



Community Redevelopment Authority (CRA)

Wednesday, March 13, 2013
Regular Meeting

Item H1

TIF Application

Staff Contact: Chad Nabity

**BACKGROUND INFORMATION RELATIVE TO
TAX INCREMENT FINANCING REQUEST**

Project Redeveloper Information

Business Name: Chief Industries, Inc.

Address: 3942 West Old Highway 30
Grand Island, NE 68803

P. O. Box 2078
Grand Island, NE 68802

Telephone No.: 308-389-7200

Fax No.: 308-389-7352

Contact: David Ostdiek

**Brief Description of
Applicant's Business:**

CHIEF FABRICATION, a division of Chief Industries, Inc., is one of the most diverse metal fabricators in the Midwest. This division offers a large staff, multiple shift operation and state-of-the-art fabrication technologies, including programmable CNC equipment. Established in 1954 and located in Grand Island, Nebraska Chief Fabrication serves an ever-widening range of manufacturers of agricultural, recreational, and construction equipment, and a variety of industrial accounts from coast to coast. The type of work offered ranges from simple, single level components and complicated weldments, to complete, contract manufactured products, ready to be marketed.

Present Ownership

Proposed Project Site: Chief Industries, Inc., 1119 South Adams Street, Grand Island, NE 68801

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

Chief is proposing a 33,456 square foot building addition. The building will be a metal building system. See attached site plan, floor plan and building elevation (Exhibit A). The project is geared towards expanding manufacturing capabilities.

If Property is to be Subdivided, Show Division Planned: N/A

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ 525,000
B. Building	\$

Construction Costs:

A. Renovation or Building Costs:	\$ 1,590,000
B. On-Site Improvements:	\$ 288,000

Soft Costs:

A. Architectural & Engineering Fees:	\$ 30,000
B. Financing Fees:	\$ -0-
C. Legal/Developer/Audit Fees:	\$ 10,000
D. Contingency Reserves:	\$ -0-
E. Other (Please Specify): CRA Fees	\$ 6,500

TOTAL \$ 2,449,500

VII. Total Estimated Market Value at Completion: \$ 3,859,145

VIII. Source of Financing:

A. Developer Equity:	\$ -0-
B. Commercial Bank Loan:	\$ 1,769,630
C. Tax Credits:	
1. N.I.F.A.	\$ -0-
2. Historic Tax Credits	\$ -0-
D. Industrial Revenue Bonds:	\$ -0-
E. Tax Increment Assistance:	\$ 579,870
F. Other – CRA Grant	\$ 100,000

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

Chief Construction Company 2107 North Road Grand Island, NE 68803 Phone: 308-389-7222 Fax: 308-389-7393	P. O. Box 2078 Grand Island, NE 68802
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X. Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

\$40,176 (See Exhibit B for detail calculations)

XI. Project Construction Schedule:

Construction Start Date:	Upon TIF application acceptance
Construction Completion Date:	270 days after acceptance

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:

\$561,240 of tax increment financing (based on 0% lending rate) is being requested to assist in the acquisition of land, site preparation, demolition, and other necessary site preparation expenditures. Improvements to the site will include improved drainage and creation of new parking facility and fire access and the resurfacing of the existing parking area where warranted. The TIF funds will enable project completion resulting in vast improvements to the condition of the current location and making it more economically viable to expand the current manufacturing facility. The opportunity for expanded production space into the community will benefit the local economy and markets accordingly. Over a three year period it is anticipated 41 additional FTE employees will be added.

