



Community Redevelopment Authority (CRA)

Wednesday, June 13, 2012
Regular Meeting

Item H2

Baker TIF - 709 & 715 W 18th Street

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

I. Business Name: BAKER Development LLC.
Address: P.O. Box 2161 Grand Island NE 68802
Telephone No.: 308-383-1609 Fax No.: 308-382-3372
Contact: GREG BAKER

II. Brief Description of Applicant's Business: Residential + Commercial Contractors and Rental Company

III. Present Ownership Proposed Project Site: 709-715 W. 18th St.

IV. Proposed Project: Building square footage, size of property, description of
buildings – materials, etc. Please attach site plan, if available.
Residential duplex with Attached garages
units are 884 Sq/F Each yards landscaped and
Sprinklers installed

V. If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

- ✓ A. Land \$ 28,500
B. Building \$ N/A

Construction Costs:

- A. Renovation or Building Costs: \$ 128,000
✓ B. On-Site Improvements: Extend water from N. side of 18th Street to site - tree removal \$ 9,769

Soft Costs:

- ✓ A. Architectural & Engineering Fees: \$ 500
B. Financing Fees: \$ 1,500
✓ C. Legal/Developer/Audit Fees: \$ 1,250⁰⁰
D. Contingency Reserves: \$ 2,000
✓ E. Other (Please Specify) TIF (City Fees) Financing Fees \$ 1,500⁰⁰

TOTAL \$ 173,019

VII. Total Estimated Market Value at Completion: \$ 158,882

VIII. Source of Financing:

- ✓ A. Developer Equity: \$ 30,000
B. Commercial Bank Loan: \$ 110,000
C. Tax Credits:
1. N.I.F.A. \$ _____
2. Historic Tax Credits \$ _____
D. Industrial Revenue Bonds: \$ _____
E. Tax Increment Assistance: \$ 42,000

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

✓ Baker Development - General Contractor

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

(Please Show Calculations)

2.180514

158,882 x Levy - Base 2009 x Levy = \$3009

See attached spreadsheet

3009 x 15 yrs = \$45135

XI. Project Construction Schedule:

A. Construction Start Date: Aug. 2012B. Construction Completion Date: MAR 2013

C. 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

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

Amount of Incremental Prospective Annual Real Estate

Taxes over 2012 Real Estate Taxes on the Subject Property

for 15 yrs will be used to develop the Property.

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

Project: 709-715 W 18TH ST

TIF is an important Component in order for this project
to bridge the deficit between the actual Cost of the project
And the income producing Capability of the real estate.
We feel that this project will Add Value to a defined
blighted Area in the Community as well as provide much
needed quality affordable rental housing

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:

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

REALESTATE PURCHASE AGREEMENT

THIS AGREEMENT is entered into this 14th day of May, 2012, between James and Mary Jane Partington hereinafter referred to as "Seller", whether one or more, Baker Development hereinafter referred to as "Buyer".

WITNESSETH:

1. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase and accept from the seller the following described real property located in Hall County, Nebraska, on the terms and conditions and covenants herein contained, to wit:

**Schimmer's Addition, Lots 2 and 3, Block 22
City of Grand Island, Hall County, Nebraska**

And carrying a physical address of 709 and 715 West 18th Street, Grand Island, NE

together with all appurtenances related thereto and improvements thereon and subject to all easements, covenants and restrictions of record.

The purchase of the aforesaid property shall specifically include the following items of personal property:

None

2. The purchase price of the real and personal property being sold by the Seller and purchased by the Buyer hereunder is the sum of Twenty eight thousand five hundred Dollars (\$28,500.00), at closing to Seller. This contract is contingent upon Tax Increment Financing being granted to the buyer.

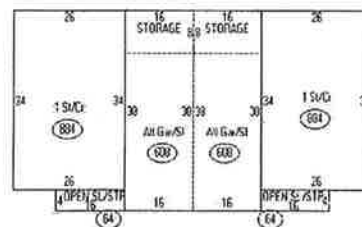
3. Buyer shall be entitled to possession of all the property being sold hereunder within 30 days of the approval of the Tax Increment Financing. Except that if necessary for the Seller to cure defects in title to the real property as provided in the paragraph following, the date of closing shall be 10 days after said defects are cured. Closing shall occur at the offices of Grand Island Abstract, Escrow & Title Company Grand Island, Nebraska, which shall act as closing agent.

