



Community Redevelopment Authority (CRA)

Wednesday, September 19, 2012
Regular Meeting

Item H1

Auto One, INC TIF Request

Staff Contact: Chad Nabity



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

- I. Business Name: Auto One Inc.
- Address: 1112 S. Locust, Grand Island NE 68801
- Telephone No.: 308.380.6876 Fax No.: 308.675.1478
- Contact: Gary Jacobsen

II. Brief Description of Applicant's Business:

Auto One Inc. sales, finances and services used automobiles. Auto One has locations in Grand Island, Kearney and North Platte. Auto One is one of the largest independent dealers of used cars in the state of Nebraska. Auto One employs over 20 people.

III. Present Ownership Proposed Project Site: 1135 S locust, Grand Island

The blighted property was purchased by Auto One Inc on June 18, 2012

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

The 30,160 sq ft property has a 3,000 sq ft metal building which is in substandard condition. Auto One purchased the blighted property which is located across the street from our retail and service location in Grand Island. We believe it is in Auto One's and the City of Grand Island's best interest for us to develop the distressed property to help stabilize the blighted area. Auto One plans to completely remodel the metal building. Including a new facade, store front and landscaping. We also plan to remodel the interior including electric, Plumbing and HVAC.

The property will also be subdivided and multi-family housing will be added on Pine street.

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

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ <u>70,273</u>
B. Building	\$ <u>19,727</u>

Construction Costs:

A. Renovation or Building Costs:	\$ <u>541,981</u>
B. On-Site Improvements:	\$ <u>20,000</u>

Soft Costs:

A. Architectural & Engineering Fees:	\$ <u>800.00</u>
B. Financing Fees:	\$ <u>200.00</u>
C. Legal/Developer/Audit Fees:	\$ <u>1500.00</u>
D. Contingency Reserves:	\$ <u>10,000.00</u>
E. Other (Please Specify)	\$ <u>0.00</u>

TOTAL \$ 664,481.00

VII. Total Estimated Market Value at Completion: \$ 575,747.00

VIII. Source of Financing:

A. Developer Equity:	\$ <u>90,000.00</u>
B. Commercial Bank Loan:	\$ <u>574,481.00</u>
C. Tax Credits:	
1. N.I.F.A.	\$ <u>0.00</u>
2. Historic Tax Credits	\$ <u>0.00</u>
D. Industrial Revenue Bonds:	\$ <u>0.00</u>
E. Tax Increment Assistance:	\$ <u>159,738.00</u>

F. Other

\$ 0.00

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

Terry Aldrich - Steel Crafters 1515 W. North Front, Grand Island NE 68801
308.389.3033 fax 308.385.4762

Gary Jacobsen - Auto One 1112 S Locust, Grand Island NE 68801
308.380.6876 fax 308.675.1478

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

Estimated Assessors value \$575,747.00 x .0219234 = \$12,622.33

XI. Project Construction Schedule:

A. Construction Start Date: 10/01/12B. Construction Completion Date: 04/01/13

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:

Auto One is requesting \$159,738 in Tax Increment Financing over 15 years
to help offset development costs.

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

Auto One does not believe that the project would be fiscally feasible without Tax Increment Financing.

The estimated value of the property and estimated cash flow will not support the total amount of capital invested.

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:

In the last five years Auto One has had commercial developments in Kearney, North Platte and Grand Island. This is the first time Auto One has requested Tax Increment Financing for any project. The most recent project was the Auto One Service Center on South Locust. The Service Center was built by Steel Crafters 308.389.3033 fax 308.385.4762

The service center also added five jobs to the community of Grand Island.

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

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

HALL COUNTY ASSESSOR'S OFFICE



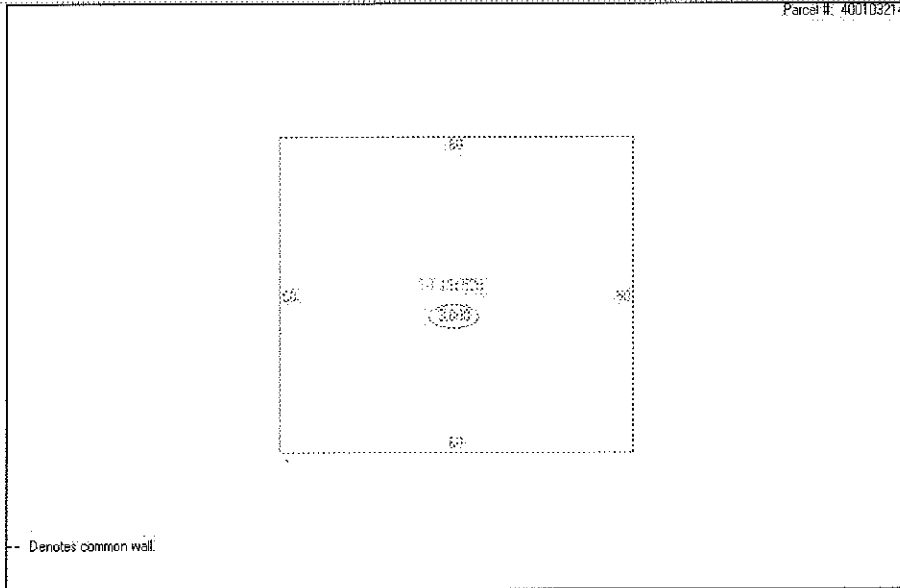
Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:14:04P

Parcel Information			Ownership Information	
Parcel Number	400103214		Current Owner	AUTO ONE INC
Map Number	3315-00-0-11740-000-0001			
Situs	1135 S LOCUST		Address	1112 S LOCUST ST
Legal	DOWD SUB LT 1		City St. Zip	GRAND ISLAND, NE 68801-
			Cadastral #	0002-0033-0052

Property Data			
Neighborhood	315	Topography	Number of Units 30160
Lot Width	104	Street	Unit Value 2.33
Lot Depth	290	Utilities	Adjustment
Units Buildable	30160	Amenities 1	Lot Value 70,273
Value Method	SE	Amenities 2	



Building Data																
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys.	Func.	RCNLD	
1	1	406	WAREHOUSE, STORAGE	1987	S		200	20	3,000	220	1	12	93,240	43%	66%	18,070
1	1	528	SERVICE REPAIR-GARAGE	1987	S		200	20		220	1	12		69%	57%	

Cost Approach From Marshall & Swift								Potential Gross Income			
Total Building Area	3,000									Contract	Market
Total Building RCN	93,240										
Total Refinements											
Total Replacement Cost New	93,240										
Total Phys. & Func. Depreciation	(75,170)										
RCN Less Phys. & Func.	18,070										
Economic Depreciation	-10%										
Accrued Economic depreciation	1,807										
Total RCN Less Depreciation	19,877										
Additional Lump Sums											
Land Value	70,273										
Total Cost Value	90,150										
Value Per Res Unit											
Value Per Sq. Ft.	30.05										