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

The proposed acquisition of land and necessary preparation of the site will result in overall improvements to the area and allow for the completion of a building addition to increase the manufacturing capabilities of the location. Tax increment financing is an integral and essential component to project completion which is contingent upon receipt of the expected \$561,240 of tax increment assistance. Feasibility is dependent on TIF funds that will enable the creation of adequate economics to acquire the land and make necessary site improvements that will enable the construction of a building addition at a competitive rate in the specified 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:

XIV. 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: cnahity@grand-island.com

Exhibit B

Chief Industries, Inc.
Tax Increment Financing Request
Estimated Real Estate Taxes on Project Site Upon Completion of Project

Existing Assessed Value and Real Estate Tax on Project Site

Parcel Number	Assessed Value (2012)			Taxes
	Improvements	Land	Total	
400206838	1,807,768	315,300	2,123,068	47,274

Estimated Real Estate Taxes on Project Site Upon Completion of Project

Total Levy as per 2012 Real Estate Tax Statement	2.226701%
Base assessed value	2,123,068
Projected increase in taxable value	<u>1,736,077</u>
Proposed assessed value	<u>3,859,145</u>
Estimated annual real estate tax after project completion	85,932
Less existing annual real estate tax	<u>47,274</u>
Estimated increase in annual real estate tax	38,658

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MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (the “**MOU**”) is made and entered into this 11th day of July, 2012, between the City of Grand Island, NE (the “**City**”), the Community Redevelopment Authority of the City of Grand Island, NE (the “**Authority**”) and Chief Industries, Inc., a Delaware corporation (the “**Company**”).

WHEREAS, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), prescribes the requirements and procedures for the Planning and implementation of Redevelopment Projects; and

WHEREAS, the Company has acquired certain real Property in the City legally described on Exhibit A (the “**Property**”) which lies within an area declared blighted and substandard by the City; and

WHEREAS, the Property lies within an area subject to a Redevelopment Plan adopted by the Authority and approved by the City; and

WHEREAS, the Company desires to demolish and remove the blighted and substandard improvements on the Property, (the “**Preliminary Activities**”); and

WHEREAS, the Company intends to formulate and present a Redevelopment Plan for the Property to the Authority, which plan shall include demolition of blighted and substandard improvements, installation of municipal utilities including, but not limited to, a municipal water main line, and the eventual redevelopment of certain private improvements to be identified by the Company; and

WHEREAS, the Authority finds it in the public interest to consider a request for a grant to be funded in part by Tax Increment Financing (TIF) to promote the development of the Project and assist with the funding of the Preliminary Activities.

NOW THEREFORE, the parties set forth their understanding in regard to certain actions and expenditures that the Company will make for funding Preliminary Activities prior to Redevelopment Plan submission and approval but which Preliminary Activities shall remain eligible for inclusion in a subsequent Redevelopment Project and Plan:

1. *Definitions.* Capitalized items used in this MOU shall have the meanings assigned herein.
2. *Company's Obligations.* Upon execution of this MOU, the Company may proceed with the following actions:
 - a. *Preliminary Activities.* Upon presentation to the Authority of a Demolition Plan identifying the existing improvements on the Property to be demolished the Company may proceed with the demolition in accordance with the Demolition Plan.

- b. *Redevelopment Plan and Project.* The Company shall cooperate with the Authority to prepare a Redevelopment Plan identifying a Redevelopment Project for the Property. Such Redevelopment Plan shall include, at a minimum:
 - i) the demolition of the existing blighted and substandard structures;
 - ii) the installation of municipal utilities including, specifically, a city water main extension to provide service to the Property; and
 - iii) the eventual development of the Property with private improvements.
- c. *Funding.* Upon completion of the demolition pursuant to the Demolition Plan, the Company shall provide the Authority an itemized list of expenditures incurred in the demolition.
- d. *Indemnification.* The Company agrees to indemnify, and hold the Authority and the City, their employees, agents, independent contractors and consultants harmless from and against any and all suits, claims, cost of defense, damages, injuries, liabilities, costs and/or expenses resulting from, arising out of, or in any way connected with this MOU.

