



# Community Redevelopment Authority (CRA)

**Tuesday, October 14, 2008**  
**Regular Meeting**

## **Item H1**

**TIF Request - 2709 S Locust**

Staff Contact: Chad Nabity

## BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

### Project Redeveloper Information

- I. Business Name: SOUTH POINTE DEVELOPMENT, L.L.C.  
Address: PO BOX 139 – GRAND ISLAND NE 68802  
Telephone No.: (308) 381-2497  
Contact: Raymond J. O'Connor
- II. Brief Description of Applicant's Business:  
Real Estate Developer and Hotel Owner
- III. Present Ownership Proposed Project Site:  
Raymond and Jennifer O'Connor – 2623 S. Locust St. – Grand Island, NE  
Grand Island Community Redevelopment Authority – CRA Property to be  
acquired: 2707-2709 South Locust Street – Grand Island, NE
- IV. Proposed Project: Building square footage, size of property, description of  
Buildings – materials, etc. Please attach site plan, if available.  
Eighty-two (82) room Best Western Inn and Suites  
*\*\*Please review attached hotel material*
- V. If Property is Subdivided, Show Division Planned:
- VI. Estimated Project Costs:
- Acquisition Costs:
- |   |                   |
|---|-------------------|
| A. Land and Affiliate Cost (2623 S. Locust St.) | \$ <u>225,000</u> |
| B. 2709 – 2709 South Locust                     | \$ <u>50,000</u>  |
- Construction Costs:
- |                                  |                     |
|----------------------------------|---------------------|
| A. Renovation of Building Costs: | \$ <u>5,247,500</u> |
| B. On-Site Improvements:         | \$ <u>Included</u>  |

Soft Costs:

A. Architectural & Engineering Fees:	\$ <u>75,000</u>
B. Financing Fees:	\$ <u>5,000</u>
C. Legal / Developer / Audit Fees:	\$ <u>2,500</u>
D. Contingency Reserves:	\$ <u>n/a</u>
E. Other (Please Specify)	\$ <u>n/a</u>
TOTAL	\$ <u>82,500</u>

VII. Total Estimated Market Value at Completion: \$ 5,330,000

VIII. Source of Financing:

A. Developer Equity:	\$ <u>1,200,000</u>
B. Commercial Bank Loan:	\$ <u>4,130,000</u>
C. Tax Credits:	
1. N.I.F.A.	\$ <u>n/a</u>
2. Historic Tax Credits	\$ <u>n/a</u>
D. Industrial Revenue Bonds:	\$ <u>n/a</u>
E. Tax Increment Assistance: <i>**Total over a 15 year time period</i>	\$ <u>1,567,609</u>
F. Other	\$ <u>n/a</u>

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

Narber, Inc., PO Box 1781, Grand Island, NE, 68802-1781  
Phone (308) 381-1970, Fax (308) 384-2963

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

\$5,330,000 x 2.074528% = \$110,572.00 Yearly

XI. Project Construction Schedule:

A. Construction Start Date: 90 days after Tax Increment Financing is available  
B. Construction Completion Date: 270 days after construction start date

C. If Phased Project:

<u>n/a</u>	Year	<u>n/a</u>	Year
<u>n/a</u>	Year	<u>n/a</u>	Year

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma  
(With Appropriate Schedules)

**TAX INCREMENT FINANCING REQUEST INFORMATION**

- I. Describe Amount and Purpose for Which Tax Increment Financing is Requested:  
The amount of Tax Increment Financing requested is approximately \$1,567,609  
for 15 years. These funds will be used to assist in building and operating an 82 room  
Best Western Inn and Suites. Real Estate Taxes of Six Thousand and Twenty-Six  
Dollars (\$6,026.00) would continue to be paid each year of Tax Increment Financing.
- II. Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing  
for Proposed Project:  
Tax Increment Financing is an integral and essential component in the overall  
Financing of the project development in order to create adequate economics  
for the construction and operation of this hospitality product.
- III. 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:  
City of Grand Island – Raymond J. O'Connor  
City of Kearney – Raymond J. O'Connor  
South Pointe Development L.L.C. will be a newly formed Nebraska  
Limited Liability Company.
- IV. Please Attach Applicant's Corporate / Business Annual Financial Statements for  
the Last Three Years.  
South Pointe Development will be a newly formed Nebraska Limited  
Liability Company, thus it has no financial history.



