



# Community Redevelopment Authority (CRA)

**Wednesday, July 9, 2014  
Regular Meeting**

## **Item H1**

**TIF App - 2228 N Webb Rd**

**Staff Contact: Chad Nabity**



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

### **Project Redeveloper Information**

#### **Business Name:**

Name: Grand Island Joint Venture, LLC  
Address: 2127 Innerbelt Business Center Drive, Suite 310, St Louis, MO 63114  
Telephone No.: (314)513-1500 Fax No.:(314)513-1501  
Contact: Ray O'Connor (308) 381-2497 / Tim Lowe (314)513-0018

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

The Grand Island Joint Venture, LLC is a joint venture between Ray O'Connor and Michael Staenberg. Ray O'Connor is CEO of O'Connor Enterprises, a full service commercial real estate company that owns, manages and leases shopping centers, hotels and residential communities throughout central Nebraska. Michael Staenberg is President of The Staenberg Group, a shopping center development, leasing and property management firm. Over the previous 30 years, the principals of The Staenberg Group have been responsible for the development and redevelopment of over 35 million square feet of retail shopping centers across the United States.

#### **Present Ownership Proposed Project Site:**

Grand Island Joint Venture, LLC

#### **Proposed Project:**

The redevelopment of the former Grand Island Mall and related 16 acres of property, into an "open air" regional retail shopping center, including approximately 128,000 square feet of new tenant leasable area. The property and building are to be designed and constructed in a first class manner, and consistent with competing regional retail centers in the area. The redevelopment project will include demolition of the former interior mall space, building demolition to create vehicular access between Webb Road and the new Hwy 281 parking fields, new tenant storefronts and exterior amenities as well as new customer parking fields,

site lighting and landscaping. Tenants in the project will be a mix of local, regional and national groups between 1,500 and 45,000 square feet, and include three outlot opportunities. See Exhibit A - site plan, lease plan and proposed elevations.

If Property is to be Subdivided, Show Division Planned:

Site plan (Exhibit A) reflects three (3) proposed outparcels which will be separately subdivided from the development parcel.

VI. Estimated Project Costs:  
Supporting cost detail included on Exhibit B.

Acquisition Costs:

|             |              |   |
|-------------|--------------|---|
| A. Land     | \$ 1,818,000 | ✓ |
| B. Building | \$           |   |

Construction Costs:

|                                    |               |   |
|------------------------------------|---------------|---|
| A. Renovation or Building Costs:   | \$ 10,009,805 | ✓ |
| B. On-Site Improvements:           | \$ 3,165,805  | ✓ |
| C. General Conditions/Overhead/Fee | \$ 805,630    | ✓ |

Soft Costs:

|                                      |              |   |
|--------------------------------------|--------------|---|
| A. Architectural & Engineering Fees: | \$ 834,325   | ✓ |
| B. Financing Fees:                   | \$ 423,133   | ✓ |
| C. Legal/Developer/Audit Fees:       | \$ 1,371,951 | ✓ |
| D. Contingency Reserves:             | \$           |   |
| E. Other (Please Specify)            | \$           |   |

|                         |               |  |
|-------------------------|---------------|--|
| TOTAL (Grand Island JV) | \$ 18,428,649 |  |
|-------------------------|---------------|--|

|                                      |              |   |
|--------------------------------------|--------------|---|
| OUTPARCEL BUILDING TOTAL (By Others) | \$ 2,657,000 | ✓ |
|--------------------------------------|--------------|---|

|       |               |  |
|-------|---------------|--|
| TOTAL | \$ 21,085,649 |  |
|-------|---------------|--|

|  |               |  |
|--|---------------|--|
| Total Estimated Market Value at Completion:<br>See Exhibit C | \$ 21,570,029 |  |
|--|---------------|--|

Source of Financing:

|  |                     |  |
|--|---------------------|--|
| A. Developer Equity:                           | \$ 2,764,297 (15%)  |  |
| B. Commercial Bank Loan:                       | \$ 15,664,352 (85%) |  |
| C. Outparcel Building Development (By Others): | \$ 2,657,000        |  |