3. *Authority's Obligations.*

- a. *Funding.* In order to finance in part the Preliminary Activities the Authority shall grant to the Company up to the sum of \$100,000.00 ("**Grant**"), provided such amount shall not exceed the sum determined to be qualifying expenditures eligible for reimbursement pursuant to §18-2103 (12) of the Act. Such grant shall be financed by the issuance of TIF indebtedness to be repaid from a division of taxes pursuant to §18-2147 (1)(b) of the Act as provided herein. The Redevelopment Plan for the Property shall provide for the reimbursement of the Authority in an amount not to exceed the Grant solely from excess TIF Note proceeds or excess incremental tax revenue generated by the Project. The Redevelopment Plan and the Redevelopment Contract shall first provide for the payment of the Company's eligible project costs once the Authority and/or the City approve the use of TIF for the Project, pursuant to subsection (b) below.
- b. *Tax Increment Financing.* The City and Authority shall consider, after appropriate proceedings as required by law approving and implementing a Redevelopment Plan for the Property authorizing tax increment financing for the Project to pay costs eligible for reimbursement as Redevelopment Project costs as defined by §18-2103(12) of the Act. The grant for Preliminary Activity qualifying expenditures as set forth in paragraph 3a hereof, shall be payable only from Authority funds and those funds generated by the TIF revenues on the Property divided pursuant to §18-2147(1) (b) of the Act. After approval of a Redevelopment Plan dividing taxes on the Property pursuant to §18-2147(1)(b) of the Act, the Authority may consider the issuance of additional TIF indebtedness, to be purchased by the Company, the proceeds of which shall be granted to the Company to fund remaining qualifying Preliminary Activity expenditures, and other Redevelopment Project costs as defined by §18-2103(12) of the Act. The Authority and City, in entering in this MOU, do not pre approve use of TIF for the Project. The Authority and/or the City, without any liability to the Company, may ultimately decline to utilize TIF for the Project, and if either or both do so, the Company shall have no claim against the Authority or the City. The

Company knowingly accepts its own risk in site acquisition, demolition and site preparation prior to the Authority's implementation and City's approval of the TIF process.

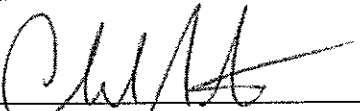
- c. *Good Faith Meeting Schedule.* The City and Authority agree to take all reasonable steps to establish public meeting schedules, according to law, to establish and maintain the proposed schedule for Redevelopment Plan adoption and Redevelopment Contract approval and other steps required by the Project.
4. *Economic Feasibility.* The Company hereby declares to the City and the Authority that the Redevelopment Project for the Property, and specifically the Preliminary Activities are not economically feasible and the Project will not occur on the Property as designed without the use of tax increment financing as required by §18-2116(1) of the Act.. The Company's investment of costs of Preliminary Activities to begin the Project development will not alter the Company's determination, based upon its analysis of cash flow requirements, not to implement the Project in the proposed location unless tax increment financing is ultimately provided by the City and the Authority. Section 18-2116(1) of the Act requires the City to make findings as follows if a TIF application requests the use of funds as described in Section 3 above: (i) the Project would not be economically feasible without the use of tax increment financing, and (ii) the Project would not occur in the City without the use of tax increment financing. Due to the proposed schedule of the Project the Company desires to begin the Project immediately and to undertake the Preliminary Activities prior to the formal submittal of a Redevelopment Plan/ Project to the Authority and the city for approval. The purpose of this MOU is to make clear the parties' intentions to consider the costs of Preliminary Activities as eligible for TIF funding, if and only if, the City and Authority approve TIF funding for the Project even if the Project is commenced prior to the approval of a Redevelopment Plan or Redevelopment Project by the Authority or the City. The parties agree that if the Project is commenced prior to the approval of a Redevelopment Plan providing for TIF funding, the allowable costs for the Preliminary Activities will remain eligible for TIF funding under a Redevelopment Contract.
5. *Preliminary Activity Costs.* The Company estimates that the costs to conduct the Preliminary Activities shall be in excess of Two Hundred Thousand and No/100 Dollars (\$200,000.00). The Redevelopment Project ultimately proposed by the Company for the Redevelopment Project Site shall be eligible for payment or reimbursement as part of the Project Eligible Costs. Any sums expended by the Company in excess of the Preliminary Activity Grant are subject to reimbursement to the Company in accordance with the priority and order set forth herein and subject to the terms of the Redevelopment Contract. Further, the Preliminary Activity Grant made by the Authority is subject to reimbursement from excess incremental tax revenues generated by the Redevelopment Project to be undertaken by the Company.
6. *Counterparts.* This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The parties may execute this MOU and all other agreements, certificates, instruments and other documents contemplated by this MOU and exchange the

counterparts of such documents by means of facsimile transmission. The parties agree that the receipt of such executed counterparts shall be binding on such parties and shall be construed as originals.