4. Within 20 days of the date of the Agreement, Seller shall furnish to Buyer evidence of its title to the above-described real estate which shall take the form of a commitment to insure the Buyer under an owner's title insurance policy. Buyer shall, within 10 days after receipt of such commitment, notify Seller of any defects in title which are unacceptable to the Buyer. Seller shall have 10 days thereafter to determine whether it will agree to cure such defects and if Seller determines not to cure such defects, this Agreement shall terminate and neither party shall have any further liability or obligation hereunder. If the Seller elects to cure said defects, it may do so within a reasonable time thereafter and closing shall be extended as in the above and foregoing paragraph. The cost of said title insurance shall be borne equally between the Buyer and the Seller.

5. General real estate taxes shall be prorated to the date of closing, all special assessments levied and assessed prior to the date of closing shall be paid by Seller.

Legal

No Photo On File.



		Sale Information		
Book/Page	Sale Date	Code	Grantor	Amount

ReviewSheet 2012

O'Hara Plumbing Co., Inc.

P.O. Box 1038
Grand Island, NE 68802-1038
(308) 382-0765
Fax (308) 382-5166
Email oharaplumbing@hamilton.net

PROPOSAL SUBMITTED TO Baker Development		PHONE	DATE May 14, 2012
STREET		JOB NAME 709-715 W. 18th	
CITY, STATE and ZIP CODE		JOB LOCATION Water Service	
ARCHITECT	DATE OF PLANS		JOB PHONE

We hereby submit specifications and estimates for:

Remove 37 x 14 1/2 concrete
Side dump
Excavator
Skidsteer with breaker
Mobilization

1-6x 1 1/2" tapping sleeve
1-1 1/2" corp
1-1 1/2" curb stop
1-Curb box
1-1" corp for test
1-1" corp plug
54'-1 1/2" type "K" copper pipe
Flowable fill
Excavate
Less concrete replacement
Total \$6,567.00

Concrete Replacement 2000⁰⁰

Barricades by owner
Street permit by owner

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Payment to be made as follows: _____ dollars (\$ _____).