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

2012 Value

HALL COUNTY ASSESSOR'S OFFICE



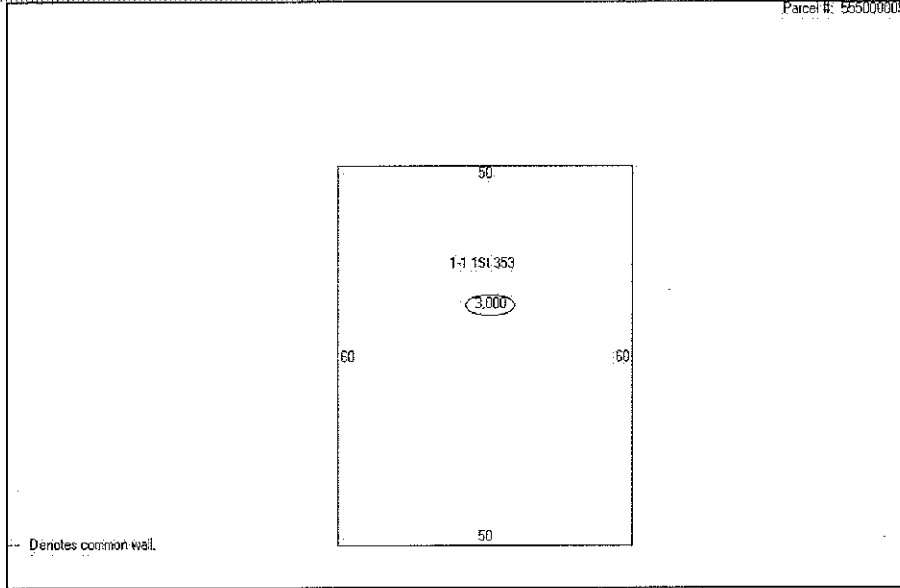
Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:13:15P

Parcel Information		Ownership Information
Parcel Number	555000005	Current Owner
Map Number		Address
Situs		City St. Zip
Legal		Cadastral #

Property Data			
Neighborhood	315	Topography	Number of Units
Lot Width	104	Street	Unit Value
Lot Depth	290	Utilities	Adjustment
Units Buildable	30160	Amenities 1	Lot Value
Value Method	SF	Amenities 2	



Building Data													
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.
1	1	353	RETAIL STORE	1987	S		200	40	3,000	220	1	12	199,110
													43%
													113,493

Cost Approach From Marshall & Swift				Potential Gross Income			
Total Building Area	3,000					Contract	Market
Total Building RCN	199,110			Vacancy & Collection Loss			
Total Refinements				Effective Income			
Total Replacement Cost New	199,110			Total Expenses			
Total Phys. & Func. Depreciation	(85,617)			Net Operating Income			
RCN Less Phys. & Func.	113,493			Capitalization Rate			
Economic Depreciation				Income Approach			
Accrued Economic depreciation				Final Value Reconciliation			183,766
Total RCN Less Depreciation	113,493						
Additional Lump Sums							
Land Value	70,273						
Total Cost Value	183,766						
Value Per Res Unit							
Value Per Sq. Ft.	61.26						

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

What If

HALL COUNTY ASSESSOR'S OFFICE



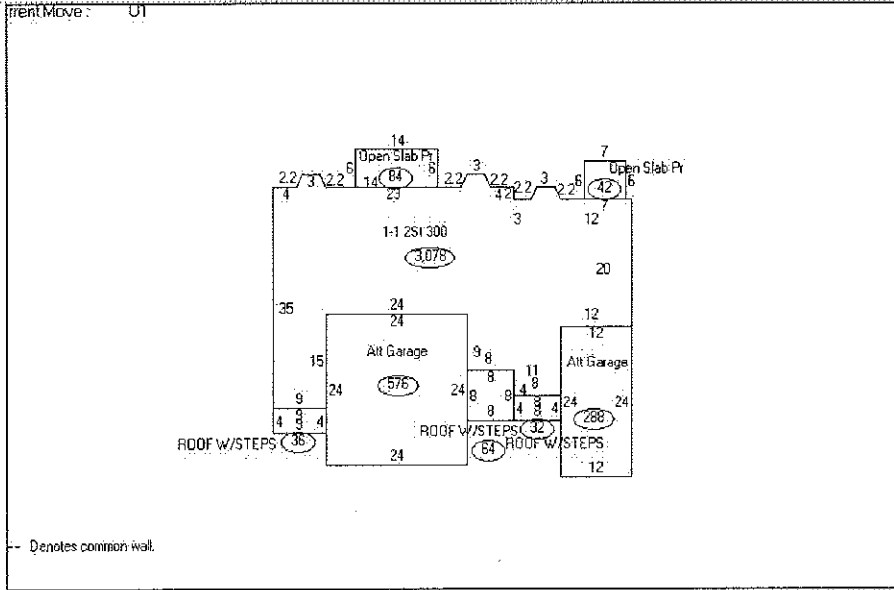
Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 07/19/2012 at 02:49:46P

Parcel Information		Ownership Information	
Parcel Number	555000005	Current Owner	
Map Number		Address	
Situs		City St. Zip	
Legal		Cadastral #	

Property Data			
Neighborhood	315	Topography	Number of Units
Lot Width		Street	Unit Value
Lot Depth		Utilities	Adjustment
Units Buildable		Amenities 1	Lot Value
Value Method		Amenities 2	

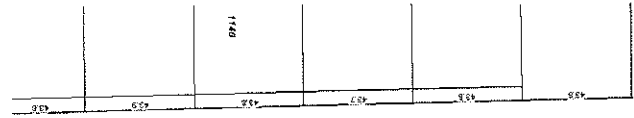


Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	300	APARTMENT	2012	D		300	40	3,078	225	2	24	365,420	365,420
1			OPEN SLAB PORCH	2012					84				427	427
1			OPEN SLAB PORCH	2012					42				231	231
1			ATTACHED GARAGE	2012					576			14,100		14,100
1			ATTACHED GARAGE	2012					288			8,412		8,412
1			SLAB W/ROOF & STEP	2012					36			967		967
1			SLAB W/ROOF & STEP	2012					64			1,553		1,553
1			SLAB W/ROOF & STEP	2012					32			871		871

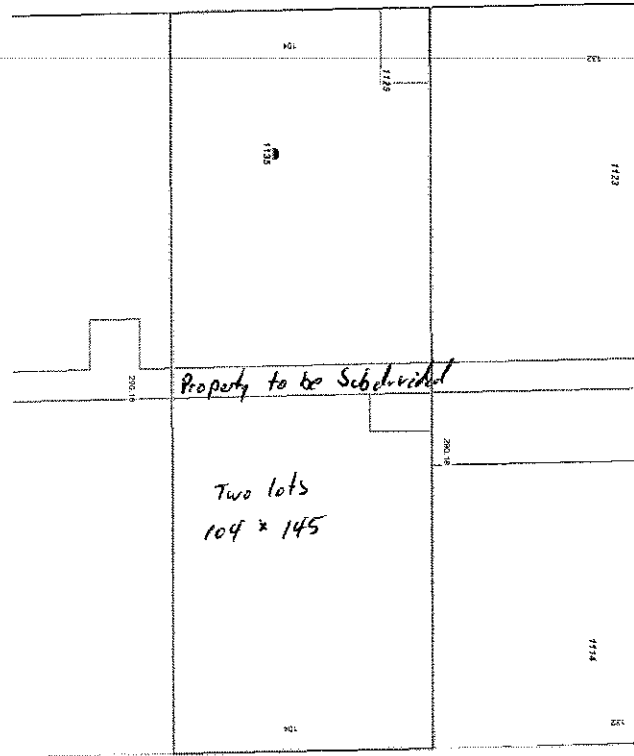
Cost Approach From Marshall & Swift					Potential Gross Income				
Total Building Area	3,078						Contract		Market
Total Building RCN	365,420								
Total Refinements	26,561								
Total Replacement Cost New	391,981								
Total Phys. & Func. Depreciation									
RCN Less Phys. & Func.	391,981								
Economic Depreciation									
Accrued Economic depreciation									
Total RCN Less Depreciation	391,981								
Additional Lump Sums									
Land Value									
Total Cost Value	391,981								
Value Per Res Unit									
Value Per Sq. Ft.	127.35								