**Tax Credits:**

|  |              |
|--|--------------|
| 1. N.I.F.A.  | \$ 0         |
| 2. Historic Tax Credits                                | \$ 0         |
| D. Industrial Revenue Bonds:                           | \$ 0         |
| E. Tax Increment Assistance:<br>See attached Exhibit C | \$ 6,447,250 |
| F. Other   | \$ 0         |

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

**General Contractor**

Chief Construction Company  
4400 E 39<sup>th</sup> Street, Kearney, NE 68848  
Phone: (308) 238-2755

**Engineer**

|                                 |    |                       |
|---------------------------------|----|-----------------------|
| Olsson & Associates             | or | Miller & Associates   |
| Dave Ziska                      |    | Craig Bennett         |
| 201 East 2 <sup>nd</sup> Street |    | 1111 Central Avenue   |
| Grand Island, NE 68802          |    | Kearney, NE 68847     |
| Phone: (308) 384-8750           |    | Phone: (308) 434-6456 |

**Architect**

TRI Architects  
9812 Manchester Road, St. Louis, MO 63119  
Phone: (314) 395-9750

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

(Please Show Calculations)

Real Estate Assessment information provided by Hall County Deputy Assessor.  
See attached Exhibit C

**Project Construction Schedule:**

|                               |                                     |
|-------------------------------|-------------------------------------|
| Construction Start Date:      | Estimated Fall 2014.                |
| Construction Completion Date: | Estimated Fall 2015 to Spring 2016. |
| Outparcel Development Date:   | Estimated Spring 2016 to Fall 2017. |
| If Phased Project:            | No                                  |

**XII. Please Attach Construction Pro Forma**

See attached Exhibit B

**XIII. Please Attach Annual Income & Expense Pro Forma (With Appropriate Schedules)**

New entity. Income and Expense information not available.

## TAX INCREMENT FINANCING REQUEST INFORMATION

### Describe Amount and Purpose for Which Tax Increment Financing is requested:

Tax Increment Financing is requested for acquisition of a blighted mall property, demolition of the existing interior mall space, upgrade of the outdated utility infrastructure, new and revitalized parking fields, etc. as summarized below:

|  |                     |
|--|---------------------|
| 1. Demolition of site work                                       | \$ 105,000          |
| 2. Demolition of mall interior & a portion of existing structure | \$ 494,000          |
| 3. New utilities to serve rehabilitated buildings                | \$ 624,000          |
| 4. Rehabilitation of mall building shell                         | \$ 5,466,113        |
| 5. Rehabilitation of mall building interior                      | \$ 2,623,519        |
| TOTAL  | <u>\$ 9,312,632</u> |

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

The proposed redevelopment of a 40 year old obsolete interior shopping mall would not be feasible or economically viable without a significant public/private partnership investment.

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:

City of Thornton, Colorado  
City Manager – Jack Etheredge  
[citymanager@cityofthornton.net](mailto:citymanager@cityofthornton.net)  
9500 Civic Center Drive  
Thornton, CO 80229

City of Washington, Pennsylvania  
Redevelopment Authority of the County of Washington  
Executive Director – William McGowen  
[bill.mcgowen@racw.net](mailto:bill.mcgowen@racw.net)  
100 West Beau Street, Suite 603  
Washington, PA 15301