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

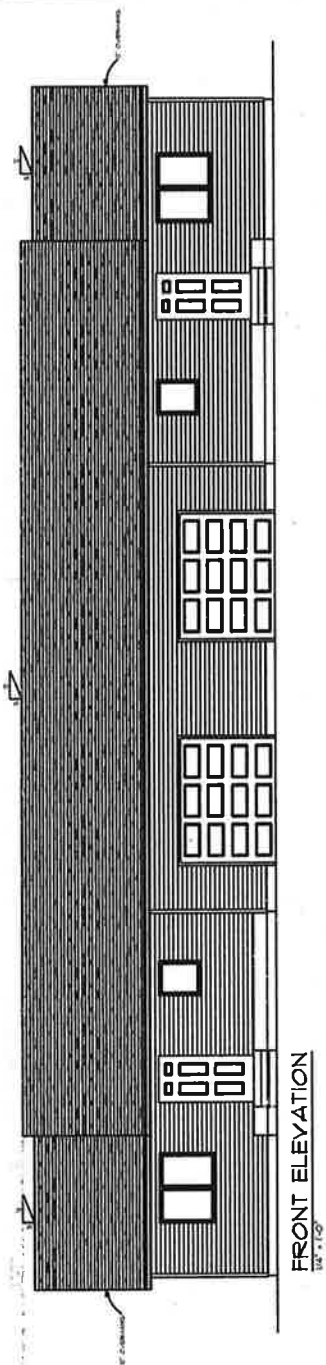
Authorized
Signature

Pat O'Hara

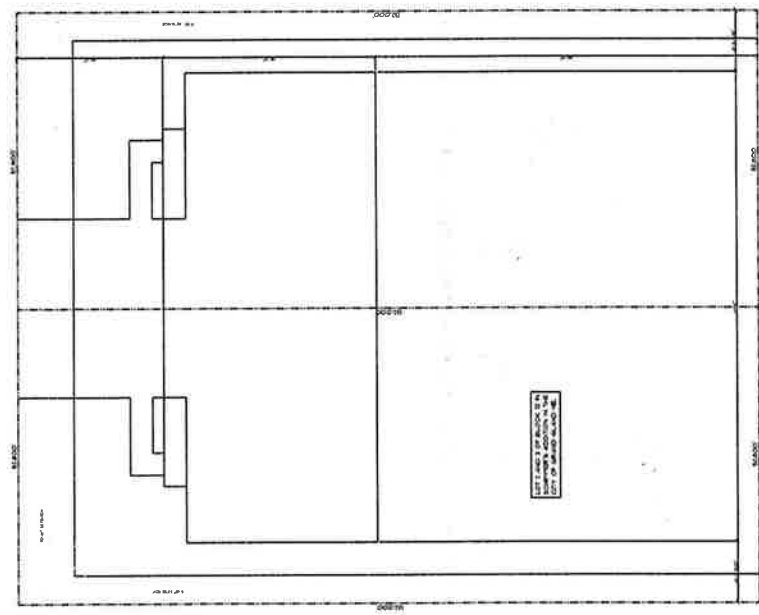
Note: This proposal may be withdrawn by us if not accepted within _____ days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: _____ Signature _____

