



Community Redevelopment Authority (CRA)

**Wednesday, February 8, 2023
Regular Meeting**

Item I1

**Redevelopment Plan Amendment CRA Area 34 - Millennial
Estates Subdivision property - Starostka Group Unlimited**

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area 34
July 2022 Amended February 2023**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 34 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 34.

Executive Summary:

Project Description

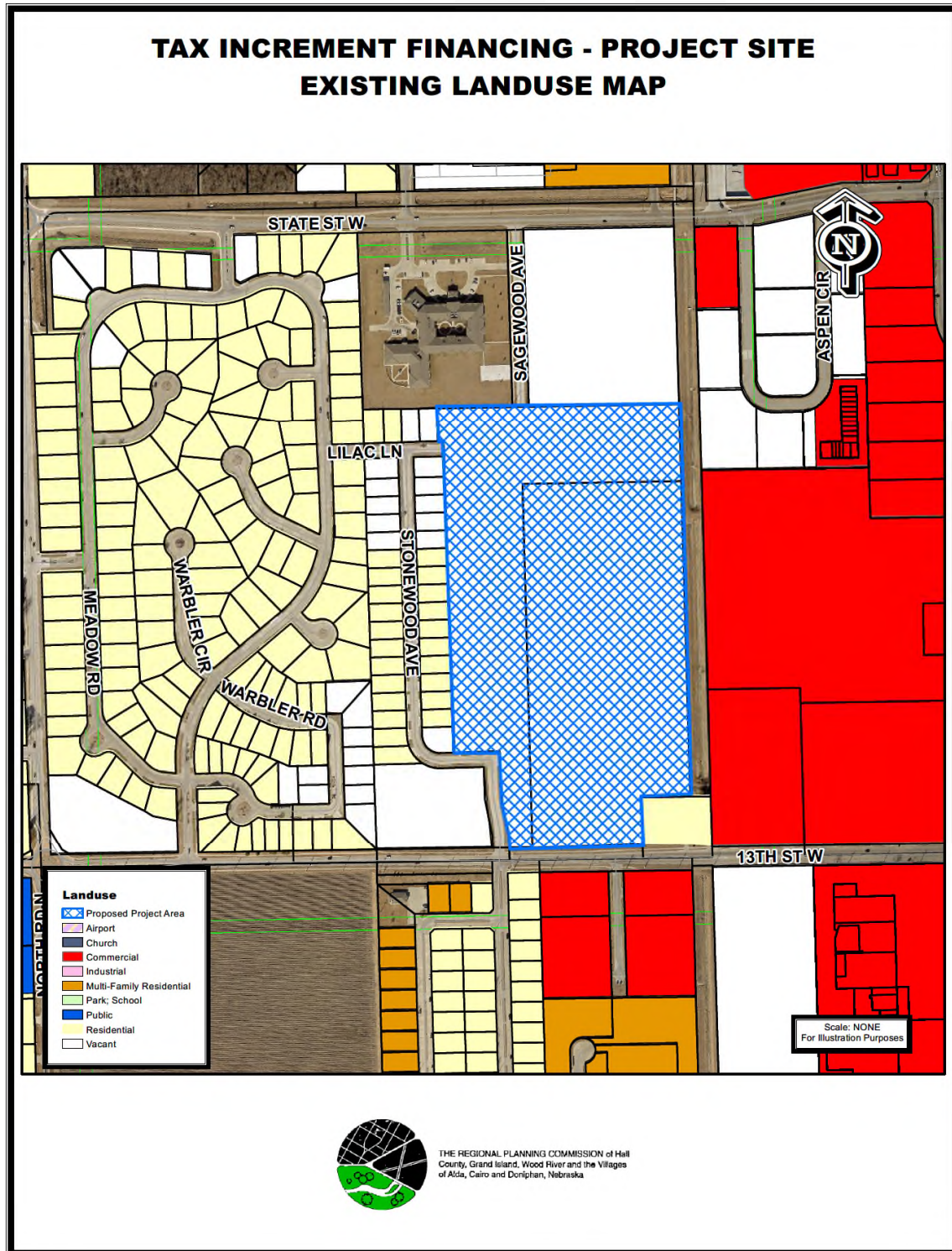
THE REDEVELOPMENT APPROXIMATELY 49 ACRES OF PROPERTY LOCATED NORTH OF 13TH STREET SOUTH OF STATE STREET AND WEST OF THE MOORE’S CREEK DRAINWAY IN NORTHWEST GRAND ISLAND FOR A RESIDENTIAL HOUSING INCLUDING UP TO 120 UNITS OF HOUSING.

The use of Tax Increment Financing to aid in redevelopment expenses associated with platting and installing the necessary infrastructure (streets, sanitary sewer, water, and storm sewer) for the development of 120 units of housing. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The 2020 Housing Study for the City of Grand Island identified a need of 1361 new rental and owner occupied housing units by 2024.

Starostka Group Unlimited, Inc has purchased a portion of this property and has an option to purchase rest for residential development. This project is in CRA Area 34. This redevelopment project includes two components. The first component supports the private project. The second component will support the construction of Claude Road between Faidley Avenue and State Street (the “Public Project”). The CRA will issue two TIF Notes. Seventy five percent of the TIF Revenue will be allocated to the TIF Note purchased by the Redeveloper. Twenty Five percent of the TIF Revenue will be allocated to the TIF Note to support the Public Project, which shall be assigned by the Redeveloper to the CRA. The CRA will enter into a contract with the City to install the Public Project. The City will be reimbursed for the Public Project by assignment of the TIF Note for the Public Project. Changes in the cost of construction, availability of materials and the approval of several other housing projects using Tax Increment Financing have led to this application for assistance with the project. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the construction of units. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over multiple 15 year periods beginning either January 1, 2024 or January 1, 2025 towards the allowable costs and associated financing for the development of this property.