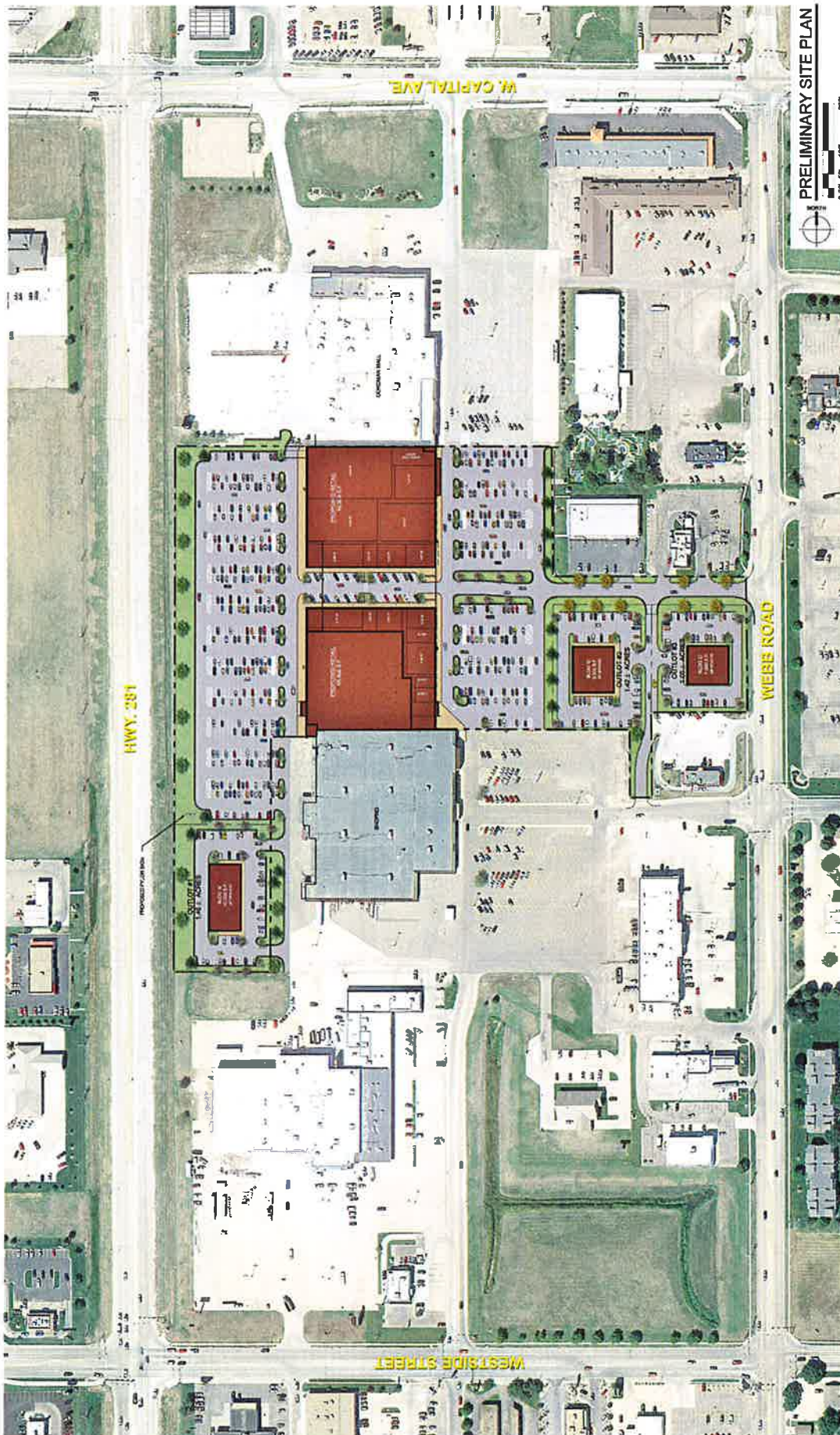
#### IV. Please Attach Applicant's Corporate/Business Annual Financial Statements for the Last Three Years.

New entity to be created thus no financial statements have been prepared.