7. *Governing Law.* The MOU shall be governed by the laws the State of Nebraska.

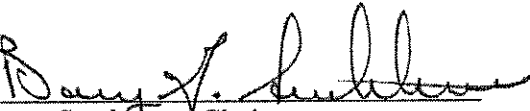
July 11th, 2012

Attest


Secretary Chad Nabity

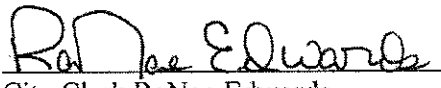
"The Authority"

Community Redevelopment Authority
of the City of Grand Island, Nebraska

By: 
Barry Sandstrom, Chair

July 25, 2012

Attest


City Clerk RaNae Edwards

"The City"

City of Grand Island, Nebraska

By: 
Jay Vavricek, Mayor

July 11th, 2012

"The Company"

Chief Industries, Inc., a Delaware corporation

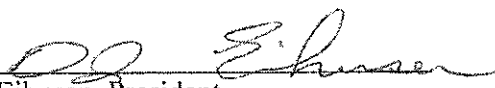
By: 
DJ Eihusen, President

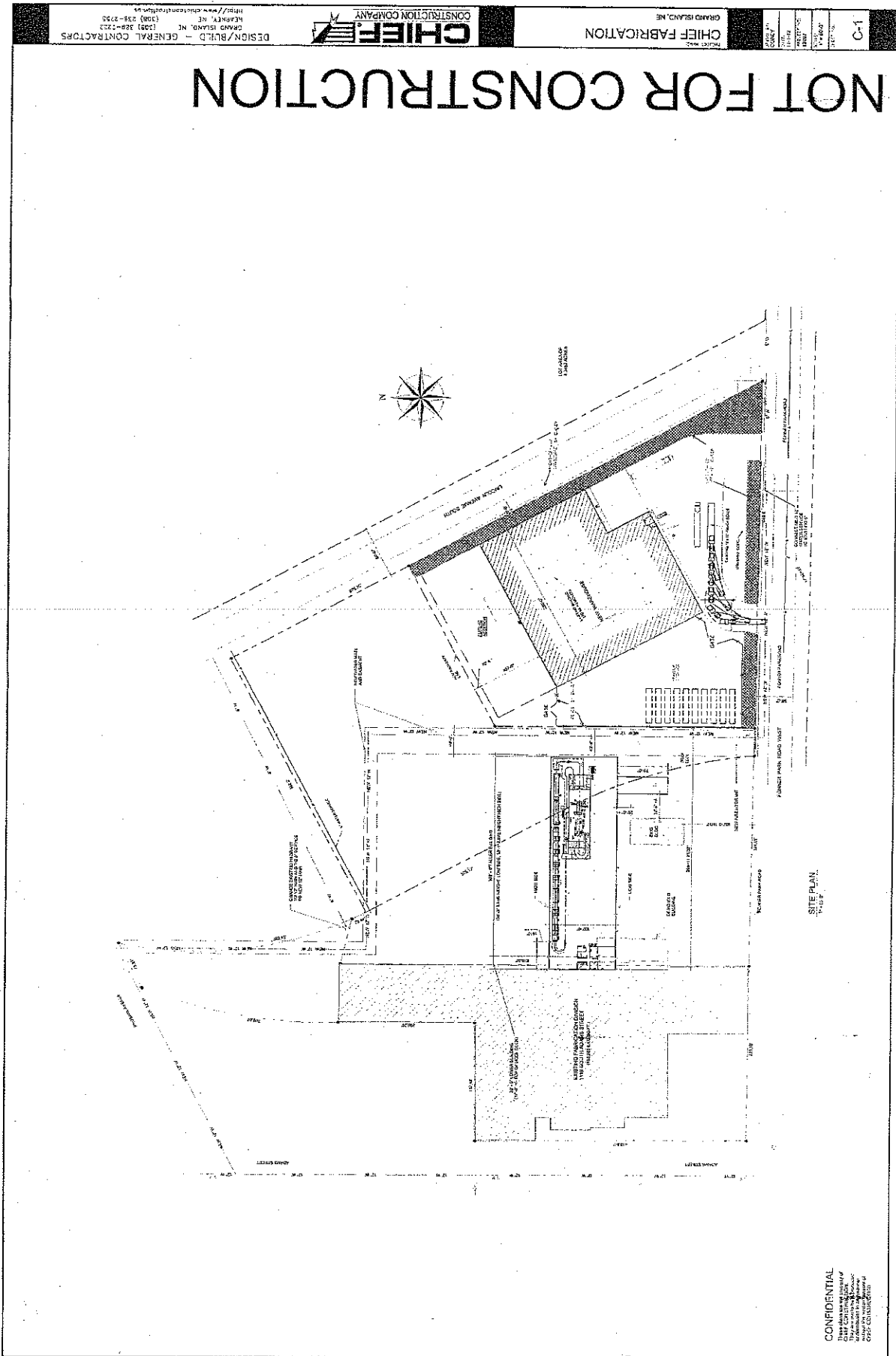
Exhibit A

LEGAL DESCRIPTION OF PROJECT

Lots One (1) and Two (2), Chief Fab Second Subdivision, City of Grand Island,
Hall County, Nebraska

4813-3490-9967,v . 2

Exhibit A



DESIGN/BUILD - GENERAL CONTRACTORS
GRAND ISLAND, NC (308) 589-2755
KEENE, NC (308) 228-2755
http://www.dbbconstruction.com

CHIEF FABRICATION
GRAND ISLAND, NE

A-1



[illegible]

↑ North





Nebraska Commercial Banking

MAC N8032-034
1248 'O' St
Lincoln, NE 68508

Wells Fargo Bank, N.A.

January 29, 2013

Chad Nabity, AICP
Director
Hall County Regional Planning
100 East 1st Street
P. O. Box 1968
Grand Island, NE 68802

Dear Mr. Nabity:

Chief Industries, Inc. (Chief) has adequate borrowing capacity under existing credit facilities with Wells Fargo Bank to provide the necessary financing for Chief to complete the proposed addition to its Fabrication Division located at 1119 South Adams Street, Grand Island (Project). Using such borrowing capacity in connection with this Project will be contingent upon Chief obtaining TIF from and through the City of Grand Island to the maximum amount available for this Project.