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

Legal Descriptions: Part of the E ½ of the SW ¼ of 12-11-10 (PID 400149971) and Part of the E ½ of the SW ¼ 12-11-10 (PID 400149966)



Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2024 through 2049 inclusive. The TIF contract will be structured so it can be amended each year for up to ten years to add the housing units to be completed during that year. No single property will be eligible for TIF for a period of more than 15 years.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from development of the property for residential and commercial uses as previously described.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract or any amendment to the redevelopment contract, consistent with this Redevelopment Plan. The plan anticipates that each phase of the development will constitute new effective date for the purposes of determining the period of fifteen years. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

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

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on September 28, 2021.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the property for permitted uses on this property as defined by the current and effective zoning regulations. The Hall County Regional Planning Commission held a public hearing at their meeting on August 3, 2022 and passed Resolution 2022-12 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island. This amendment was also submitted to the Hall County Regional Planning Commission. The Hall County Regional Planning Commission held a public hearing at their meeting on March 1, 2023 and passed Resolution 2023-XX confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island. The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving a housing subdivision and/or apartment complex is proposed within the District. The school district was notified of this plan amendment prior to it being submitted to the CRA for initial consideration.

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

a. Land Acquisition:

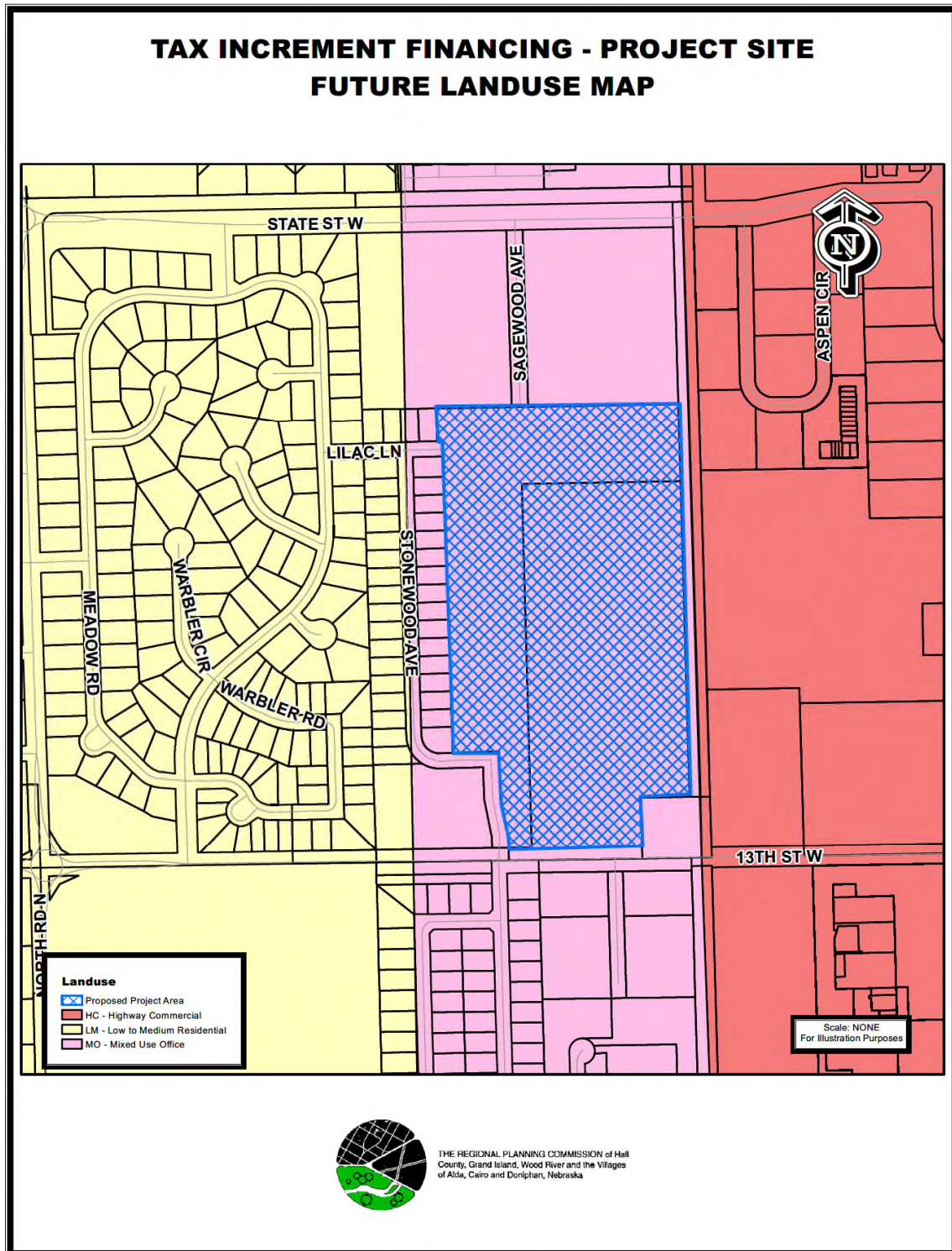
This Redevelopment Plan for Area 34 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