**EXHIBIT A**

**SITE PLAN, LEASE PLAN AND ELEVATIONS**





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 St. Louis, Missouri 63114  
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## GRAND ISLAND RETAIL

HALL COUNTY,  
 14.039

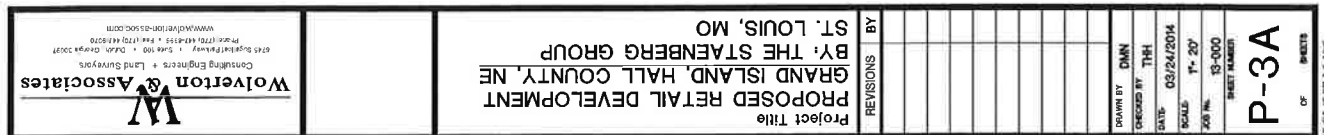
NEBRASKA  
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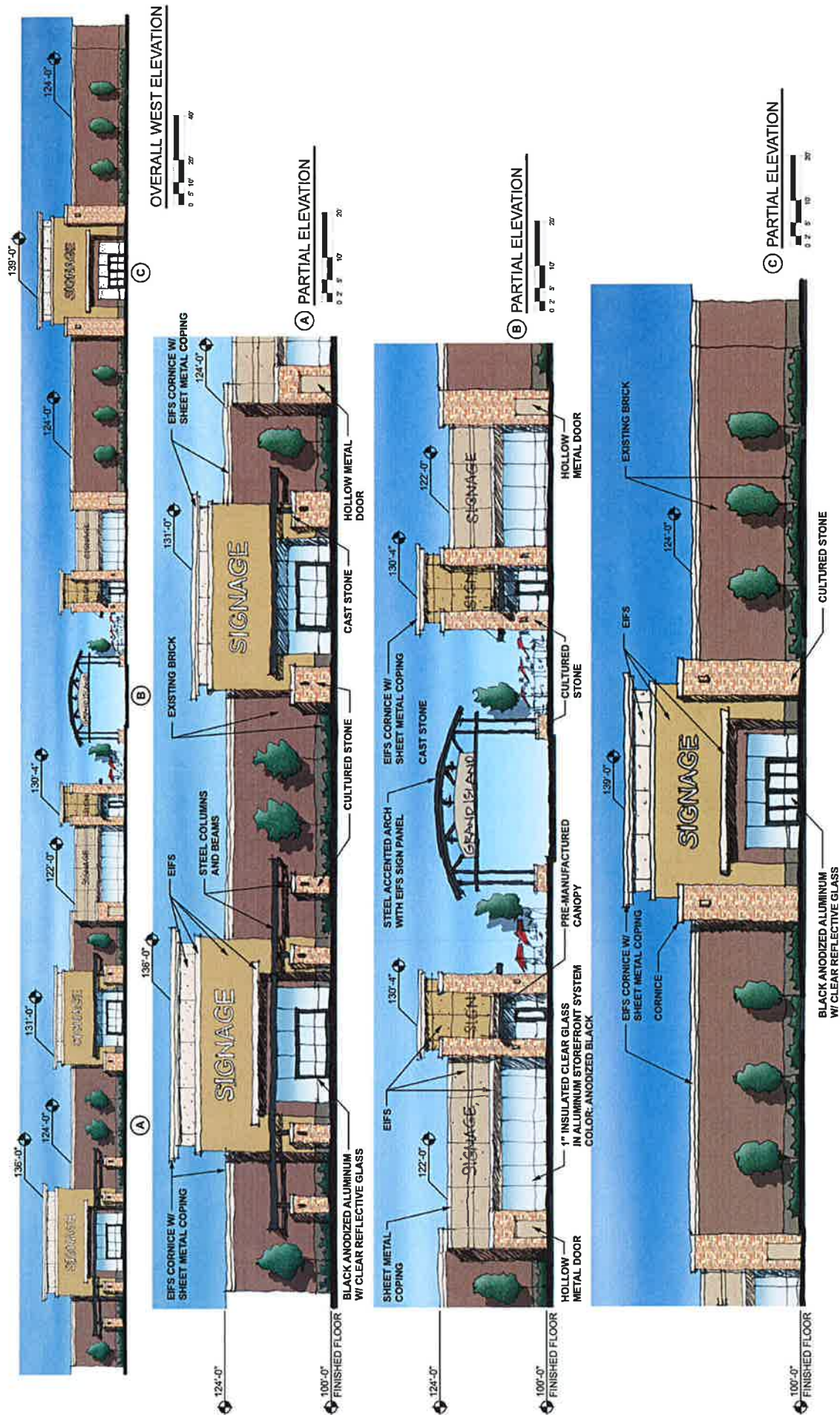
**THE STAENBERG GROUP**  
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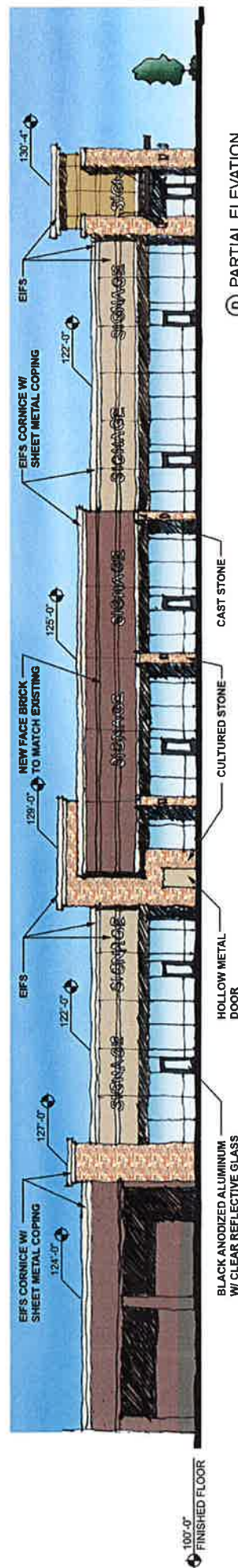