*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

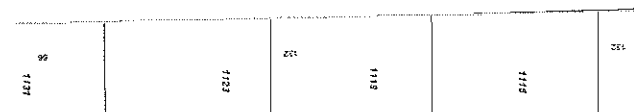
What Is'



Lot 1448



Lot 1123



Annual Income and Expense

Income

Rent Commercial building	\$36,000.00
<u>Rent Triplex</u>	<u>\$36,000.00</u>
	\$72,000.00
5% vacancy rate	<u>(\$3,300.00)</u>
Gross income	\$68,700.00

Expense

Debt service ((\$547,481 @ 5% for 15years)	\$51,953.00
Water / sewer	\$3,600.00
Maintenance	\$2,800.00
Lawn care	\$ 960.00
Insurance	\$3,200.00
Property tax	\$12,622.00
<u>Advertising</u>	<u>500.00</u>
Total expense	\$ 75,635.00

Income \$68,700.00

Expense (75,635.00)

Annual financial gap (\$6,935.00)

Tax increment financing assistance \$ 10,649.00

Cash flow after TIF \$3,714.00

Construction Cost Breakdown

Commercial building

Commercial glass	\$19,270.00
Stucco/Stone	28,200.00
Façade	20,000.00
HVAC	12,000.00
Electric and lighting fixtures	21,000.00
Landscape	8,000.00
Asphalt	10,000.00
Plumbing	15,000.00
Interior doors	800.00
Gutters	200.00
Drywall and trim	6,200.00
Painting	1,800.00
Tiles and carpet	4,000.00
Other	3,530.00
Total	\$150,000.00

Multifamily housing

Dirt work, foundation and backfill	\$25,679.00
Framing	61,149.00
Sheathing	10,583.00
Windows	10,975.00
Exterior doors	3,527.00
Interior doors and hardware	5,879.00
Stairs	3,135.00
Roof shingles	14,895.00
Siding	22,734.00
Gutters	1,567.00
Plumbing	35,278.00
Electric wiring	23,423.00
Lighting fixtures	4,311.00
HVAC	23,518.00
Insulation	5,879.00
Drywall	19,991.00
Painting	13,327.00
Cabinets & countertops	31,358.00
Appliances	11,759.00
Tiles and carpet	19,991.00
Trim	12,935.00
Landscape	12,543.00
Patio	3,527.00
Driveway	5,487.00
Other	8,531.00
Total	\$391,981.00

Total construction cost \$541,981.00



P.O. Box 909 • Kearney, NE 68848-0909 • 308-234-6171

July 9, 2012

Gary Jacobsen, President
Auto One, Inc.
1112 S Locust Street
Grand Island, NE 68801

RE: 1135 South Locust
Grand Island, NE

Gary:

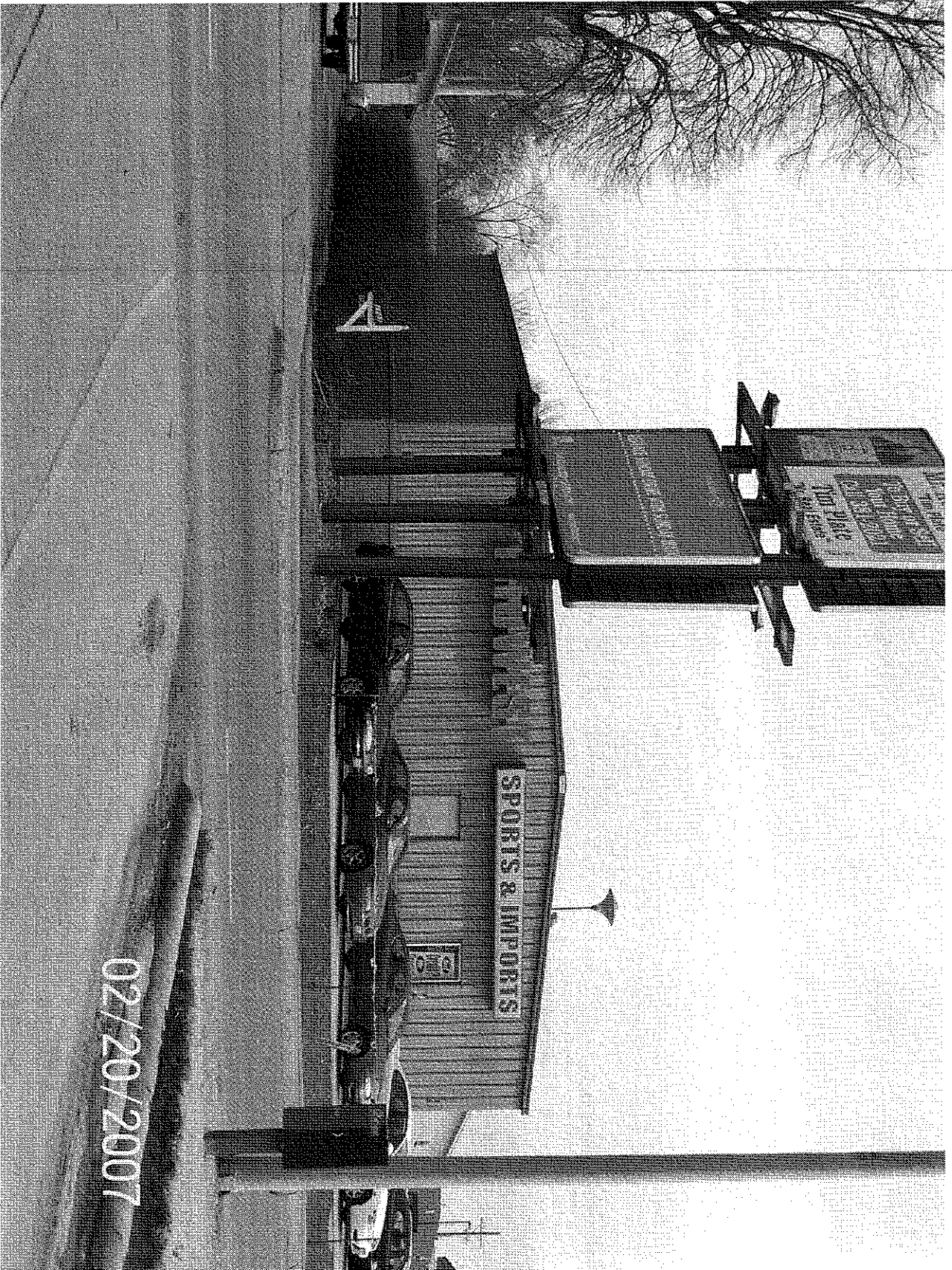
Five Points Bank commits to provide to Auto One Inc. (borrower) adequate loan funding to purchase the property located at 1135 South Locust in Grand Island and to rehab and improve the existing commercial structure and construct a multi-family rental facility at the same location.