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

c. Future Land Use Plan

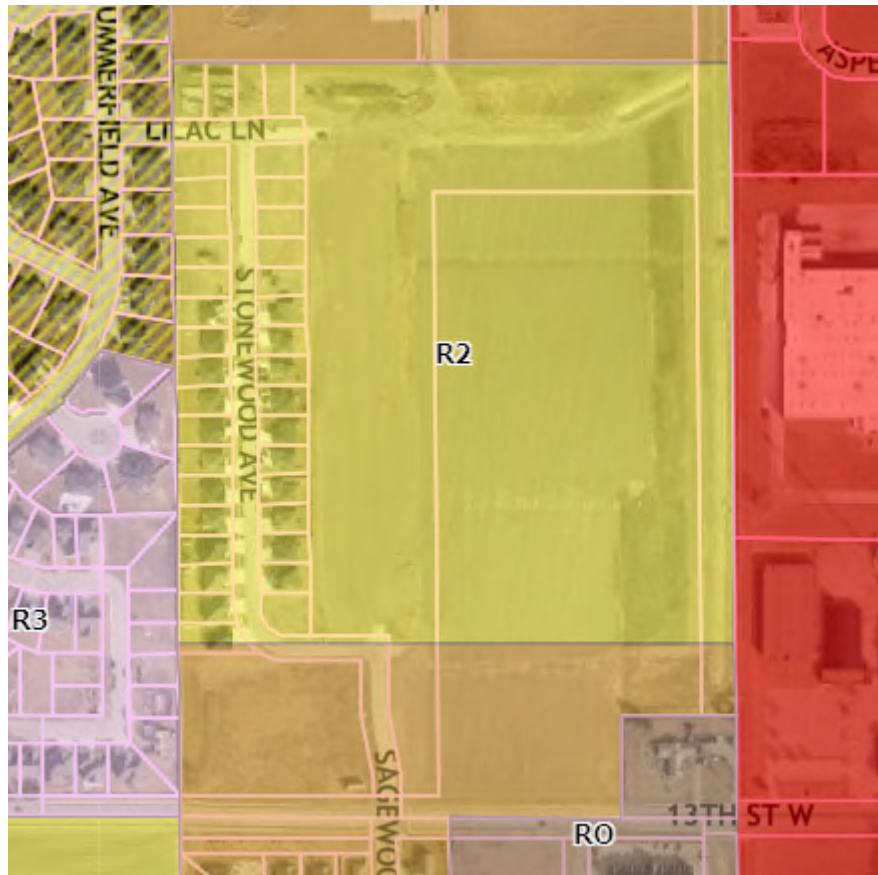
See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for low to medium density residential development. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the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



City of Grand Island Future Land Use Map

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

The area is zoned R4 High Density Residential along 13th street and R2 Low Density Residential on the northern portion of the site. The future land use map calls for medium density to office use development across this entire site. New public streets and utilities are anticipated and needed to support this project and it is anticipated that TIF revenues will offset the costs of those improvements. No changes are anticipated in building codes or other ordinances. No other planning changes contemplated. [§18-2103(b) and §18-2111]



Current Zoning on the Site

e. Site Coverage and Intensity of Use

The R2 zoning district allows for one dwelling unit per 6000 square feet of lot space with a 6000 square foot minimum lot size. The R0 zoning district does not limit the density of housing units but does require minimum 6000 square foot lot. The development as proposed will have a residential density of 2.4 units per acre. *Appendix A of this plan includes the developer's vision for the development.* [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

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

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

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

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

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106] No members of the authority or staff of the CRA have any interest in this property.

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

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The purchase price of the property is \$810,000 as an eligible expense. The estimated costs of utilities including sewer and water is \$1,446,189. Streets and drainage are estimated at \$2,520,655. Planning activities including engineering, architecture, legal fees and government fees are estimated at \$872,706. The total of the eligible expenses for this project is estimated by the developer at \$5,650,000.

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

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

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$5,650,000 from the proceeds of the TIF. The project will include the project as describe in this plan and costs associated with building Claude Road between this property and State Street. The revenues shall be split with 75% dedicated to the residential subdivision project paid to the developer and 25% dedicated to Claude Road and paid to the city for those expenses. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2024 through December 2049.

c. Statement of feasible method of relocating displaced families.

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

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of increasing the number of residential units within the City of Grand Island and encouraging infill development. This project will also provide for the development of Claude Road and reducing congestion along Diers Avenue within the City of Grand Island.

8. Time Frame for Development

Development of this project is anticipated to begin in the 2023 year. The build out of the subdivision is planned in five phases between 2024 and 2033. It is anticipated that the units in this development will be fully built out by 2033 with the tax increment on those homes extending to 2048. Excess valuation should be available for the first homes built with this project for 15 years beginning with either the 2024 or 2025 tax year, depending on the timing of the first phase.

9. Justification of Project

The 2020 housing study for the City of Grand Island projected that by 2024 we would need an additional 1361 new housing units. There should be 902 non-age restricted units with 518 owner occupied and with 384 rental units. There should be 459 age restricted unit 459 with 222 as 55+ owner occupied and with 237 as 55+ rental units. Between January 1 of 2020 and December of 2021 the city issued permits for 430 new housing units including both restricted and unrestricted units leaving a need for 931 additional units by 2024. The current housing market, a combination of the cost of producing

housing and the prevailing wages, has not created a situation that gives the markets sufficient incentive to build the number housing units required to meet community needs. This lack of housing options impacts a variety of other areas within the community including work force development, overcrowding, and maintenance of residential units. This project will create new housing options for all citizens and potential citizens of Grand Island and will likely result in the sale of existing homes around the city.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2019), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$5,650,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$32,424,550 in private sector financing and investment; a private investment of \$5.74 for every TIF dollar invested.