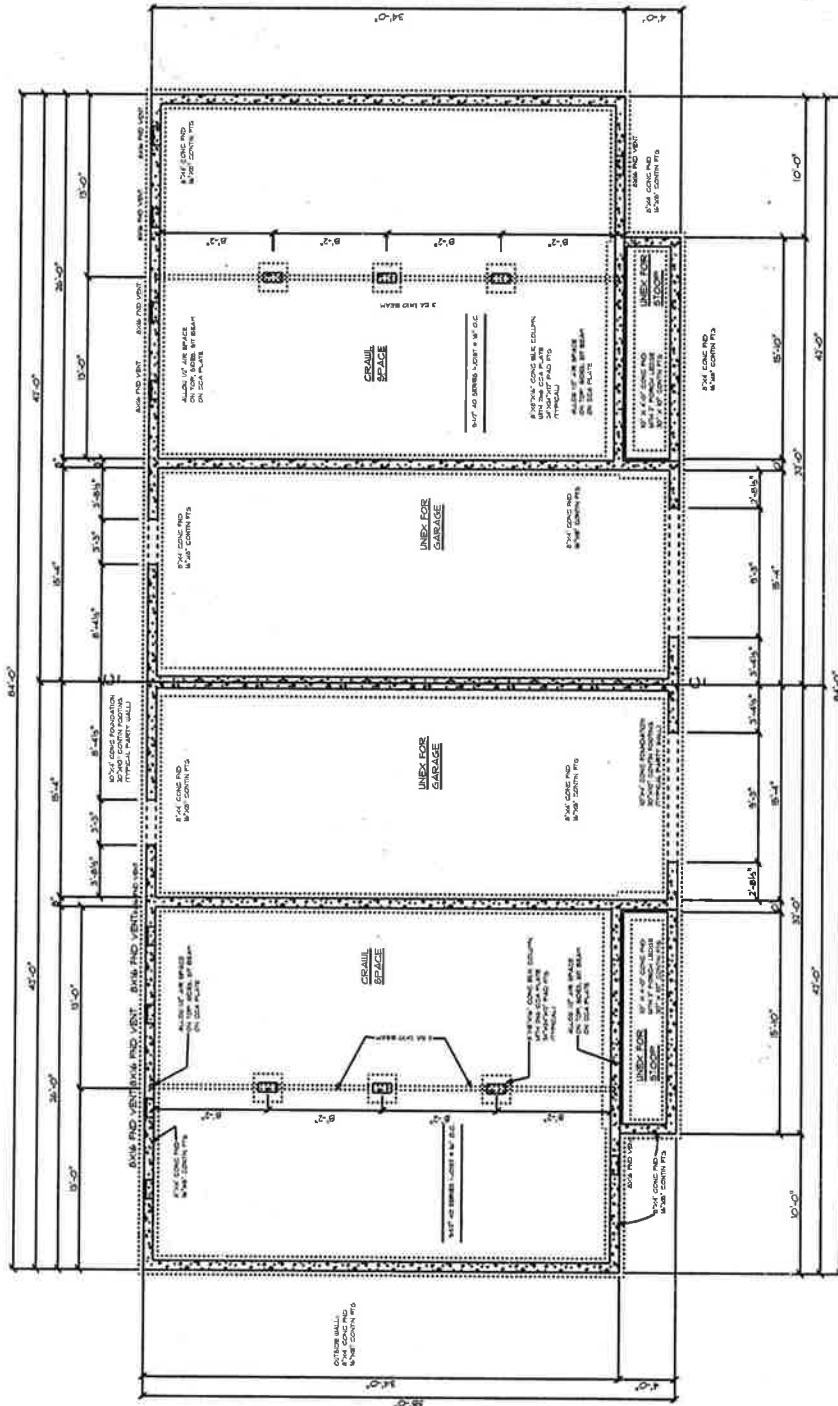


10TH ST. W.



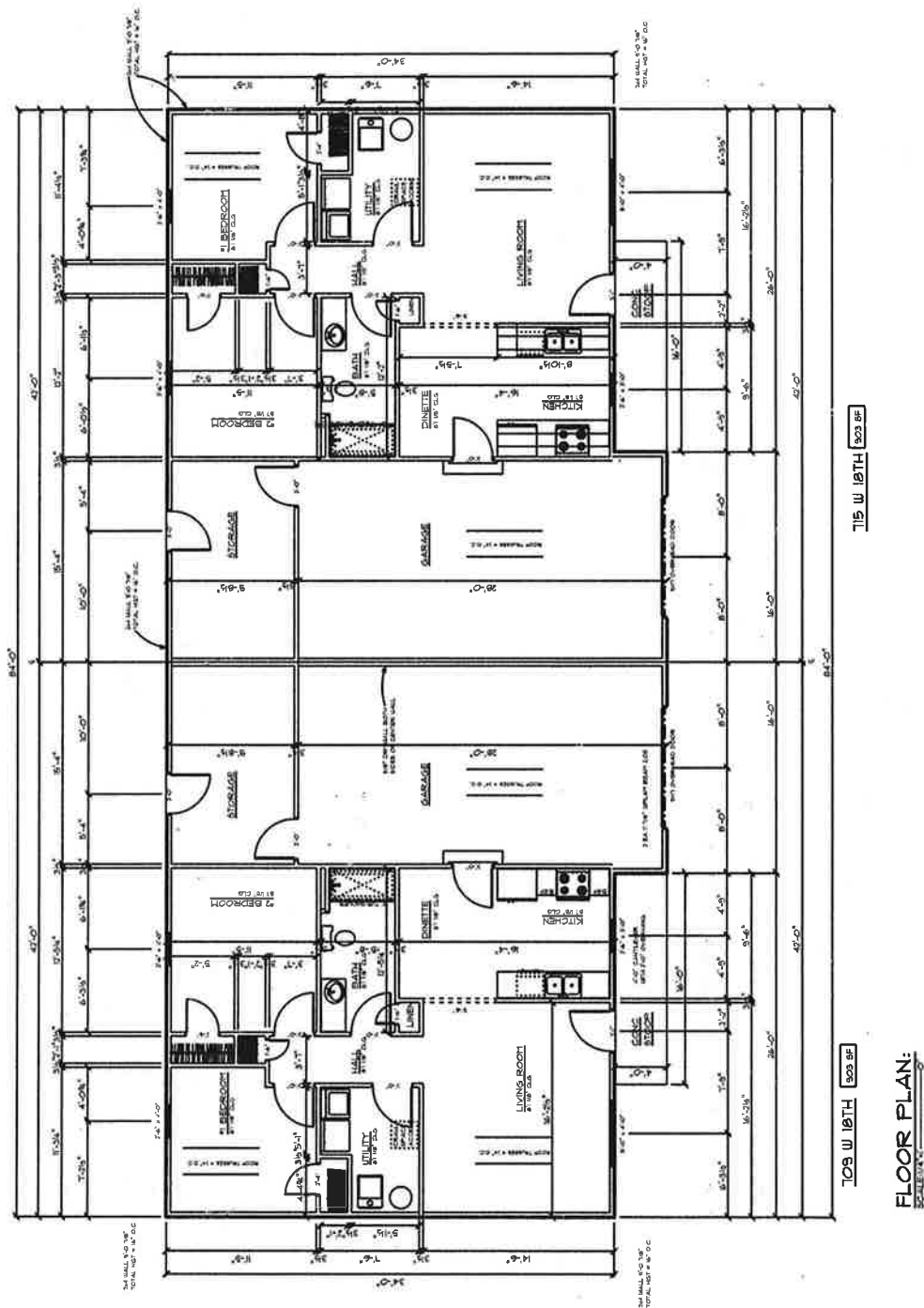
PLOT PLAN
1" = 10'-0"