Thank you.

Sincerely,

Bill Weber

cc: David Ostdiek
Chief Industries, Inc.
P. O. Box 2078
Grand Island, NE 68802

Site Specific Redevelopment Plan

Grand Island CRA Area #8

March 2013

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #8 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 #8.

Executive Summary: Project Description

THE CONSTRUCTION OF A NEW 33,456 SQUARE FOOT STRUCTURE AS PART OF THE CHIEF FABRICATION PLANT ALONG WITH THE INSTALLATION OF NEEDED UTILITIES, DEMOLITION OF STRUCTURES, PAVING AND OTHER SITE IMPROMENTS AS NECESSARY TO SUPPORT THIS REDEVELOPMENT ON THE NORTH SIDE OF FONNER PARK ROAD BETWEEN ADAMS STREET AND LINCOLN AVENUE ON LOT 1 OF CHIEF FAB SECOND SUBDIVISION 1119 S ADAMS STREET. DEMOLITION AND UTILITY EXTESION EXPENSES WERE PREVIOUSLY DECLARED ELIGIBLE FOR TIF BY THE A MEMORANDUM OF UNDERSTANDING APPROVED BY CHIEF INDUSTRIES, THE CITY OF GRAND ISLAN AND THE GRAND ISLAND COMMUNITY REDEEOPMENT AUTHORITY IN JULY OF 2012

The developer intends to use Tax Increment Financing to defray the costs of land acquisition, demolition costs related to clearing the property and preparing it for redevelopment and the installation of utilities necessary to redevelop this property. 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 have been paid for by the developer in accordance with the memorandum of understanding between the developer, the City and the CRA. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, demolition and utilities work. 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 remodeling and site work.