This loan commitment is based on the following conditions:

- The improvement to the existing facility and the new construction are to be completed in accordance with the plans you submitted. Any major changes or alterations need prior approval of bank.
- Prior to loan funding, borrower to provide a projected report of income and expenses indicating a positive rental cash flow.

Five Points Bank and my self look forward t working with you on this project. Please contact me with any questions or comments.

Curt Bjornsen
Five Points Bank
308-698-3008



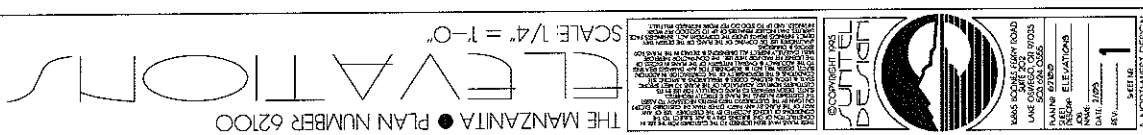
Before

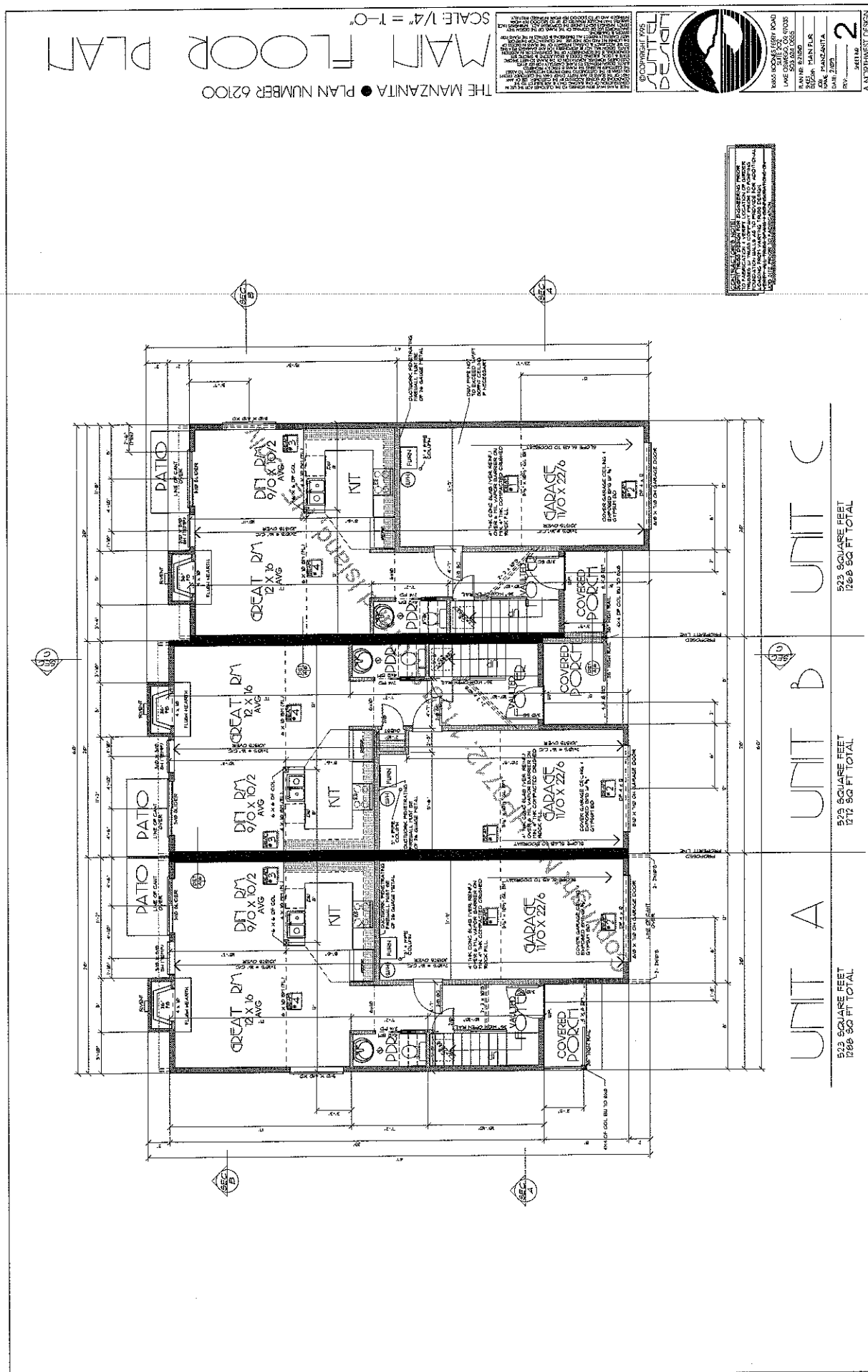
1135 S Locust



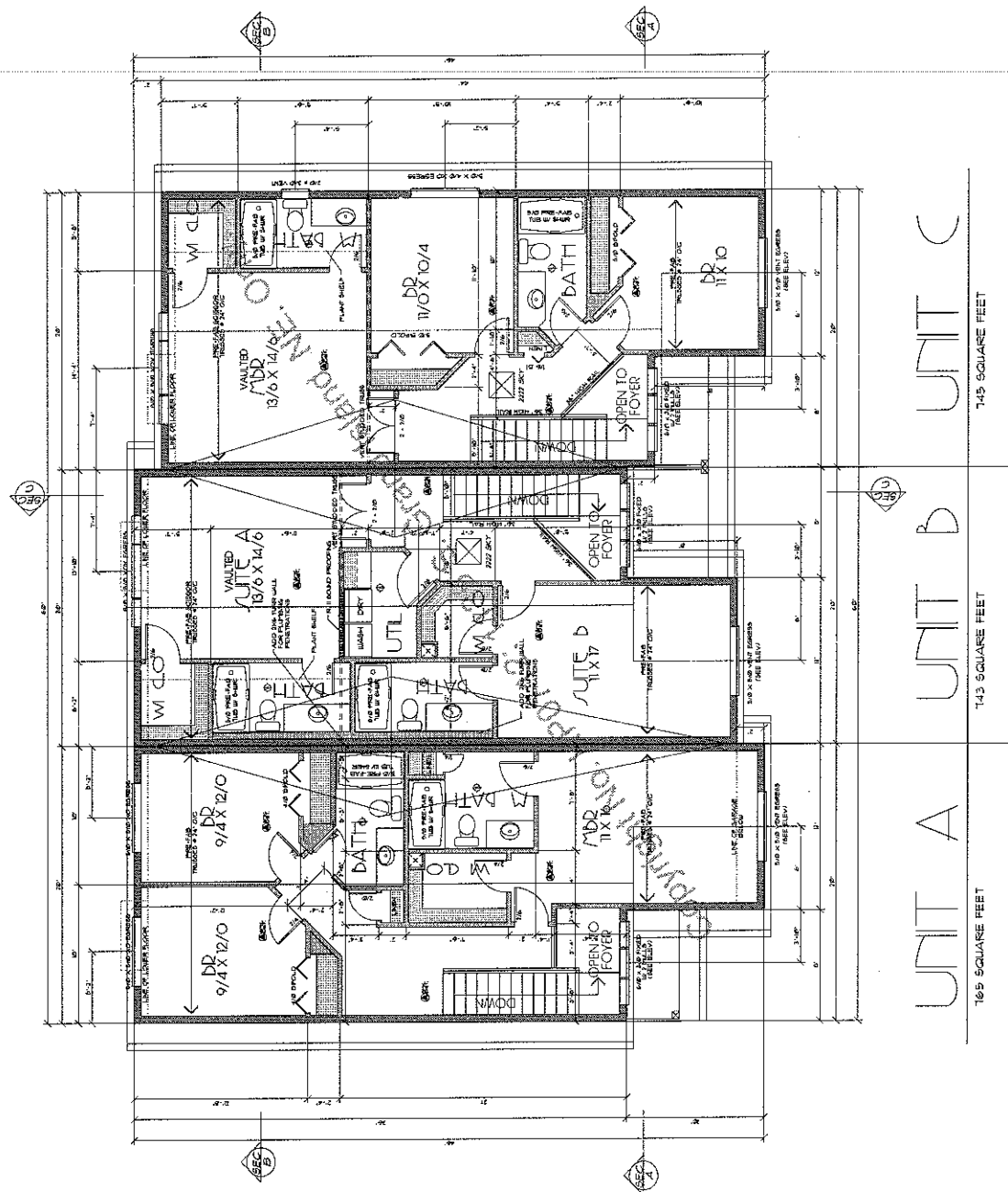
After

<http://us.123rf.com/400wm/400/400/lharn/lharn0901/lharn090100030/4228933-beige-store...> 7/16/2012





3000 PINEWOOD ROAD
 SUITE 100
 DALLAS, TEXAS 75243
 (214) 343-1000
 WWW.NORTHWESTDESIGN.COM
 NORTHWEST DESIGN
 ARCHITECTS
 P.C.
 A NORTHWEST DESIGN COMPANY
 SET 10
 3

