



Community Redevelopment Authority (CRA)

**Thursday, November 12, 2009
Regular Meeting**

Item H1

TIF

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

JOHN SCHULTE CONSTRUCTION

Address:

3422 S. 110TH RD., WOOD RIVER, NE. 68883

Telephone No.: (308) 381-0255 Fax No.: (308) 381-7234

Contact:

John Schulte - cell (308) 390-4393

Brief Description of Applicant's

Business: New home construction

Present Ownership Proposed Project Site: 703 S. Lincoln Street
Grand Island, NE. 68801

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

4 plex apartment bldg., wood frame construction
3,922 total square feet
980 square feet in each unit
All electric

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land \$ 25,000.00

B. Building \$ -0-

Construction Costs:

A. Renovation or Building Costs: \$ 233,715.00

B. On-Site Improvements: \$ 16,525.00

Water & sewer improvements
Off street parking
Landscaping

Soft Costs:

A. Architectural & Engineering Fees:	\$ -0-

B. Financing Fees:	\$ 5,000.00

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

D. Contingency Reserves:	\$ 10,000.00

E. Other (Please Specify)	\$ 8,000.00
Demolition of existing building	

TOTAL	\$ 298,240.00

Total Estimated Market Value at Completion:	\$ 298,000.00

Source of Financing:

A. Developer Equity:	\$ 15,000.00

B. Commercial Bank Loan:	\$ 233,715.00

Tax Credits:	
1. N.I.F.A.	\$ -0-

2. Historic Tax Credits	\$ -0-

D. Industrial Revenue Bonds:	\$ -0-

E. Tax Increment Assistance:

\$ 49,525.00

F. Other

\$

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

Building design and contractor support provided by

Builders Warehouse, Grand Island, NE.

John Schulte Construction is the General Contractor.

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

$\$298,000.00 \times 2\% = \$5,960.00$

Appraised value x expected mill levy

Project Construction Schedule:

Construction Start Date:

12-1-09

Construction Completion Date:

6-1-09

If Phased Project:

_____ 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:

Tax increment financing in the amount of \$49,525.00 is requested
to offset the cost of land acquisition, demolition of existing
building, water & sewer improvements, off street parking and
landscaping.

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

for Proposed Project: T.I.F. is an integral component in the overall
financing of the project. T.I.F. funds would assist in generating
adequate economics in leasing the property within competitive
rents with similar properties in the specific area.

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:

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

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

SCHULTE CONSTRUCTION

Projected construction cost for 4-plex unit at 703 S. Lincoln St., Grand Island, NE.

Land Cost	\$ 25,000.00
------------------	---------------------

Sewer & water improvements	6,000.00
---------------------------------------	-----------------

Demolition	8,000.00
-------------------	-----------------

Parking lot	5,575.00
--------------------	-----------------

Fees:

Building permits	1,500.00
-------------------------	-----------------

Financing	5,000.00
------------------	-----------------

Construction costs:

General construction	133,832.00
-----------------------------	-------------------

Electrical	18,458.00
-------------------	------------------

Plumbing	17,991.00
-----------------	------------------

Heating & air conditioning	25,960.00
---------------------------------------	------------------

Painting	9,261.00
-----------------	-----------------

Cabinet allowance	10,163.00
--------------------------	------------------

Floor covering allowance	8,000.00
---------------------------------	-----------------

Appliance allowance	6,000.00
----------------------------	-----------------

Landscaping	5,000.00
--------------------	-----------------

Misc. items	2,500.00
--------------------	-----------------

Total construction cost	\$288,240.00
--------------------------------	---------------------

Contingency reserves	10,000.00
-----------------------------	------------------

Estimated Total Cost of Project	\$298,240.00
--	---------------------

SCHULTE CONSTRUCTION

703 South Lincoln Street, Grand Island, NE. - 4 plex

Annual Income & Expense Pro Forma

Total projected cost of 4 plex	\$298,240.00
Financing w/o TIF	283,240.00
Taxes	5,960.00
Insurance	1,500.00

Projected monthly costs:

Financing - P & I	\$1,790.27
Taxes	497.00
Insurance	125.00

Total monthly cost	\$2,412.27
--------------------	------------

Financing	\$283,240.00
Less TIF	-49,525.00
Total Financing	\$233,715.00

Financing - P & I	\$1,477.24
Taxes	497.00
Insurance	125.00

Total Monthly cost	\$2,099.24
--------------------	------------

(with TIF funds)

Projected Income:

Comparable properties in the Grand Island market suggest that the appropriate monthly revenue should be \$550.00 per unit per month:

$\$550.00 \times 4 \text{ units} = \$2,200.00$