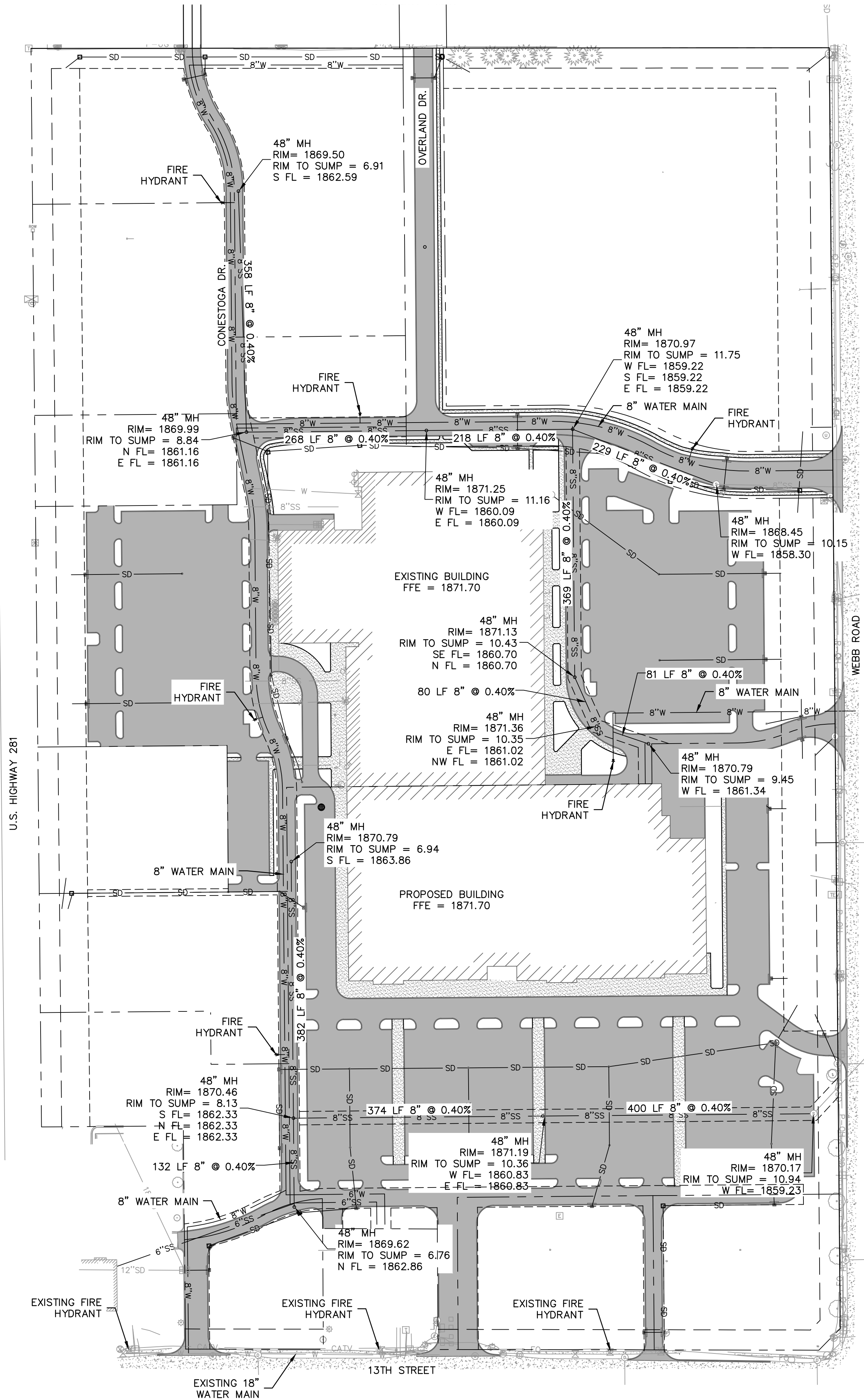
LOT LAYOUT PROPOSED INFRASTRUCTURE	
CONESTOGA MALL REDEVELOPMENT PRELIMINARY PLAT	
GRAND ISLAND, NEBRASKA	2022

drawn by: _____ SMG
checked by: _____ BJD
approved by: _____ MMR
QA/QC by: _____
project no.: _____ A22-03182
drawing no.: _____
date: _____ 10.27.2022

SHEET
2 of 4

DWG: C:\Temp\AcPublish_15392\C_PLAT_A2203182.dwg
DATE: Oct 27, 2022 5:00pm
XREFS: C_PBASE_02203182
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C_PTBLK_02203182
C_XTOPO_LDP_02203182

- O PROPOSED SANITARY SEWER MANHOLE
- SD PROPOSED STORM SEWER
- SS PROPOSED SANITARY SEWER
- W PROPOSED WATER LINE
-  PROPOSED FIRE HYDRANT



olsson

201 East 2nd Street
Grand Island, NE 68801
TEL 308.384.8750
www.olsson.com

UTILITY LAYOUT

CONESTOGA MALL REDEVELOPMENT
PRELIMINARY PLAT

GRAND ISLAND, NEBRASKA

REV. NO.