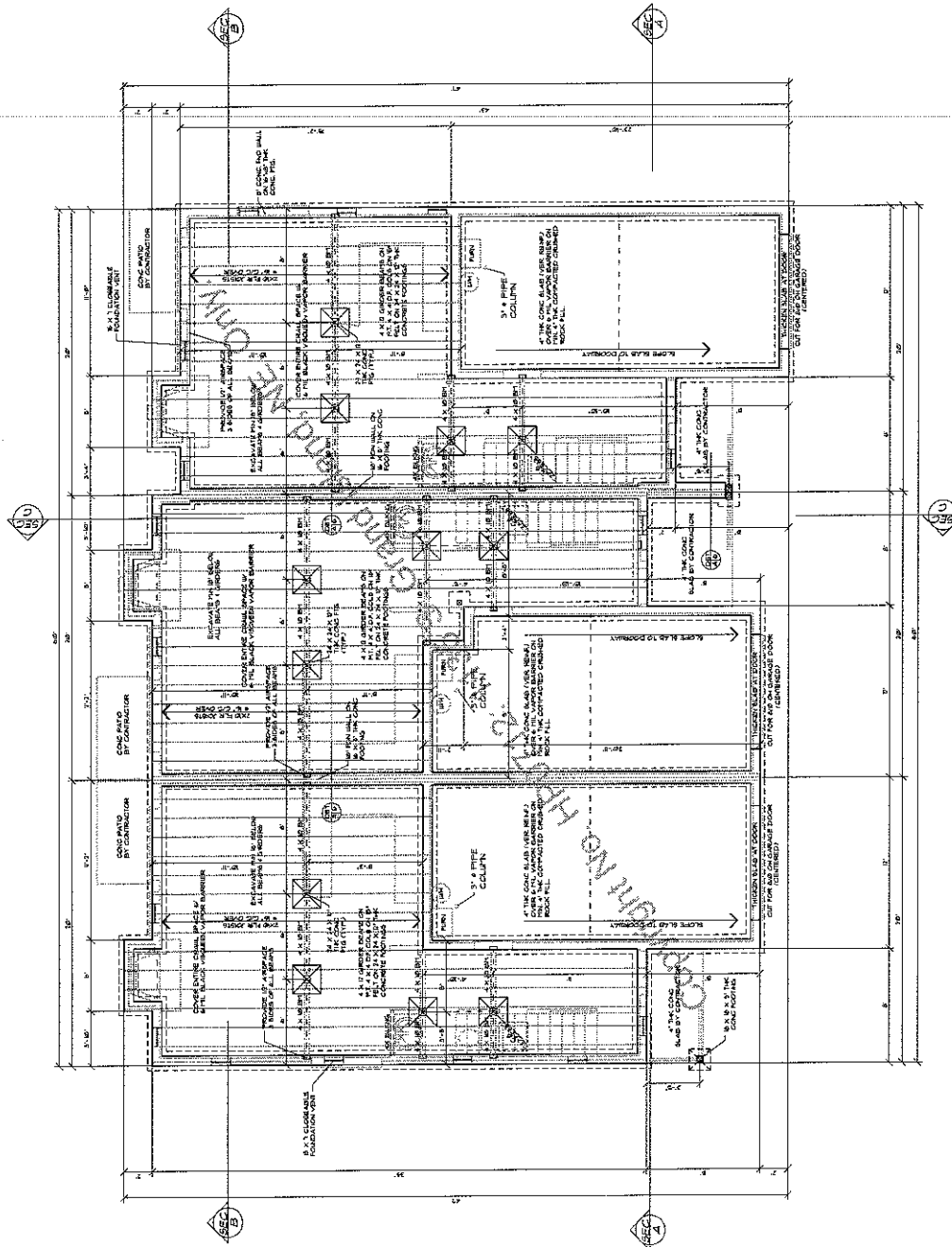


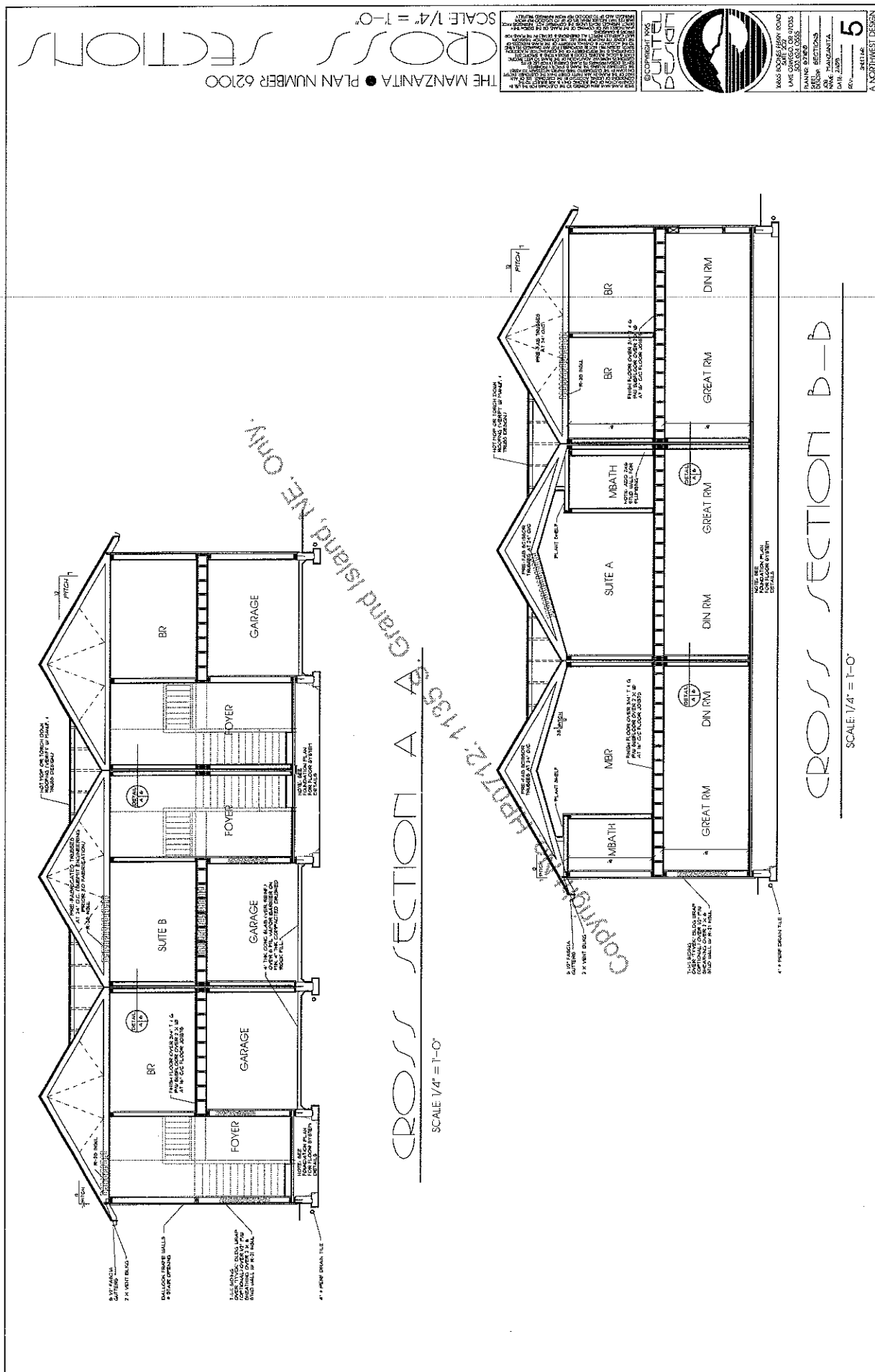
THE MANZANITA • PLAN NUMBER 62100
 FOUNDATION PLAN
 SCALE 1/4" = 1'-0"

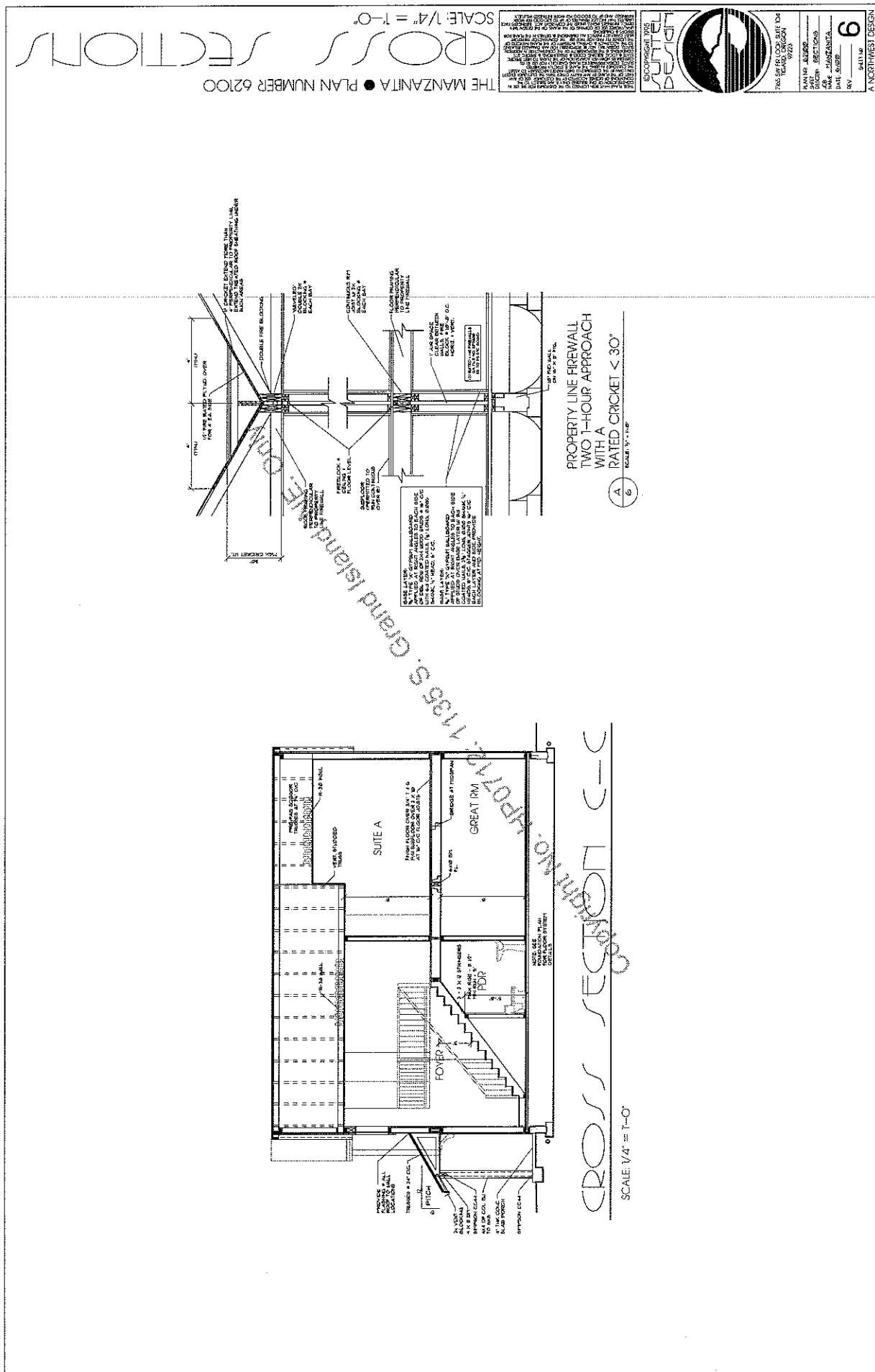
THIS FOUNDATION PLAN IS A PART OF THE SET OF PLANS FOR THE MANZANITA, A NORTHWEST DESIGN PROJECT. IT IS TO BE USED IN CONJUNCTION WITH THE OTHER PLANS IN THE SET. NO PART OF THIS PLAN IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF NORTHWEST DESIGN.