05/14/12	DESIGNED FOR BAKER DEVELOP. 202 A STREET AND 10TH ST.	REVISION 4
B613	BUILT BY BOLDERS 1-202-300-0000 LUMBER & BUILDING CENTER	



FOUNDATION PLAN:
SCALE 1/4" = 1'-0"

05/14/12	05/14/12
REVISION	REVISION
1	2
2	3
3	4
4	5
5	6
6	7
7	8
8	9
9	10
10	11
11	12
12	13
13	14
14	15
15	16
16	17
17	18
18	19
19	20
20	21
21	22
22	23
23	24
24	25
25	26
26	27
27	28
28	29
29	30
30	31
31	32
32	33
33	34
34	35
35	36
36	37
37	38
38	39
39	40
40	41
41	42
42	43
43	44
44	45
45	46
46	47
47	48
48	49
49	50
50	51
51	52
52	53
53	54
54	55
55	56
56	57
57	58
58	59
59	60
60	61
61	62
62	63
63	64
64	65
65	66
66	67
67	68
68	69
69	70
70	71
71	72
72	73
73	74
74	75
75	76
76	77
77	78
78	79
79	80
80	81
81	82
82	83
83	84
84	85
85	86
86	87
87	88
88	89
89	90
90	91
91	92
92	93
93	94
94	95
95	96
96	97
97	98
98	99
99	100



GENERAL NOTES:

- BATHROOM:**
- 1) LEAVE A SPACE IN BATHROOM CABINETS AS TO WHERE THE REINFORCING IS BEING PLACED.
- TOILET REINFORCING:**
- 1) AT LEAST 4" DIA. REINFORCING TOLERANCE
 - 2) TOILETS NEXT TO A WALL PREPARED REINFORCE IT PROVIDES A SIDE BAR
 - 3) FULL SOUTH OF TOILET SPACE 30" MIN BUT 36" REINFORCING
- TUB AND REINFORCING:**
- 1) VERY HARD 30" 30" 30" MIN
 - 2) HOSE CONTROL AND OUTSIDE REINFORCING 24"
- TUB BACK REINFORCING:**
- 1) ABOVE TUB TO 30" MIN AIR
 - 2) HOSE START 6" IN FRONT EA CORNER
- IF REINFORCING TUB:**
- 1) THE CAVITY IN BACK OF THE TUB SHOULD BE SOLID FILLED.
- LANDSCAPE:**
- 1) CLEAR FLOOR NOT REQUIRED
 - 2) FRONT LOADING MACHINE PREPARED
- HANDLER:**
- 1) HAVE EVERYTHING "LIVABLE" DOORS FAUCETS...
- TOILET SEAT HEIGHT:**
- 1) 15" TO 18"
- SWITCHES AND RECEPTS:**
- 1) 40" MAX
 - 2) OVER A COUNTER 40" MAX
 - 3) 18" MIN

05-1412	05-1412
KEVIN	KEVIN
BAKER DEVELOP	BAKER DEVELOP
103'0" W 103'8" D	103'0" W 103'8" D
GRAND ISLAND NE	GRAND ISLAND NE
4	4
8613	8613



HOME FEDERAL BANK

May 16, 2012

RE: Greg Baker
4710 Tara CT.
Grand Island, NE 68801

To Baker Development:

This letter is to advise the reader that Home Federal Bank has approved financing for Greg Baker to construct a duplex located at 709 & 715 W. 18th in Grand Island. This loan is contingent upon tax increment financing approval.