Use of Funds Description	Source of funds		
	TIF Funds	Private Funds	Total
Site Acquisition	\$810,000		\$810,000
Building Costs		\$32,400,000	\$32,400,000
Sewer and Water	\$1,446,189		\$1,446,189
Public Streets/ sidewalks	\$1,108,155		\$1,108,155
Planning (Arch. & Eng.)	\$872,706		\$872,706
Legal/ TIF contract	\$450	\$24,550	\$25,000
25% for Claude Road	\$1,412,500		\$1,412,500
Total	\$5,650,000	\$32,424,550	\$38,074,550

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2023 valuation of approximately \$149,793. Based on the 2021 levy this would result in a real property tax of approximately \$3,247. It is anticipated that the assessed value will increase by \$32,400,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$699,000 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for the period of the bonds, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2023 assessed value:	\$	149,793
Estimated value after completion	\$	32,400,000
Increment value	\$	32,250,261
Annual TIF generated (estimated)	\$	699,308
TIF bond issue	\$	5,650,000

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

The redevelopment project area currently has an estimated valuation of \$89,739. The proposed redevelopment will create additional valuation of \$32,400,000 over the course of the next ten years. The project creates additional valuation that will support taxing entities long after the project is paid off along with providing 120 additional housing units and provide for the development and construction of Claude Road on the east side of this property. The tax shift from this project will be equal to the total of the bond principal of \$5,650,000 if fully funded and any associated interest on the bond to be assigned with contract approval.

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

Existing water and waste water facilities will not be negatively impacted by this development. The electric utility has sufficient capacity to support the development. This is infill development with services connecting to existing line with capacity. This development will result in a larger number of students for Grand Island Public Schools. Fire and police protection are available and should not be negatively impacted by this development though there will be some increased need for officers and fire fighters as the City continues to grow whether from this project or others.

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

This will provide additional housing options for the residents of Grand Island. The National Homebuilders Association estimated in a 2014 study¹ that each unit of single family housing resulted in 2.97 full time equivalent jobs so this development at 13 units per year would represent an additional 39 FTE's within the city for the next nine years.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers different from any other expanding business within the Grand Island area. Grand Island does have tight labor market and part of that is due to the availability and cost of housing. This development may help alleviate some of those pressures.

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

This development will have an impact on the Grand Island School system and will likely result in additional students at the elementary and secondary school levels.

¹ <https://www.nahb.org/news-and-economics/housing-economics/housings-economic-impact/impact-of-home-building-and-remodeling-on-the-us-economy>

The average number of persons per household in Grand Island for 2015 to 2019 according the American Community Survey is 2.61. 120 additional households would house 313 people. According to the 2010 census 19.2% of the population of Grand Island was over 4 years old and under 18 years old. 2020 census number for this population cohort are not yet available but 27.6% of the 2021 population is less than 18 years of age this is the same percentage as the under 18 age cohort in 2010. If the averages hold it would be expected that there would be an additional 60 school age children generated by this development. If this develops at a rate of 13 units per year for 9 years approximately 7 children could be added to the school age population every year with this development. These 7 children will likely be spread over the full school age population from elementary to secondary school. According to the National Center for Educational Statistics² the 2019-20 enrollment for GIPS was 10,070 students and the cost per student in 2017-18 was \$12,351 of that \$4,653 is generated locally.

The Grand Island Public School System was notified on January 31, 2022 that the CRA would be considering this application at their July 13, 2022 meeting.

(f) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This project is consistent the goals of the 2020 Housing Study for the City of Grand Island to create more than 1361 new housing units. Between January of 2020 and December of 2021 the City of Grand Island has issue permits for 430 housing units. The local housing market is not capable of producing the number of units needed at market rate given the costs of building and development. Twenty Five percent of the increment generated approximately \$1,412,500 will be made available to the City of Grand Island for the development of Claude Road along the east side of property.

Time Frame for Development

Development of this project is anticipated to be completed between Spring of 2023 and the end of 2033. The base tax year should be calculated on the value of the property as of January 1, 2023 for the first phase with each phase based on the preceding year's valuation of the property included in the amendment for that year. Excess valuation should be available for this project beginning in 2024 with taxes due in 2025. Provided, however, if the first phase is not completed in 2023 to create an increase in the ad valorem taxes for the 2024 tax year, then the base year shall be January 1, 2024 and the first year for division of taxes will be 2025. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years on each property or an amount not to exceed a base amount of \$5,650,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the rehabilitation the developer will spend at least \$5,650,000 on TIF eligible activities.

² https://nces.ed.gov/ccd/districtsearch/district_detail.asp?ID2=3100016



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Starostka Group Unlimited, Inc.

Address:

429 Industrial Lane

Telephone No.: (308) 385-0636

Fax No.: _____

Email: jordanstar@stargroupunl.com

Contact:

Jordan Starostka

Application Submission Date: 6/7/2022

Brief Description of Applicant's Business:

Applicant is a developer and contractor that provides comprehensive contracting for residential, commercial, and civil/industrial projects.

Legal Description/Address of Proposed Project

MISC TRACTS 12-11-10 PT E1/2 SW1/4 and MISCELLANEOUS TRACTS 12-11-10 PT E 1/2 SW 1/4 34.41 AC (3812 W. 13th)

Community Redevelopment Area Number _____

Present Ownership Proposed Project Site:
Starostka Group, Unlimited (PID 400149971)
Blender, LLC (PID 400149966)

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.

Redeveloper intends to construct an approximately 120 unit residential subdivision in multiple phases. The project site is currently vacant and in the need of significant infrastructure improvements to be developable and usable for any purposes.

See attached preliminary proposed site plan. The project will consist of three phases of residential development, with subphases as appropriate, and a phase for the construction of Claude Road. The phases are referred to on the site plan as (i) Phase 1, (ii) Phase 2, (iii) Phase 3, and (iv) Claude Road.