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

Property Description (the “Redevelopment Project Area”)

This property is located north of Fonner Park Road between Lincoln Avenue and Adams Street at 1119 S Adams in southeast Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 1 of Chief Fab Second 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 construction of a 33,456 foot addition to the manufacturing facility.

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 April 24, 2012. [§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:

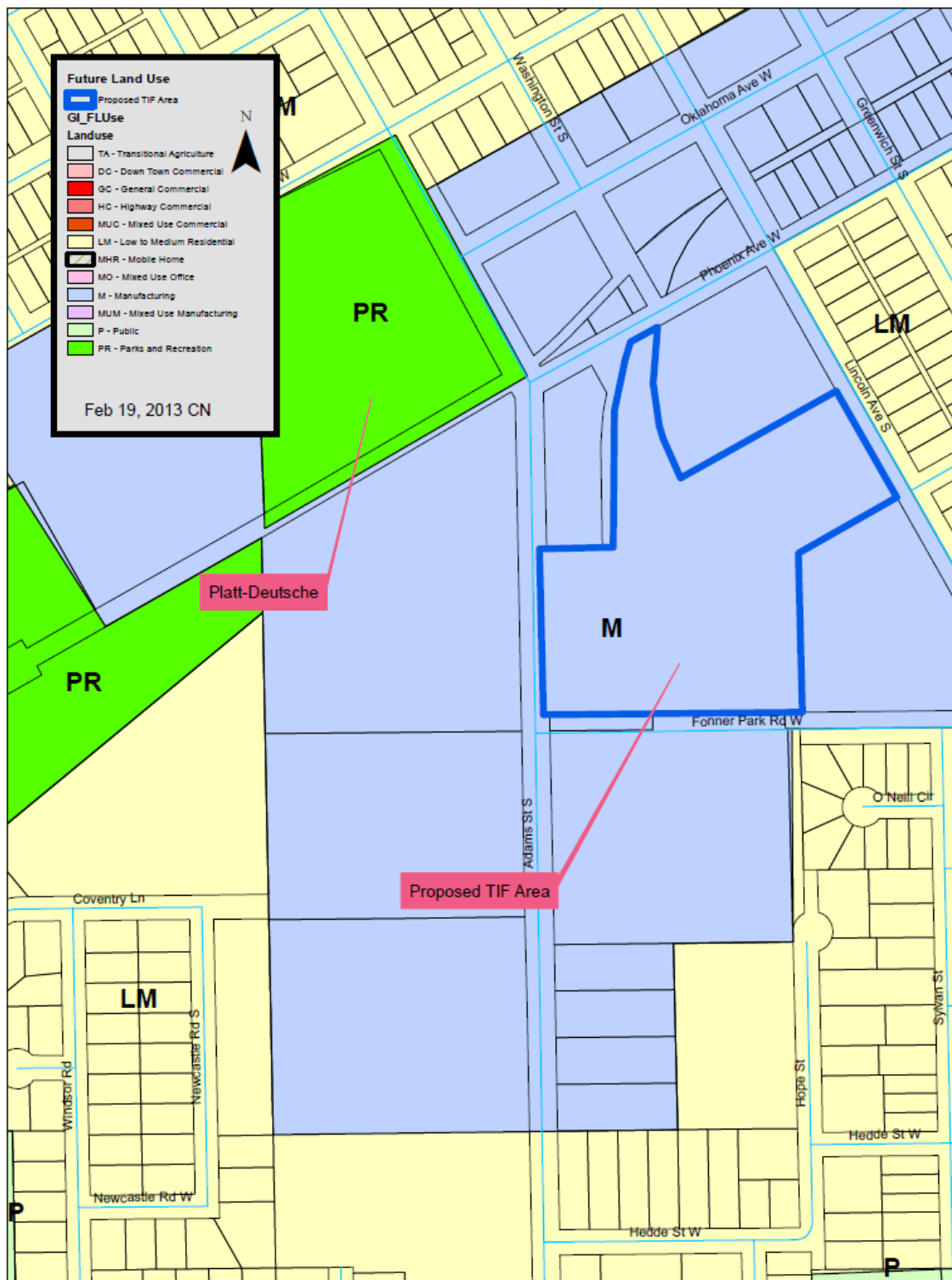
The Generalized Redevelopment Plan for Area #8 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The developer has already acquired the property as acknowledge by the July 2012 MOU.