Please do not hesitate to call me at 308/398-4930 should you have any questions.

Respectfully,

Steve Kunzman
Senior Vice President



P.O. Box 1009 — GRAND ISLAND, NE 68802-1009
308-382-4000 — www.homefedgi.com

MEMBER
FDIC

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

RESOLUTION NO. 136

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN 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 ____ day of _____, 2012.

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

By _____
Chairperson

ATTEST:

Secretary

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

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

RESOLUTION NO. 137

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area #6, from Baker Development Inc., (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area #6;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this ____ day of _____, 2012.

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

By _____
Chairperson

ATTEST:

Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract

**Redevelopment Plan Amendment
Grand Island CRA Area #6
May 2012**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #6 with in the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #6.

**Executive Summary:
Project Description**

THE ACQUISITION OF PROPERTY LOCATED AT 709 AND 715 W 18TH STREET AND THE SUBSEQUENT SITE WORK, UTILITY and ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR CONSTRUCTING A DUPLEX AT THIS LOCATION.

The use of Tax Increment Financing to aid in the acquisition of property along with costs associated with redevelopment of this site with a new duplex. The use of Tax Increment Financing makes it affordable to provide additional housing in Grand Island at this location at a contract rent that is consistent with the neighborhood. This project would not be possible in an affordable manner without the use of TIF.

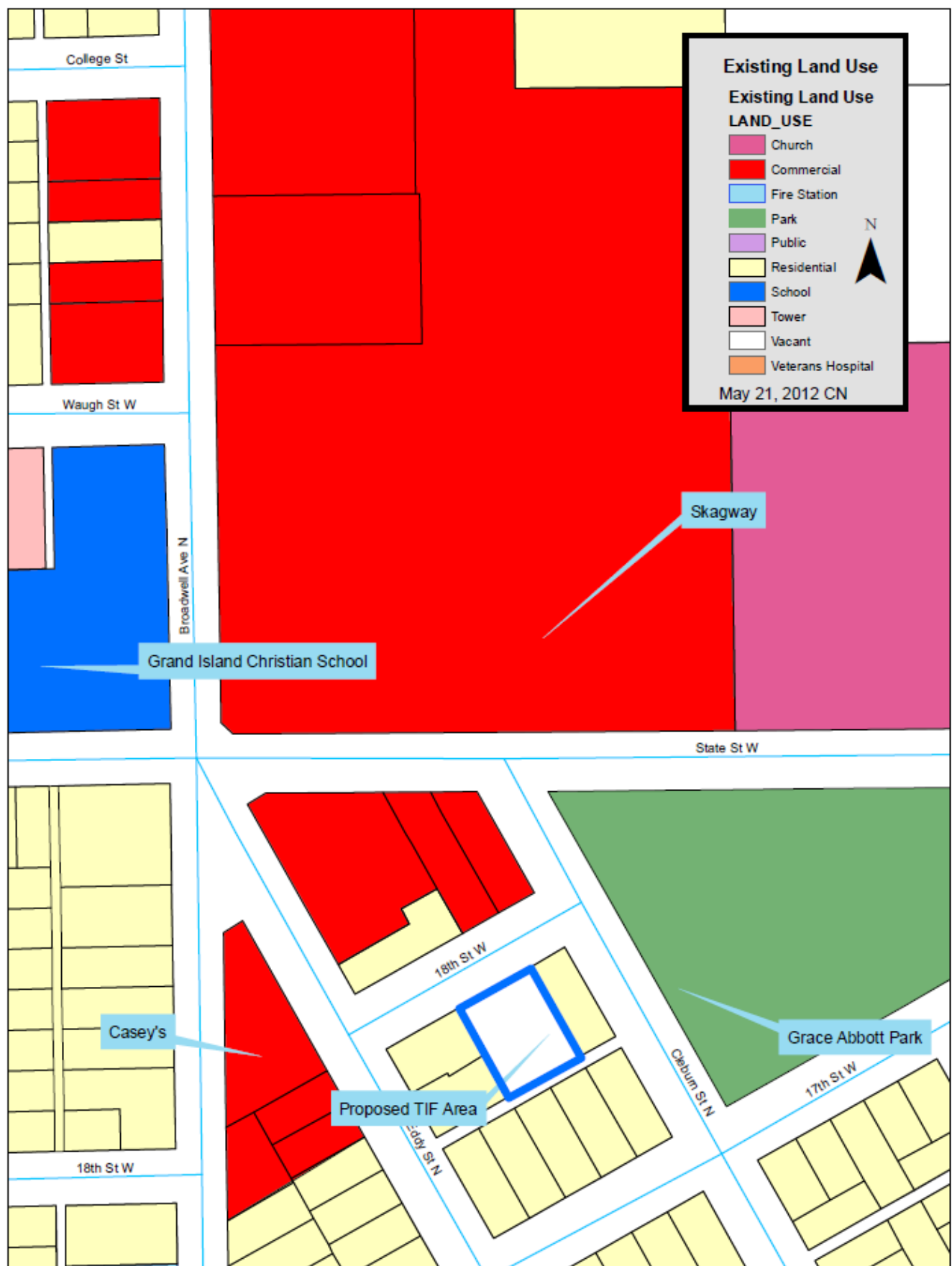
The site is under contract for purchase by developer contingent on the approval of TIF. All acquisition costs, site work, and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2014 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