If Property is to be Subdivided, Show Division Planned: See attached preliminary site plan

VI. Estimated Project Costs: **See attached explanation of estimated costs**

Acquisition Costs:

A. Land	\$ _____
B. Building	\$ _____

Construction Costs:

A. Renovation or Building Costs:	\$ _____
B. On-Site Improvements:	
Sewer	\$ _____
Water	\$ _____
Electric	\$ _____
Gas	\$ _____
Public Streets/Sidewalks	\$ _____

Private Streets	\$ _____
Trails	\$ _____
Grading/Dirtwork/Fill	\$ _____
Demolition	\$ _____
Other	\$ _____
Total	\$ _____

Soft Costs:

A. Architectural & Engineering Fees:	\$ _____
B. Financing Fees:	\$ _____
C. Legal	\$ _____
D. Developer Fees:	\$ _____
E. Audit Fees	\$ _____
F. Contingency Reserves:	\$ _____
G. Other (Please Specify)	\$ _____

TOTAL \$ _____

Total Estimated Market Value at Completion: \$ 32,400,000

Source for Estimated Market Value \$270,000 per unit x 120 residential units

Source of Financing:

A. Developer Equity:	\$ _____
B. Commercial Bank Loan:	\$ _____
C. Tax Credits:	
1. N.I.F.A.	\$ _____
2. Historic Tax Credits	\$ _____
3. New Market Tax Credits	\$ _____
4. Opportunity Zone	\$ _____
D. Industrial Revenue Bonds:	\$ _____
E. Tax Increment Assistance:	\$ _____
F. Enhanced Employment Area	\$ _____

G. Nebraska Housing Trust Fund \$ _____

H. Other \$ _____

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

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

There will be approximately 120 residential units. Based on applicant's plan to develop and construct workforce housing, we are assuming an average valuation of approximately \$270,000 per unit. There will likely be some difference between units, but the average value of \$270,000 and a presumed tax levy of 2.161133 would yield a annual real estate tax of \$5,835 per lot.

While the construction of the units will be phased, when completed the taxes on the entire project would be approximately \$646,200 (\$5,385x120)

Project Construction Schedule: Please see attached explanation

Construction Start Date:

2022

Construction Completion Date:

anticipated 2028 (would like flexibility until

If Phased Project:

_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma

(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

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

Redeveloper is requesting \$5,650,000 in TIF over all of the phases of the project. Redeveloper is requesting the TIF bond be issued at 8% interest.

TIF would assist with the cost of the infrastructure improvements necessary to develop the project site. This would include approximately: \$810,000 in site acquisition, \$4,000,000 in infrastructure improvements, \$873,000 in architectural, engineering, and legal fees, and 8% interest on the TIF bond. The 8% interest is necessary to justify the long term commitment and risk over the multi-year, multiple phase redevelopment project.

See attached addendum for additional information.

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

Applicant desires to develop a residential subdivision with approximately 120 workforce housing units. The goal for the workforce housing units is to keep the average final value at approximately \$270,000 per unit. Construction costs are so high right that this will be a challenge. Without the requested TIF assistance, which equates to approximately \$83,000 per lot, this would be impossible. A large scale subdivision like the proposed project is simply not possible with the required cost of infrastructure without the assistance of TIF. It would be particularly impossible to build any workforce housing without TIF, because the applicant could never recover its costs, let alone make any profit necessary for the risk involved with this project.

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:

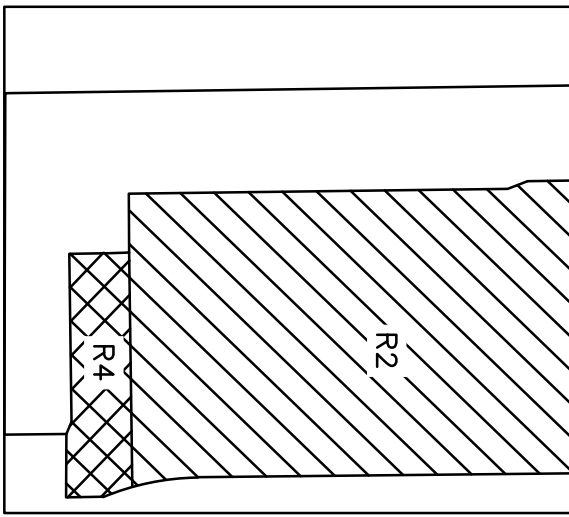
Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

SUBDIVISION AREA = 49.6 ACRES
LOT USAGE
120 LOTS
1 OUTLOTS

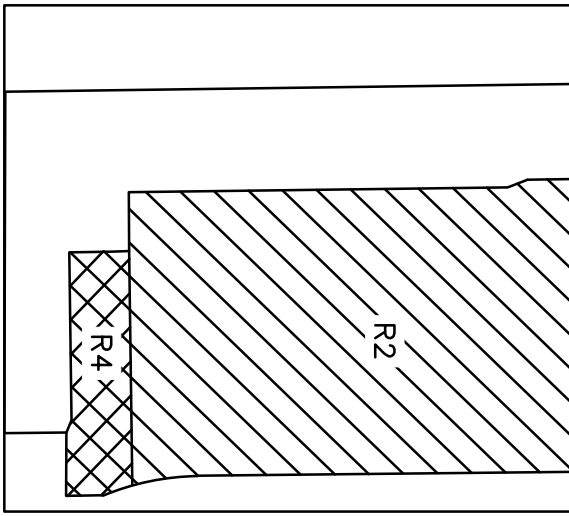
OWNER / DEVELOPER
STAROSTKA GROUP UNLIMITED, INC
429 INDUSTRIAL LANE
GRAND ISLAND, NE 68803