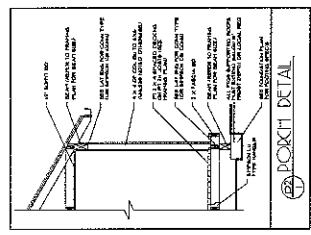
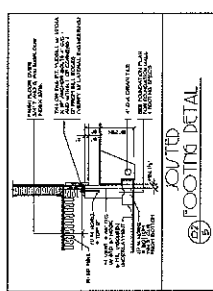
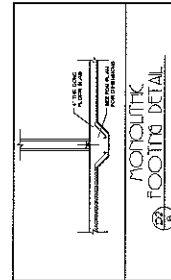
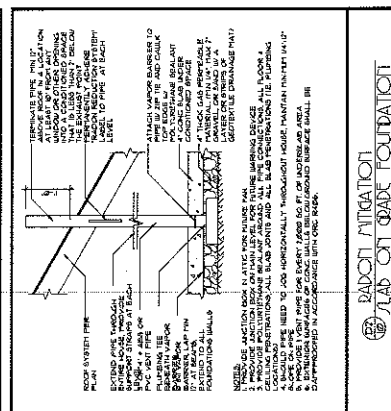


1405 BOWMAN STREET ROAD
 LAKE CONISTOTA, CA 95035
 925.245.0005
 NORTHWEST DESIGN
 PROJECT: FOUNDATION
 CLIENT: MANZANITA
 DATE: 1/2013
 REV: 4C
 A NORTHWEST DESIGN









**Redevelopment Plan Amendment
Grand Island CRA Area #2
August 2012**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #2 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 #2.

**Executive Summary:
Project Description**

THE RENOVATION OF THE EXISTING COMMERCIAL BUILDING AT 1135 SOUTH LOCUST STREET ALONG WITH THE CONSTRUCTION OF A THREE-DWELLING UNIT APARTMENT BUILDING ON ADJACENT PROPERTY TO THE EAST FRONTING ONTO PINE STREET AND THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR THE RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovation of the commercial building on South Locust Street. The developer will be building a three unit apartment building on the side of the block that is primarily residential development. The increment from the new construction will be used to make the improvements to the existing commercial building. This project would not be possible in an affordable manner without the use of TIF.

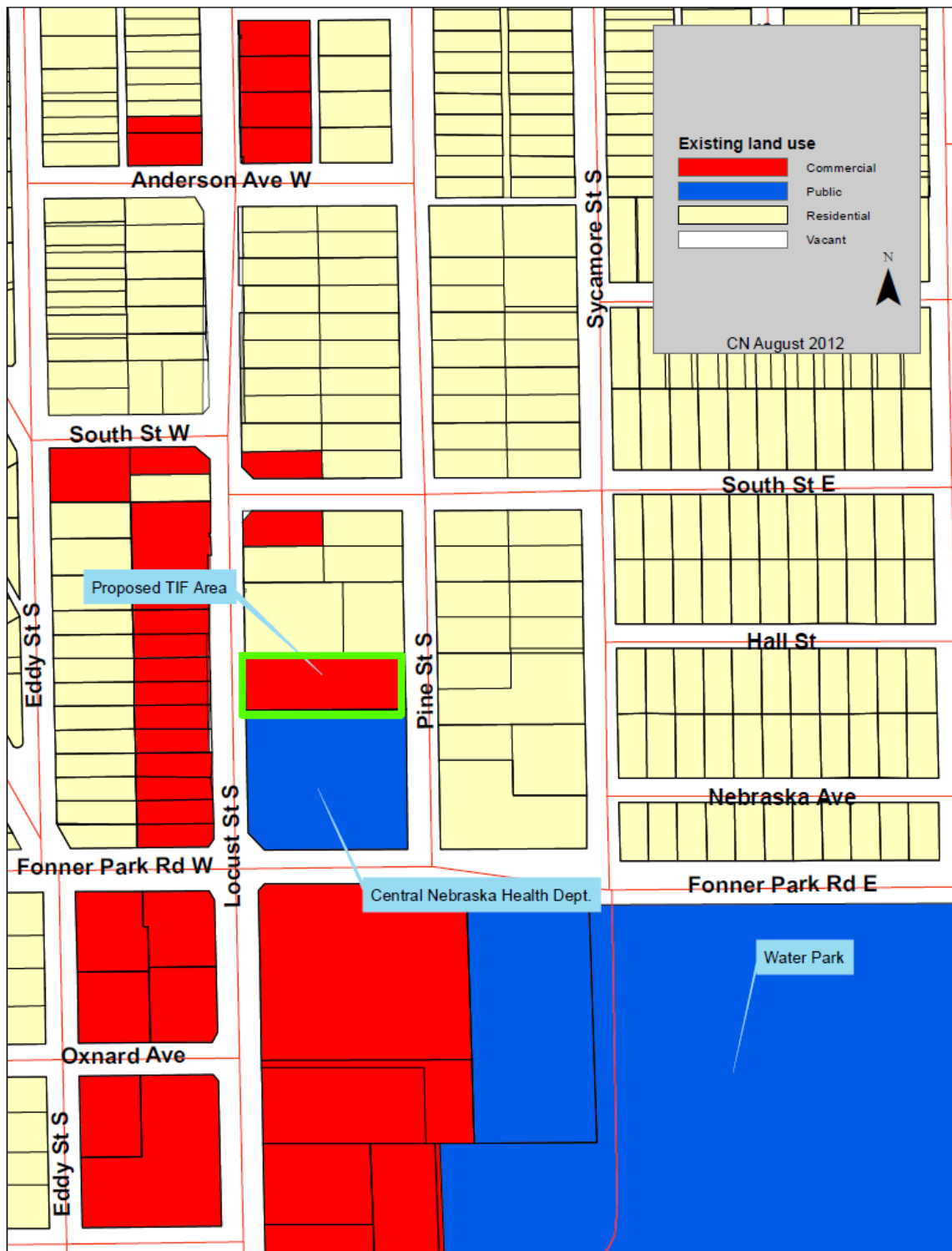
The site is owned by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2015 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 just north of the Central Nebraska Health Department on the between South Locust Avenue and Pine Street in southern Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 1 of Dowd Subdivision, in the City of Grand Island, Hall County Nebraska.



The tax increment will be captured for the tax years the payments for which become delinquent in years 2015 through 2029 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 rehabilitation of the hotel convention center property and development of a national chain restaurant 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 September 13, 1999. [§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 an existing conforming use on this property.