This property is located at the between Cleburn Street and Eddy Street on the south side of 18th Street in northeast Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 2 and Lot 3 of Block 22 of Schimmer’s Addition to the City of Grand Island.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2014 through 2028 inclusive.

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 a duplex housing unit at this location.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2014.

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 October 9, 2007.[§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 acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

a. Land Acquisition:

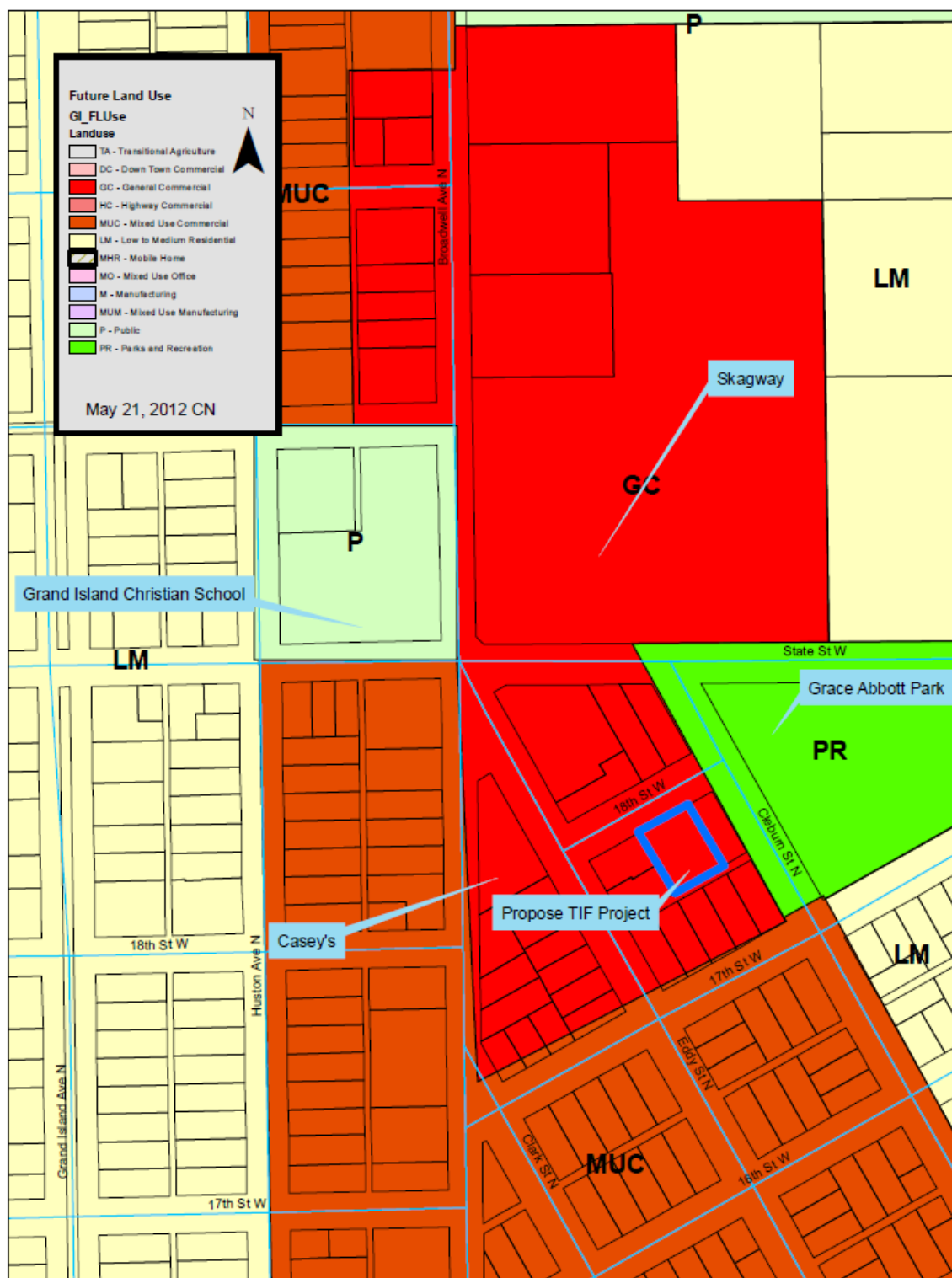
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The developer is proposing to acquire the property through private contract.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does call for the demolition and removal of an existing substandard housing unit at this location. The structure to be demolished is a vacant substandard residential structure owned by the applicant.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§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 B2-Genereal Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing purchase the property. The B2 zoning district allow 1 dwelling unit per 1000 square feet of property the combined size of the two lots is slightly more than 13139 square feet; enough to legally accommodate a duplex housing unit. The property is zoned B2 and could accommodate a building of up to 100% of the property area. The proposed units including the attached garages will cover about 2,984 square feet, well within the allowable coverage. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. New water and sewer services may be required for this building. Water is located on the north side of 18th Street and no services are present on the south side of the street for these lots.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other 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, under contract by the developer is currently vacant and undeveloped, no relocation is needed. [§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]