ENGINEER/LAND SURVEYOR
OLSSON
201 E. 2ND ST.
GRAND ISLAND, NE 68802

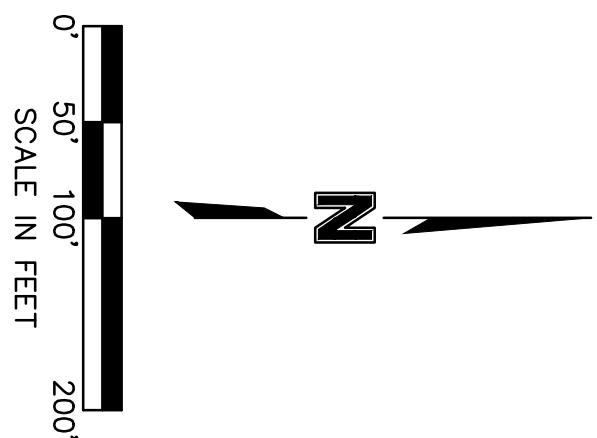
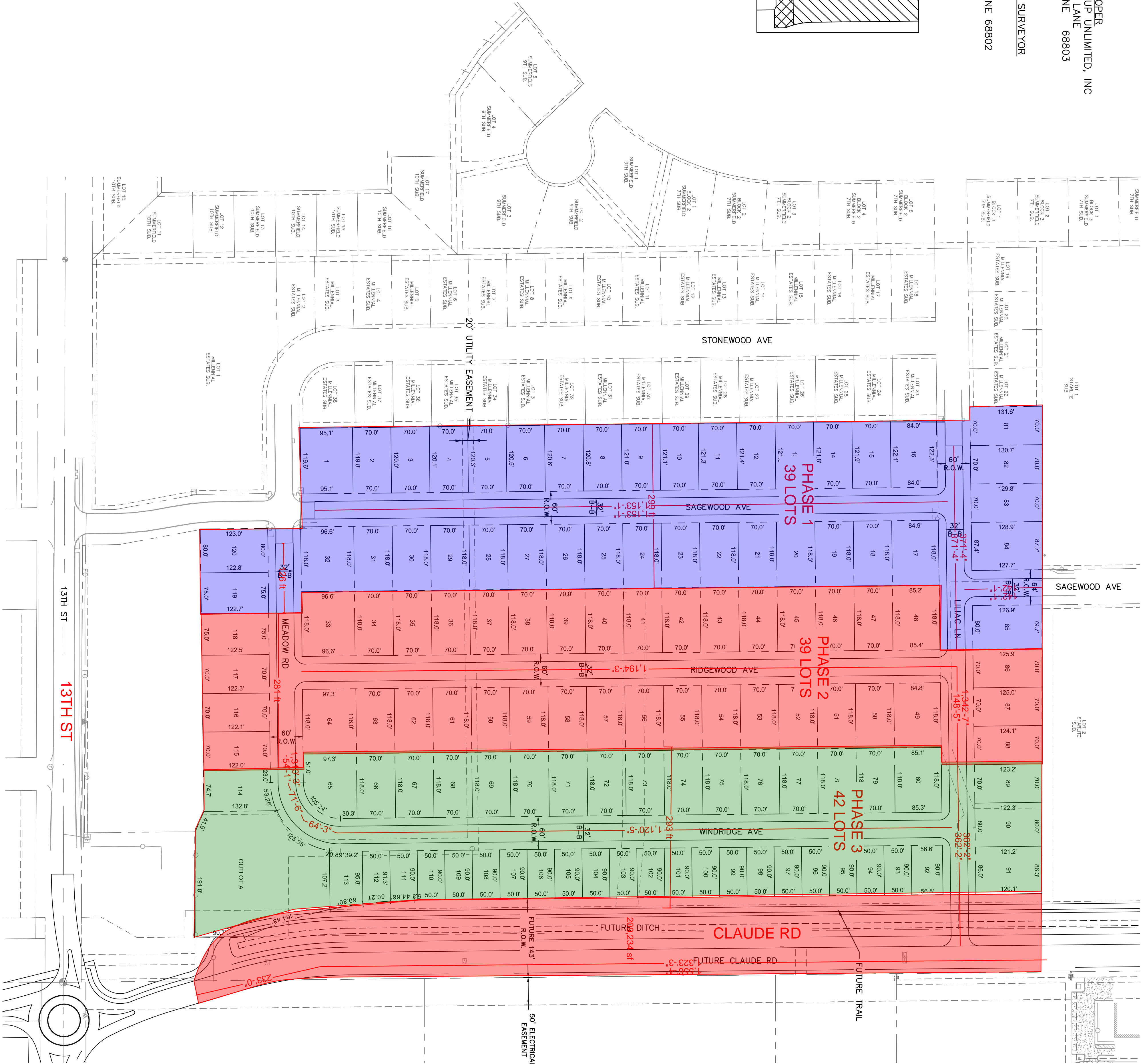
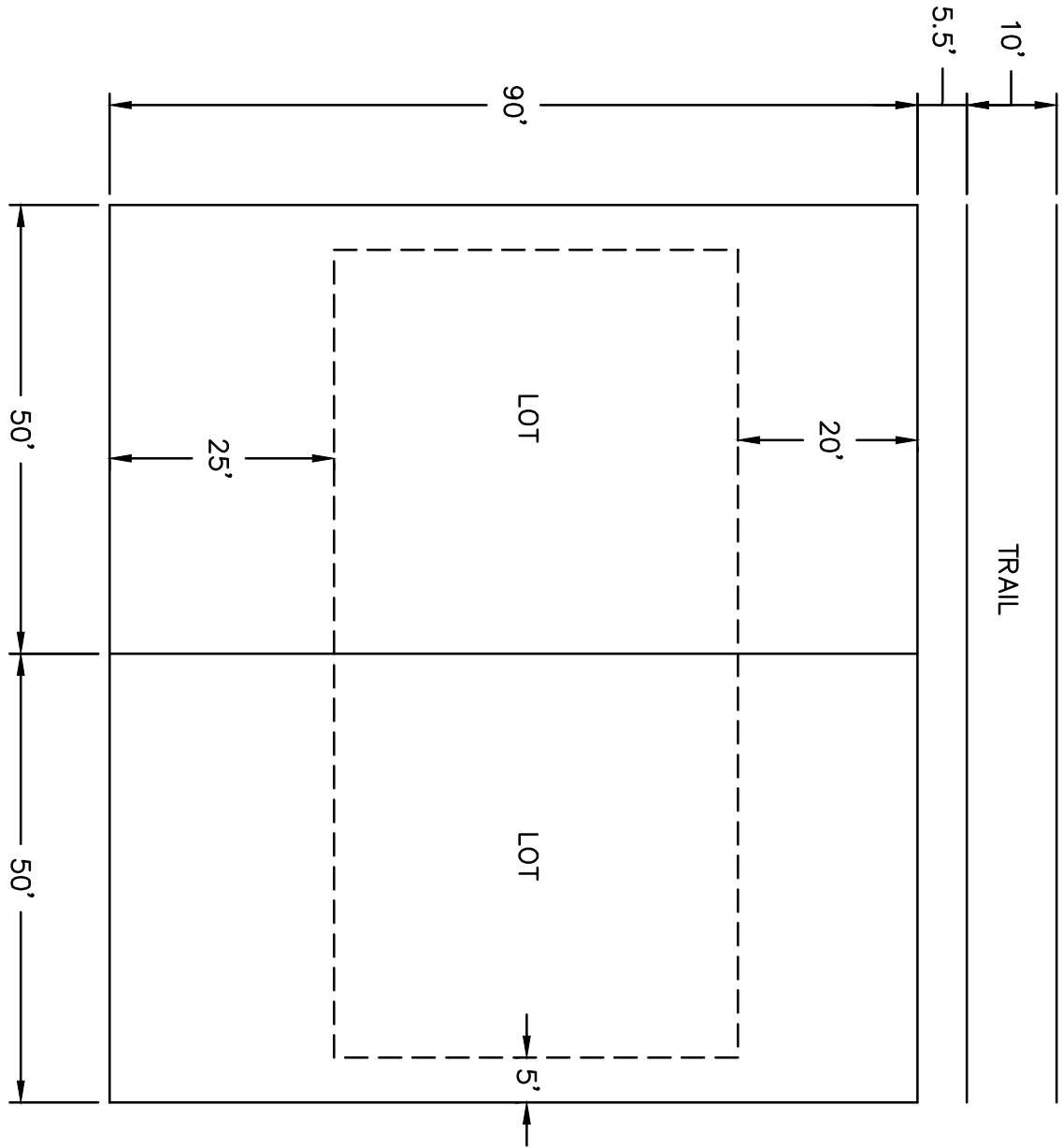
EXISTING ZONING