DATE

REVISIONS DESCRIPTION

2022

REVISIONS

drawn by: SMG

checked by: BJD

approved by: MMR

QA/QC by: A22-03182

project no.: A22-03182

drawing no.: 10.27.2022

date: 10.27.2022

SHEET

3 of 4

EXHIBIT B

CONESTOGA REDEVELOPMENT PROJECT 1				
Project 1 (Activation July 2025)	USERS	Building Size	Property Tax Value	Property Tax Revenues
Lot 10 - Anchor	Anchor	147,863	\$16,500,000	\$354,262
Lot 3 - Mall	Mall	150,000	\$30,000,000	\$644,114
Total Project 1 - Subtotal		297,863	\$46,500,000	\$998,376

CONESTOGA REDEVELOPMENT PROJECT 1				
Project 2 (Activation July 2025)	USERS	Units	Property Tax Value	Property Tax Revenues
Lot 11 - Multi-Family	Mult-Family	305	\$30,500,000	\$654,849
Total Project 2 - Subtotal		305	\$30,500,000	\$654,849

CONESTOGA REDEVELOPMENT PROJECT 3				
Project 3 (Activation July 2026)	USERS	Building Size	Property Tax Value	Property Tax Revenues
Lot 1D - Hotel	Hotel	150	\$10,500,000	\$225,440
Total Project 3 - Subtotal			\$10,500,000	\$225,440

CONESTOGA REDEVELOPMENT PROJECT 4				
Project 4 (Activation July 2026)	USERS	Building Size	Property Tax Value	Property Tax Revenues
Lot 4 - Retail	Retail	8,400	\$2,400,000	\$51,529
Lot 5 - Restaurant	Restaurant	6,400	\$1,500,000	\$32,206
Lot 6 - Restaurant	Restaurant	6,400	\$1,500,000	\$32,206
Lot 7 - Restaurant / Retail	Retail	3,600	\$1,300,000	\$27,912
Lot 8 - Restaurant / Retail	Retail	4,000	\$1,300,000	\$27,912
Lot 9 - Restaurant / Retail	Retail	9,100	\$1,300,000	\$27,912
Total Project 4 - Subtotal		37,900	\$9,300,000	\$199,675

CONESTOGA REDEVELOPMENT PROJECT 5				
Project 3 (Activation July 2026)	USERS	Building Size	Property Tax Value	Property Tax Revenues
Lot 1A - Restaurant	Restaurant	4,900	\$2,000,000	\$42,941
Lot 1B - Multi-Tenant Retail	Retail	14,000	\$4,000,000	\$85,882
Lot 1C - Retail	Retail	10,000	\$3,000,000	\$64,411
Lot 2 - Restaurant / Retail	Retail	2,275	\$1,300,000	\$27,912
Total Project 3 - Subtotal		31,175	\$10,300,000	\$221,146

Total Projects 1 - 5			\$107,100,000	\$2,299,485
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REAL PROPERTY LEVY RATES	
	LEVY
GENERAL FUND	0.3906%
SCHOOL #2	1.0800%
SCHOOL #2 4TH BOND	0.0836%
SCHOOL #2 5TH BOND	0.0841%
GRAND ISLAND CITY	0.3236%
ESU #10 GENERAL	0.0149%
CENTRAL COMM COLLEGE	0.0918%
CENTRAL PLATTEE NRD	0.0222%
HALL COUNTY AG SOCIETY	0.0026%
AIRPORT AUTHORITY GENERAL '	0.0094%
AIRPORT AUTHORITY BOND	0.0237%
COMMUNITY REDEVELOPMENT AUTHORITY	0.0205%
TOTAL LEVY RATE	2.14705%

EXHIBIT C	
CATEGORY	TOTAL PROJECT COSTS
TOTAL PROPERTY ACQUISITION	\$16,000,000
SITE PREPERATION	
Mall and Parking Lot Demolition	\$1,750,000
Landscaping / Development Signage	\$1,500,000
Environmental Remediation	\$1,200,000
TOTAL SITE PREPERATION	\$4,450,000
UTILITY / SITE WORK	
Common Access Drives / Street Improvements	\$2,524,845
Public Parking Lots	\$2,500,000
Site Grading and Reshaping Outlots	\$660,000
Utility Work / Extensions	\$2,600,000
Off-Site Improvements	\$500,000
Site Work Contingency - 10%	\$0
TOTAL UTILITY / SITE WORK	\$8,784,845
HARD CONSTRUCTION COSTS	
Lot 1A - Restaurant	\$1,885,000
Lot 1B - Multi-Tenant Retail	\$3,830,000
Lot 1C - Retail	\$2,735,000
Lot 1D - Hotel	\$22,500,000
Lot 2 - Restaurant / Retail	\$625,000
Lot 3 - Exterior Mall Modernization	\$20,500,000
Lot 3 - Theater / Entertainment	\$6,400,000
Lot 3 - Mall Tenant Relocations / Improvements	\$10,000,000
Lot 4 - Restaurant / Retail	\$1,750,000
Lot 5 - Restaurant	\$1,750,000
Lot 6 - Restaurant	\$1,750,000
Lot 7 - Restaurant / Retail	\$985,000
Lot 8 - Restaurant / Retail	\$1,090,000
Lot 9 - Restaurant / Retail	\$2,500,000
Lot 10 - Target	\$41,250,000
Lot 11 - Multi-Family	\$60,800,000
TOTAL HARD CONSTRUCTION COSTS	\$180,350,000
SOFT COSTS	
Engineering	\$1,750,000
Architectural / MEP	\$1,100,000
Legal Fees	\$500,000
Commissions	\$1,000,000
Construction Management / Development Fee	\$1,500,000
Interest & Origination Fees	\$6,000,000
3rd Party Studies	\$150,000
TOTAL SOFT COSTS	\$12,000,000
TOTALS:	\$221,584,845

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 24th, 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: Leslie E Ruge
Secretary