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 developer has a contract to purchase the property. The cost of property acquisition is included as a TIF eligible expense. Costs for acquisition, site preparation, utilities extensions, landscaping and concrete are \$38,250. These expenses are included as TIF eligible expenses. Fees and reimbursement to the City and the CRA of \$2750 are included as a TIF eligible expense. .

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 \$42,000 from the proceeds of the TIF Indebtedness issued by the Authority. 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, 2014 through December 2029.

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 Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in

that it will allow for the utilization of and redevelopment of existing lots. This will not significantly impact traffic on at the Five Points intersection. New residential rental properties in this area raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between September 2012 and March of 2012. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

9. Justification of Project

This is a residential neighborhood characterized by single family dwellings on smaller lots. The City of Grand Island is in need of additional housing units and this development will result in 2 brand new housing units. This is infill development in an area with all city services available. This project does not propose to tear down any buildings.

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.

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

The redevelopment project area currently has an estimated valuation of \$20,909. The proposed demolition and subsequent construction of a duplex at this location will result in an additional \$138,000 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

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

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

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

The proposed facility will provide jobs for persons employed with Baker Construction. It will have no impact on other firms locating or expanding in the area.

(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 and will result in additional housing choices for employees within the city.

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

This project will increase the available quality housing in Grand Island by a net of 2 units. These types of smaller projects spread throughout the city will have a less drastic impact on neighborhoods and schools than a centralized larger housing project.

Time Frame for Development

Development of this project is anticipated to be completed during between September 2012 and March of 2013. The base tax year should be calculated on the value of the property as of January 1, 2013. Excess valuation should be available for this project for 15 years beginning in 2014. 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 or an amount not to exceed \$42,000. This is about \$3,000 less than 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 cost of acquisition, site preparation, expenses and fees reimbursed to the City and CRA, the developer will spend at least \$42,000 on TIF eligible activities.

See Attached Building Plans