PROPOSED ZONING



- PHASING BOUNDARY
- PROPOSED PROPERTY LINE
- PROPOSED EASEMENT LINE
- FLOOD PLAIN ZONE BOUNDARY
- EXISTING PROPERTY LINE
- EXISTING EASEMENT LINE
- WATER MAIN
- SANITARY SEWER
- STORM SEWER
- (M) MEASURED DISTANCE
- (R) RECORDED DISTANCE
- FOUND PROPERTY CORNER



120 TOTAL LOTS

olsson

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

REV. NO.	DATE	REVISIONS DESCRIPTION

LOT LAYOUT	
MILLENNIAL ESTATES SUBDIVISION PRELIMINARY PLAT	
GRAND ISLAND, NEBRASKA	

drawn by:	SMG
checked by:	BJD
approved by:	BJD
QA/QC by:	022-00432
project no.:	022-00432
drawing no.:	5.5.0022
date:	5.5.2022

SHEET
1 of 3

Explanation of Estimated Costs

LAND ACQUISITION:

- PID 400149971 was recently acquired for approximately \$410,000
- PID 400149966 is under contract and will be acquired for approximately \$400,000

TIF USES:

Total proposed TIF uses for the Project are approximately \$5,650,000:

Subdivision Phase 1	\$1,613,788
Subdivision Phase 2	\$1,521,263
Subdivision Phase 3	\$1,321,582
Claude Road	\$1,192,916
Total	\$5,649,549

Redeveloper requests a TIF Bond with an interest rate of 8%. The 8% interest rate is necessary for the financing and investment, based on the risk of the large infrastructure investment for the multi-phase project.

The TIF uses consist of site acquisition costs, site preparation, utility and infrastructure improvements, and engineering, architectural, and legal fees.

The proposed TIF uses by phase are set forth in the chart below:

MILLENNIAL ESTATES REDEVELOPMENT PROJECT

Phase	Phase 2	Phase 3	Phase 4	Claude Rd	total
Lots	39	39	42	0	120
Anticipated Construction Year	2022	2025	2027	2027	n/a
TIF Uses (see below)	\$1,613,788	\$1,521,263	\$1,321,582	\$1,192,916	\$5,649,549

TIF USES

PAVING / Grading	\$526,873	\$568,590	\$561,792	\$738,400	\$2,395,655
Utilities (Water & Wastewater)	\$402,339	\$320,478	\$461,472	\$114,400	\$1,298,689
Dewatering	\$57,500	\$30,000	\$60,000	\$0	\$147,500
Lighting / Striping	\$0	\$0	\$0	\$125,000	\$125,000
TOTAL INFRASTRUCTURE	\$986,712	\$919,068	\$1,083,264	\$977,800	\$3,966,844
Site Acquisition	\$410,000	\$400,000	\$0	\$0	\$810,000
Survey, Engineering, Legal	\$217,077	\$202,195	\$238,318	\$215,116	\$872,706
Total	\$1,613,788	\$1,521,263	\$1,321,582	\$1,192,916	\$5,649,549

All costs set forth herein are preliminary estimates and will be certified upon completion. Given the current state of labor and materials pricing in the construction industry, it is likely that the prices will continue to increase and will not go down any time soon.