b. Demolition and Removal of Structures:

The July 2012 MOU authorized expenses related to demolition as eligible for Tax Increment Financing. The Aurora Coop structures were demolished and all of the expenses were paid prior to the end of September 2012. Copies of those expenses are recorded with the CRA grant for this project.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for industrial 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 M2 Heavy Manufacturing 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. The proposed use for commercial manufacturing and is permitted in the M2 zoning district. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing an addition to the existing manufacturing use consistent with the M2 zoning district. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

This site has full service to municipal utilities. A new water main has been constructed to serve the property and provide necessary fire protection to the site. The developer is responsible for installing the water line to City standards and specifications.

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

The Grand Island Utilities Department has sufficient capacity to serve the electrical needs of the proposed addition.

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 maintained as a manufacturing facility. The proposed use of this property would continue as a manufacturing facility. 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 2011. The cost of property acquisition is included as a TIF eligible expense. Costs for the land, demolition of the Aurora Coop buildings, site preparation, utilities extension and construction of the addition to the existing facility are estimated at \$3,859,145 including all fees. The direct cost for purchase of the property, demolition, site preparation and utilities extensions are estimated at \$859,500. Fees and reimbursement to the City and the CRA of \$6,500 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 \$679,870 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 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 manufacturing property. This will not significantly impact traffic on at the intersection along Fonner Park Road. New investment in this manufacturing area will 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 August 2013 and July of 2014. Excess valuation should be available for this project for 15 years beginning with the 2014 tax year.

9. Justification of Project

The Aurora Coop site was no longer in daily use and because of its proximity to residential properties and the Barr Middle School it presented a dangerous and attractive nuisance in the neighborhood. The CRA and City Council agreed that it was in the best interest of the community to remove those structures as soon as possible and approved a memorandum of understanding (MOU) to allow Chief Industries to demolish those buildings and begin utility installation prior to the approval of a final redevelopment plan for the area. This final redevelopment plan provides for additional new manufacturing development in an area of the community that is and will continue to be manufacturing in nature. This new development will provide additional skilled full time jobs in the community and allow an existing Grand Island company to expand their operations within the community.

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 \$2,123,068. The proposed renovation of this facility will result in an estimated additional \$1,746,077 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 by the contractors that will be involved with the project. Chief is also proposing to create 43 new full time positions in Grand Island at their fabrication facility.

(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

The additional jobs may be filled by people in other positions around Grand Island or in jobs where they are underemployed. These new jobs will create a more competitive market for the skilled workers involved in fabrication activities.

(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 provide additional base employment within Grand Island. The project has already resulted in the demolition of unused buildings that could have created a nuisance and safety issue within the neighborhood. The use of tax increment financing was anticipated by the developer and approved by the CRA and City Council with a memorandum of understanding prior to the demolition of structures on this property and installation of utilities. The reinvestment in this neighborhood should lead to stabilized property values and further investment in the area.

Time Frame for Development

Development of this project is anticipated to be completed during between August 2013 and July of 2014. The base tax year should be calculated on the value of the property as of January 1, 2011. The tax increment on 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 \$702,640 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates and actual costs of the expenses for the cost of acquisition, demolition, site preparation, engineering, legal fees and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$859,500 on TIF eligible activities.

See Attached Building Plans

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

RESOLUTION NO. 156

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 _____, 2013.

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. 157

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 #8, from Chief Industries, 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 #8;

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 _____, 2013.

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

By _____
Chairperson

ATTEST:

Secretary

Exhibit 1

Attach a copy of the Redevelopment Contract