



Community Redevelopment Authority (CRA)

**Wednesday, January 14, 2009
Regular Meeting**

Item I1

TIF

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Casey's Retail Company

Address:

1 SE Convenience Blvd., Ankeny, IA 50021

Telephone No.: 515-965-6501 Fax No.: 515-965-6160

Contact:

Eli J. Wirtz, Corporate Counsel

Brief Description of Applicant's

Business: Establishment and operation of convenience stores with gasoline sale facilities in a multi-state area of the midwest, including Nebraska.

Present Ownership Proposed Project Site: Richard L. Snyder and Connie J. Snyder;
Casey's Retail Company

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

Project includes combining four parcels known as 1721 N Broadwell, 1720 N
Eddy, 1724 N Eddy and 1814 N Eddy into a single site for redevelopment;
demolition of existing Casey's General Store and related improvements and
construction of a new "O" style Casey's General Store with fuel dispensers,
underground storage tanks and canopy over fueling islands per plan approved by
City. Also includes relocation of a city water main. See attachment 1, site plan
approved by the City, showing size of property to be 0.864 acre, more or less, and
attachment 2, showing building construction materials and dimensions of
building, which contains 3,950 square feet.

If Property is to be Subdivided, Show Division Planned:

An administrative replat of the four (4) properties combined to create the store
site will be undertaken. See attachment 3, a survey of the proposed store site,
identifying and showing the four constituent parcels.

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 400,000
B. Building	\$ -0-

Construction Costs:

A. Renovation or Building Costs:	\$ 550,000
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B. On-Site Improvements: \$ 434,000

Soft Costs:

A. Architectural & Engineering Fees: \$ 75,000

B. Financing Fees: \$ -0-

C. Legal/Developer/Audit Fees: \$ -0-

D. Contingency Reserves: \$ 75,000

E. Other (Please Specify) \$ -0-

TOTAL \$ 1,534,000

Total Estimated Market Value at Completion: \$ 1,400,000

Source of Financing:

A. Developer Equity: \$ 1,149,000

B. Commercial Bank Loan: \$ -0-

Tax Credits:

1. N.I.F.A. \$ -0-

2. Historic Tax Credits \$ -0-

D. Industrial Revenue Bonds: \$ -0-

E. Tax Increment Assistance: (est.) \$ 385,000
F. Other \$ -0-

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

Architect: Miller & Associates,
1111 Central Ave., Kearney, NE
Phone: 308-234-6456; Fax: 308-234-1146
Engineer: Tagge Engineering Consultants, Inc.
515 West Ave., Holdrege, NE 68949
Phone: 308-995-6677; Fax 308-995-6164
Contractor: To Be Selected

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

(Please Show Calculations)

\$1,400,000 x \$2.082963 (current millage rate) = \$29,161.48

(appraisal after planned improvements x expected annual mil levy)

Project Construction Schedule:

Construction Start Date:

April 1, 2009

Construction Completion Date:

August 15, 2009

If Phased Project: N/A

_____ 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:

The amount of Incremental Prospective Annual Real Estate Taxes over the 2008 Real Estate Taxes (payable in 2009) on the subject property for 15 years will be used to finance funds required for redevelopment of the Property.

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

for Proposed Project: TIF is an integral and essential component in the overall financing of the project in order to make the finished facility economically viable and thus justify redevelopment of the property with a new facility as proposed, within the subject blighted area. The project includes construction of a new water line to be owned by the City, using TIF funds. Purchase of the additional land essential to this project is contingent on the availability of TIF funds.

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:

The Company has constructed over 100 new or replacement convenience stores in numerous cities over the past five (5) years. Information concerning particular stores or cities will be made available upon request.

- IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

See attached Annual Reports of Casey's General Stores, Inc. for the fiscal years ended 4/1/2008 and 4/1/2007, each of which includes balance sheets and income statements for the current year and one previous year. Casey's Retail Company is a wholly-owned subsidiary of Casey's General Stores, Inc.

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



CASEY'S GENERAL STORES, INC.

P.O. Box 3001 • One Convenience Blvd., Ankeny, Iowa 50021-8045 • 515-965-6100

Sender's Direct-Dial Telephone Number: 515-965-6501

Fax Number: 515-965-6160

E-mail Address: eli.wirtz@caseys.com

December 22, 2008

Sent via Email to: ChadN@grand-island.com

Mr. Chad Nabity
Regional Planning Director
City Hall
100 E 1st St.
Grand Island, NE 68801

RE: TIF Application of Casey's Retail Company

Dear Chad:

Attached is the Application of Casey's Retail Company, an Iowa corporation, for Tax Increment Financing (TIF) with respect to a project the Company proposes to undertake involving the redevelopment of four properties in the Five-Points area of Grand Island, the addresses of which are: 1814 N. Eddy, 1720 N. Eddy, 1724 N. Eddy and 1721 N. Broadwell. The Company currently owns and operates a Casey's General Store on the property known as 1814 N. Eddy. The other properties are owned by Richard L. Snyder and Connie J. Snyder, from whom Casey's proposes to purchase the aforementioned properties for inclusion in the project. The project includes demolition of the existing Casey's store and construction of a new, much larger facility on the Snyder property lying to the South, with improvements that also incorporate the current Casey's store site.