MID-SCALE PROTOTYPE: STONERIDGE

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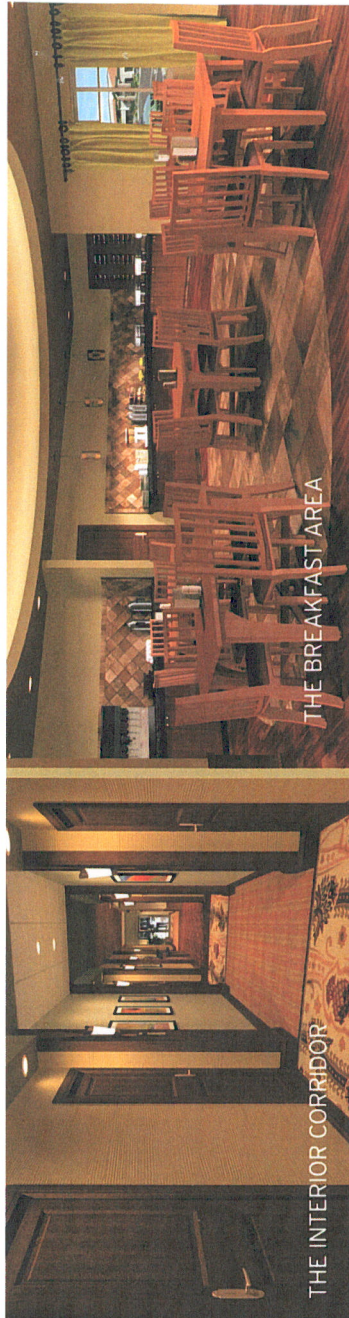


STONERIDGE EXTERIOR & PORTE COCHERE

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## THE MID-SCALE PROTOTYPE INTERIOR.

Responsive to the needs of guests. Value engineered for investors. Timeless in its appeal.



THE INTERIOR CORRIDOR



THE LOBBY AND REGISTRATION DESK

The Stoneridge interior design featured here fuses Arts & Crafts with Contemporary for a casual luxury that is inviting to guests. Familiar materials of wood, metal and stone, accented by vibrant autumnal colors are timeless and universal in their appeal.

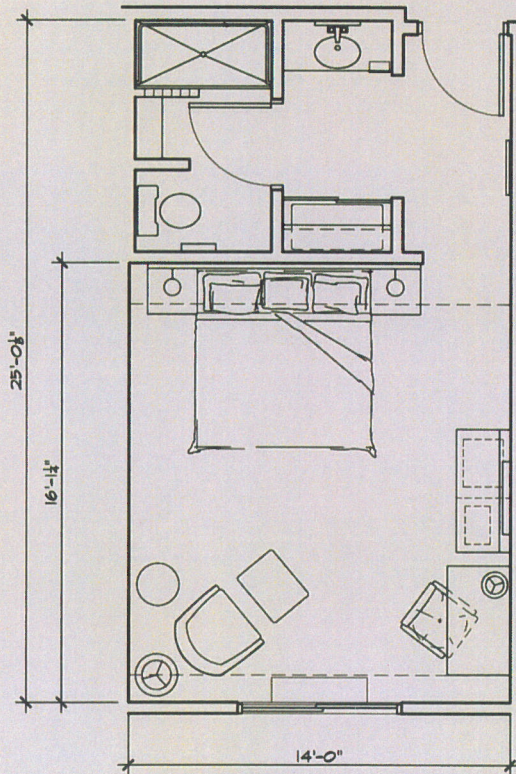


**The Stoneridge Prototype Guestroom:** A one-of-a-kind headboard created by Best Western designers calls out to guests that this is no cookie-cutter hotel - a point of difference that sets Best Western properties apart from the competition. The smartly designed desk has a built-in power strip for easy port access. Guests can adjust ceiling, tabletop and floor lighting to suit their mood and enjoy every modern amenity from the comfort of plush, overstuffed furniture - all of which comes at the greatest possible value for guests and investors alike.

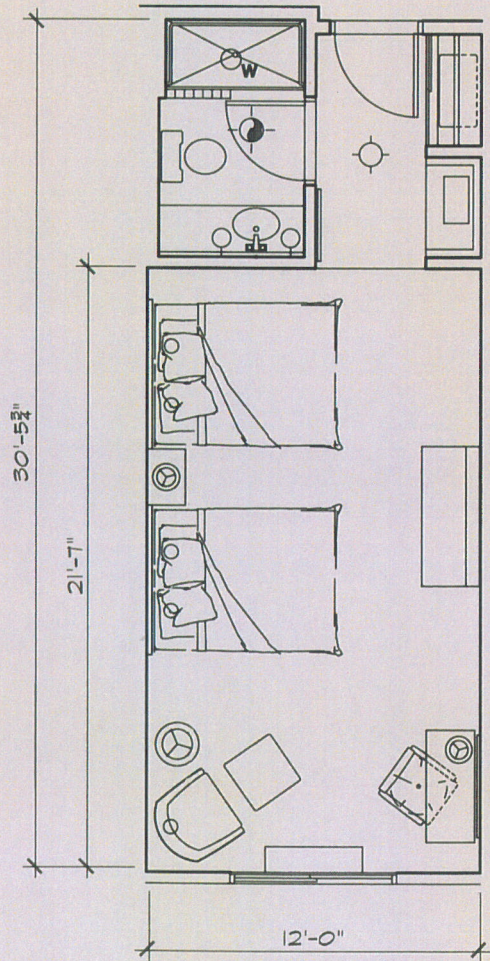
Guestroom designs and room standards are specific to their respective prototype and therefore can only be used as designated.