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

a. Land Acquisition:

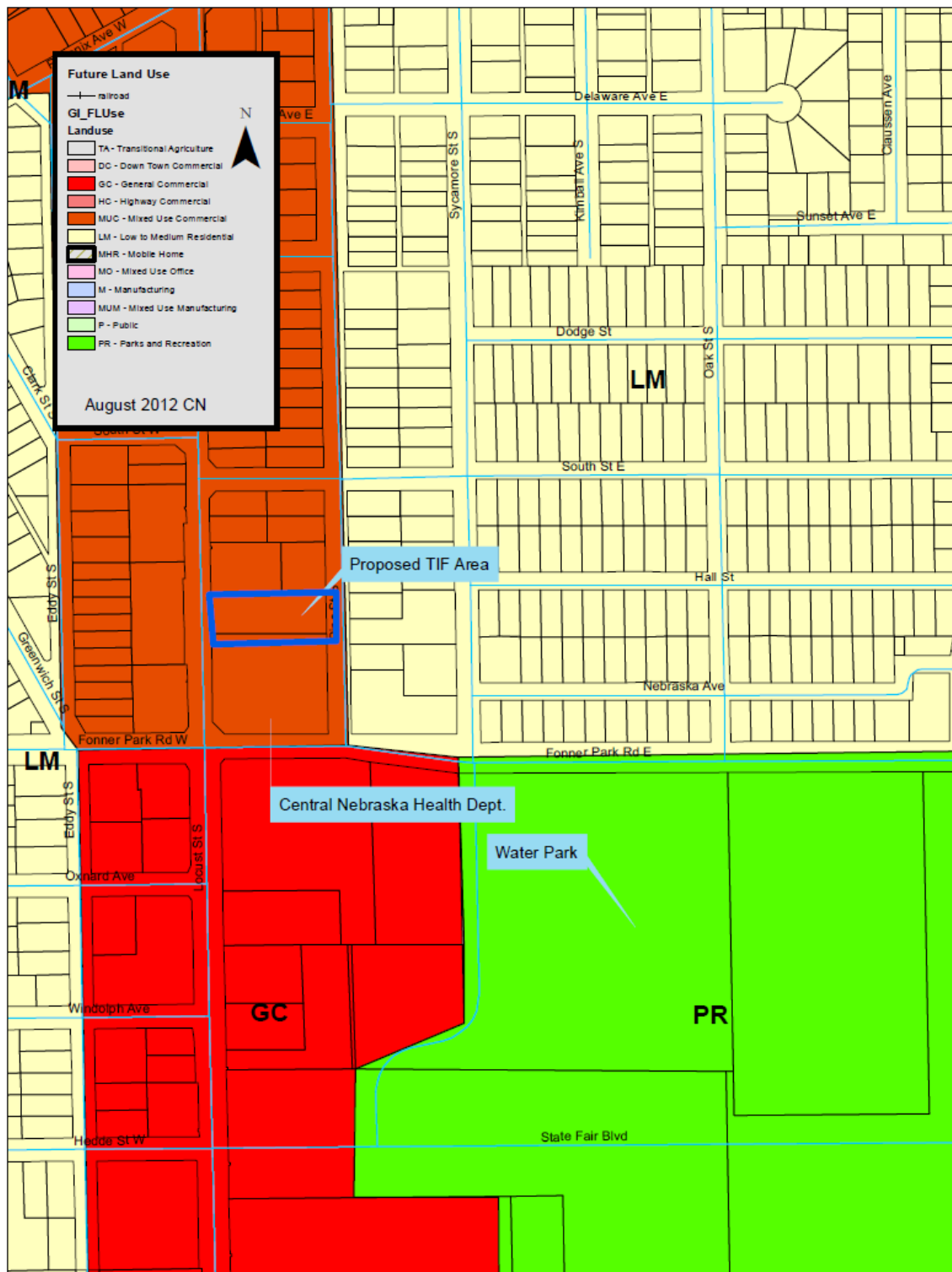
The Redevelopment Plan for Area #2 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority and no additional acquisition proposed by the developer.

b. Demolition and Removal of Structures:

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for mixed use 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-AC General Business zone with an Arterial Commercial Overlay along the Locust side and R3-Medium Density Residential along the Pine Street side. 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. The proposed uses for commercial retail/office space in the existing building and multi-family residential along Pine Street are permitted in the current zoning districts. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing rehabilitate the existing structure a conforming structure and use in the B2-AC zoning district. The R-3 zoning district allows for the development of 1 dwelling unit for each 3000 square feet of lot space. Approximately 14,300 square feet of the property is zoned R3 so there is sufficient property to support the development of a 3-plex. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. No 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, owned by the developer is currently vacant commercial space in poor condition. The proposed use of this property would continue as a commercial rental space with the addition of residential uses along the east side. No individuals or families will be relocated as a result of this project. [§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 owned the property for since 20???. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing commercial structure are estimated at \$150,000. Soft costs including: Architectural/Engineering, Financing, Legal and Audit costs total \$2500. Fees and reimbursement to the City and the CRA of \$6,500 are included as a TIF eligible expense. The developer will also have costs associated with site preparation and utility connections for the residential development. The total eligible costs will exceed \$160,000.

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 \$159,738 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, 2015 through December 31, 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 commercial lots. This will not significantly impact traffic on at the intersection of South Locust or on Pine Street.

Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. The development of multi-family residential on this property is consistent with the property developed by Goodwill Industries to the south and east of site and will provide a buffer between the commercial space and the single family residential to the north and east. 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 January 2013 and December of 2013. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

9. Justification of Project

The South Locust Corridor is a major entrance for the City of Grand Island from Interstate 80. The Heartland Events Center, the State Fair Park and associated buildings and other attractions are all located along South Locust. The South Locust Business Improvement District and City of Grand Island have spent a considerable amount of money on landscaping and aesthetic treatments along this corridor. The City has codified those improvements as development occurs south of the U.S. 34 and Locust. This is a gateway to the community and for many people from outside the area is what they will use to judge our City. Significant investments have been made by the developer in properties along the west side of Locust and by the Central Nebraska Health Department in their Building. Goodwill Industries has invested federal grant dollars in housing in this neighborhood. The existing commercial building is negatively impacting the area and the property values in the area. Renovation of this building is a significant improvement that will increase the marketability adjoining properties and provide appropriate commercial uses along this corridor.

Grand Island is always in need of additional quality housing units. The development of three rental units will provide a buffer between the commercial space and the existing single family residential. This is infill development with all necessary utilities and public improvements needed to support the development.

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 \$90,150. The proposed renovation of the existing commercial building will result in an estimated additional \$93,600 of taxable valuation based on an analysis by the Hall County Assessor's office. The multi-family residential will add an additional \$391,981 of

taxable valuation according to estimates provided by the Hall County Assessor's office. The total tax increment created by this project is \$485,600. 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 by the contractors that will be involved with the project. It will result renovated commercial space along South Locust and additional housing units within the City.

(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 should not have any measurable negative impacts on other employers or employees in the city. Potential positive impacts include additional housing close to the South Locust commercial strip. This may provide quality decent housing for employees of South Locust businesses within walking distance of work.

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

This will improve South Locust near the entrance to Fonner Park and the State Fair. Grand Island is always in need of additional quality housing. These three units will provide additional new housing near one of our major commercial strips.

Time Frame for Development

Development of this project is anticipated to be completed during between January 1, 2013 and December 31 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 \$159,738 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 renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$160,000 on TIF eligible activities.

See Attached Building Plans (with TIF application)

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

RESOLUTION NO. 144

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. 145

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 #2, from Auto One 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 #2;

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