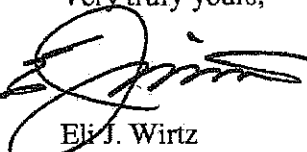
I believe the enclosed Application responds satisfactory to all of the questions posed. However, if there are questions, or if additional information is needed, please contact me and I will provide it immediately. I understand you have received the supporting attachments to this Application, which were sent to you by Federal Express last Thursday. Please attach those attachments to the enclosed Application.

One of the items requested in the Application is a Pro Forma Operating Statement for the new store to be constructed. The Company is hesitant to attempt to project a probable operating statement for the store as constructed and opened, as many factors can influence the level of success of a new store. Moreover, the Company is hesitant to reveal individual store performance in documents which become public, as such information is considered proprietary and highly confidential. However, I have attached a copy of page 18 of the Company's Annual Report for the fiscal year ended April 30, 2008 that is among the attachments already in your possession, which reflects average sales and profit data for Company-owned stores for the last three fiscal years. I trust this information will be sufficient for your purposes. However, if not, please contact me.

Mr. Chad Nabity
Grand Island TIF
December 22, 2008
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My direct dial telephone number is 515-965-6501 and my email address is eli.wirtz@caseys.com. My fax number, should you need it, is 515-965-6160. Thank you for your attention to this matter.

Very truly yours,



Eli J. Wirtz
Corporate Counsel

EJW/mmw

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COMPANY NET SALES AND GROSS PROFITS

Years ended April 30,	2008	2007	2006
Total revenue			
Gasoline	\$ 3,558,108	\$ 2,881,054	\$ 2,478,734
Grocery & other merchandise	942,659	852,812	767,474
Prepared food & fountain	301,598	267,273	228,525
Other	24,722	22,871	17,743
	<u>\$ 4,827,087</u>	<u>\$ 4,024,010</u>	<u>\$ 3,492,476</u>
Gross profits (1)			
Gasoline	\$ 168,859	\$ 124,094	\$ 125,443
Grocery & other merchandise	311,863	278,650	247,024
Prepared food & fountain	187,947	165,764	144,036
Other	17,340	14,777	9,719
	<u>\$ 686,009</u>	<u>\$ 583,285</u>	<u>\$ 526,222</u>

INDIVIDUAL STORE COMPARISONS (2)

Years ended April 30,	2008	2007	2006
Corporate Stores			
Average retail sales	\$ 3,305	\$ 2,763	\$ 2,568
Average retail inside sales	856	778	742
Average gross profit on inside items	340	302	284
Average retail sales of gasoline	2,449	1,985	1,826
Average gross profit on gasoline (3)	115	84	91
Average operating income (4)	136	102	107
Average number of gallons sold	836	821	806
Franchise Stores			
Average franchise revenue (5)	\$ 41	\$ 38	\$ 36

- (1) Gross profits represent total revenue less cost of goods sold. Gross profit is given before charge for depreciation and amortization.
- (2) Individual store comparisons include only those stores that had been in operation for at least one full year on April 30 of the fiscal year indicated.
- (3) Retail gasoline profit margins have a substantial impact on our net income. Profit margins on gasoline sales can be adversely affected by factors beyond our control, including oversupply in the retail gasoline market, uncertainty or volatility in the wholesale gasoline market, and price competition from other gasoline marketers. Any substantial decrease in profit margins on retail gasoline sales or the number of gallons sold could have a material adverse effect on our earnings.
- (4) Average operating income represents retail sales less cost of goods sold, including cost of merchandise, financing costs, and operating expenses attributable to a particular store; it excludes federal and state income taxes, Company's operating expenses not attributable to a particular store, and our payments to the Company's benefit plans.
- (5) Average franchise revenue includes a royalty fee equal to 3% of gross receipts derived from store sales of nongasoline items, a royalty fee of \$0.018 per gallon on gasoline sales, and sign and façade rental fees.

ATTACHMENT # 4

STORE "O" CONSTRUCTION COST ESTIMATE

COST BREAKDOWN

SITE WORK	\$145,400.00
CONCRETE	\$191,400.00
BUILDING (STEEL/MASONRY)	\$105,000.00
CARPENTRY	\$52,000.00
INTERIOR FINISHES	\$35,800.00
PETROLEUM (TANKS/PUMPS)	\$106,700.00
GASOLINE CANOPY	\$125,000.00
HVAC & EQUIPMENT	\$124,000.00
TOTAL FOR EVERYTHING ABOVE THIS LINE	\$885,300.00

PLUS (SEPARATE PERMITS OBTAINED)

PLUMBING	\$34,000.00
ELECTRICAL	\$75,000.00
TOTAL PLUMBING & ELECTRICAL:	\$109,000.00

SIGNAGE COSTS:

STANDARD SIGNAGE	\$7,500.00
MONUMENT SIGN	\$10,000.00
TOTAL SIGNAGE COST:	\$17,500.00

TOTAL COSTS FOR SITE:	\$1,138,300.00
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