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14-FOOT WIDTH KING GUEST UNIT



12-FOOT WIDTH DOUBLE QUEEN UNIT



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## KING GUEST UNIT 14-foot width

Total room size	14'-0" x 25'-0"
Living area size	14'-0" x 16'-1 1/4"
Net square feet	350
Number of units	20



## DOUBLE QUEEN GUEST UNIT 12-foot width

Total room size	12'-0" x 30'-5 3/4"
Living area size	12'-0" x 21'-7"
Net square feet	366
Number of units	30

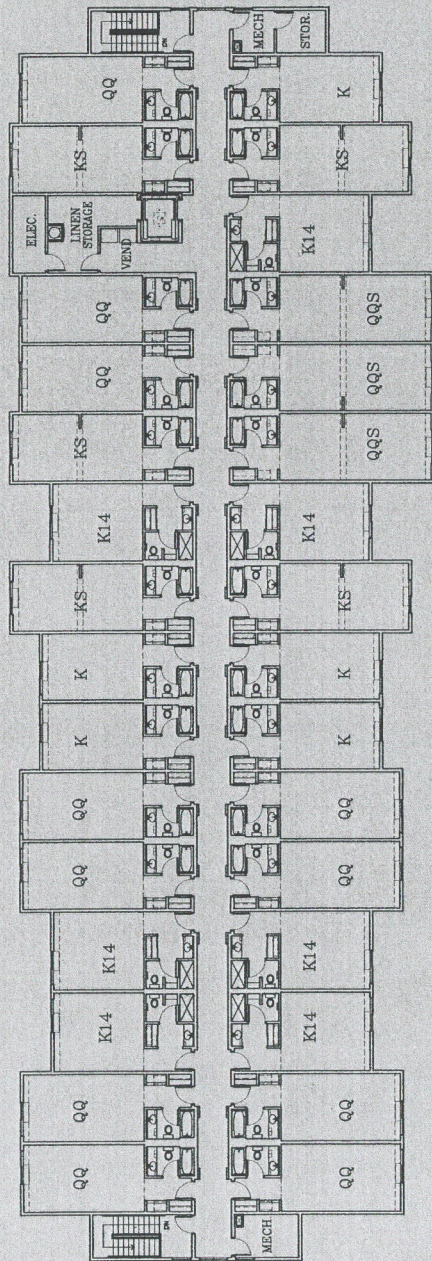
The floor plan is a symmetrical, U-shaped building layout. The central corridor runs vertically, with rooms branching off to the left and right. The left side includes a large 'POOL' at the top, followed by a 'FITNESS CENTER', 'MECH. ROOM', 'TERM. ROOM', 'LAUNDRY', 'VENDING', 'OFFICE', 'GENERAL OFFICE', 'REGISTRATION', 'PHONE COMP.', 'STOR.', 'MEETING ROOM', 'K14', 'KS', 'K HCP', 'K', 'QQ', 'QQ', 'K14 HCP', 'K14', 'QQ', 'QQ', and 'STOR.' at the bottom. The right side includes a 'POOL' at the top, followed by a 'MECH. ROOM', 'EMPLOYER LOUNGE', 'PANTRY', 'BREAKFAST AREA', 'LOBBY', 'VESTIBULE', 'BOARD ROOM', 'BUS CNTR', 'K14', 'KS', 'K', 'K', 'QQ HCP', 'QQ', 'K14', 'K14', 'QQ', 'QQ', and 'STOR.' at the bottom. The plan also shows various restrooms (men, women), a linen storage room, an elevator, and a circular 'BREAKFAST AREA' with a 'COFFER CEILING'.

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Guest room GSF	Public areas	Square feet
King rooms	Lobby area	881
King 14' rooms	Breakfast area	786
Double Queen rooms	Board Room	416
King Mini Suites	Business Center	97
Total rooms	Fitness area	307
		s

# MID-SCALE

## STONERIDGE PROTOTYPE



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### UPPER FLOOR PLAN

Guest room GSF	11,212
King rooms	5
King 14' rooms	7
Double Queen rooms	11
King Mini Suites	5
Double Queen Mini Suites	3
Total rooms	31