OVERALL PROJECT COSTS:

In addition to the initial \$5,650,000 for public improvements, Applicant will construct 120 residential dwelling units. Because of the unstable cost of labor and materials in the construction industry and the long term construction schedule, it is impossible to determine the construction costs for the private improvements. However, applicant's goal is to construct workforce housing – targeting an average house valuation of approximately \$270,000. Accordingly, the final valuation is anticipated to be approximately \$32,400,000 when construction of the entire project is completed, so total construction costs of more than \$30,000,000 is a reasonable estimate at this point.

Construction Schedule

The Project will be built in four (4) phases: three phases of residential units and the Claude Road phase. Each residential phase shall be completed in up to three (3) subphases. The residential phases are referred to herein as Phase 1, Phase 2, and Phase 3.

Redeveloper desires to complete the project by the end of 2027. However, Redeveloper desires to built in a little flexibility to account for the unknown market conditions that will affect the project.

First, applicant's desired schedule is set forth below:

		Completion date	Effective Date
Phase 1	Subphase 1	12/31/2023	1/1/2024
	Subphase 2	12/31/2024	1/1/2025
Phase 2	Subphase 1	12/31/2025	1/1/2026
	Subphase 2	12/31/2026	1/1/2027
Phase 3	Subphase 1	12/31/2027	1/1/2028
	Subphase 2	12/31/2028	1/1/2029
Claude Road		12/31/2027	n/a

Because the construction schedule will depend on market conditions and absorption rate of new home purchases, Redeveloper desires to build a little flexibility into the schedule required by the Redevelopment Agreement. Therefore, while Redeveloper intends to try to complete the project by the desires schedule set forth above, the proposed schedule for the Redevelopment Agreement is set forth below:

		Completion date	Effective Date
Phase 1	Subphase 1	12/31/2023	1/1/2024
	Subphase 2	12/31/2024	1/1/2025
	Subphase 3	12/31/2025	1/1/2026
Phase 2	Subphase 1	12/31/2026	1/1/2027
	Subphase 2	12/31/2027	1/1/2028
	Subphase 3	12/31/2028	1/1/2029
Phase 3	Subphase 1	12/31/2029	1/1/2030
	Subphase 2	12/31/2030	1/1/2031
	Subphase 3	12/31/2031	1/1/2032
Claude Road		12/31/2029	n/a

Here is a more detailed explanation of the more conservative schedule set forth above:

Phase 1

It is anticipated that the infrastructure for Phase 1 will commence in 2022.

It will take up to three (3) subphases to complete the 39 residential units consisting of Phase 1. While construction may occur quicker depending on the market, current assumptions are that 1/3 of the units (13 units) will be built each year, such that the Phase 1 schedule will be:

- Infrastructure construction: 2022
- 13 homes built: 2023
- 13 homes built: 2024
- 13 homes built: 2025

Phase 2

It is anticipated that the infrastructure for Phase 2 will commence in 2025.

It will take up to three (3) subphases to complete the 39 residential units consisting of Phase 2. While construction may occur quicker depending on the market, current assumptions are that 1/3 of the units (13 units) will be built each year, such that the Phase 2 schedule will be:

- Infrastructure construction: 2025
- 13 homes built: 2026
- 13 homes built: 2027
- 13 homes built: 2028

Phase 3

It is anticipated that the infrastructure for Phase 3 will commence in 2027 or 2028. It will take up to three (3) subphases to complete the 42 residential units consisting of Phase 3. While construction may occur quicker depending on the market, current assumptions are that 1/3 of the units (14 units) will be built each year, such that the Phase 3 schedule will be:

- Infrastructure construction: 2028
- 14 homes built: 2029
- 14 homes built: 2030
- 14 homes built: 2031

Claude Road

Claude Road will be constructed by the time the first homes are built for Phase 3. It is intended that this will occur by December 31, 2027, but in no case will this be later than December 31, 2029.

4864-3080-6824, v. 1



February 2, 2023

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

Dear Dr. Schroeder,

This letter is to inform you that the Community Redevelopment Authority (CRA) of the City of Grand Island has received an application requesting Tax Increment Financing (TIF) for a small housing development. The property is located south of Montana Avenue and east of Independence Avenue.

The application seeks \$5,650,000 in TIF assistance for the development of the 120 units of housing along with Claude Road where it abuts the property. It is estimated that this development will take place over the next 9 years with 13 or 14 units built each year.

This project was given approval by Council in September last year but the developer is requesting a change to the project that impacts the split of funds for the construction of Claude Road as part of the project. The number of housing units and the amount of the TIF is not changing.

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

- CRA receives initial application, 4 p.m., February 8.
- Regional Planning Commission holds public hearing 6 p.m., March 1.
- CRA reviews Planning Commission recommendation, 4 p.m. March 15.
- Grand Island City Council holds public hearing and takes action, 7 p.m., March 28.
- CRA considers redevelopment contract, 4 p.m. on or after April 12.

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

Sincerely,



Chad Nabity, AICP
Director

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

RESOLUTION NO. 396

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT CONTRACT TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 8th day of February, 2023

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

By _____
Chairperson

ATTEST:

Secretary

Starostka Millennial Area 34 Amended Plan February 2023