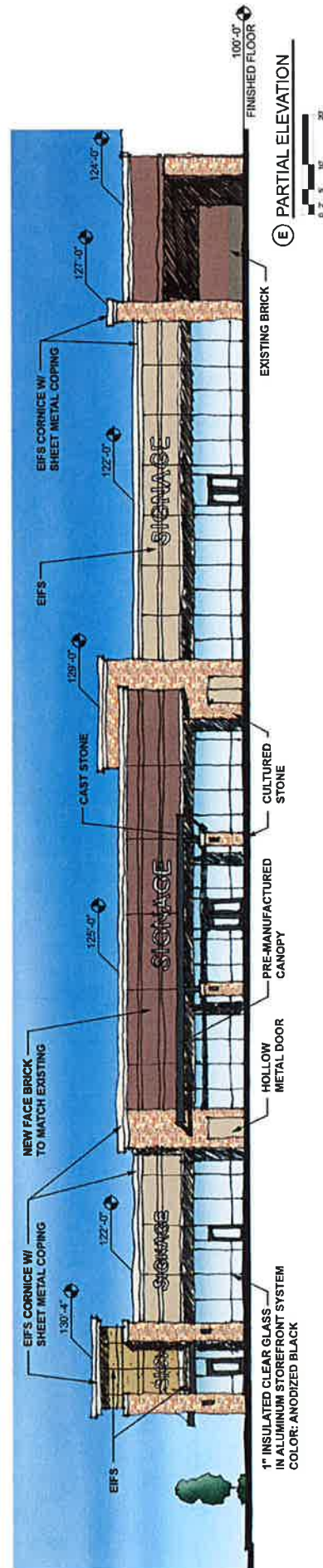
③

Ⓒ

OVERALL EAST ELEVATION



**Ⓓ PARTIAL ELEVATION**



**(E) PARTIAL ELEVATION**



## GRAND ISLAND RETAIL

HALL COUNTY, NEBRASKA

NEBRASKA

05.21.14

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STREET VIEW PERSPECTIVE

**EXHIBIT B**  
**ESTIMATED PROJECT COSTS**



Northwest Commons  
Grand Island, NE  
Commercial Development Budget

Updated Date: 5/28/14  
By: TSL/MG/GTR

| <u>Acreage</u>        | <u>Cost per Acre</u> | <b>LAND ACQUISITION COST</b>                          | <b>Original Budget</b> |                       |
|-----------------------|----------------------|---|------------------------|-----------------------|
| 16.45                 | \$2.51               | Purchase Price  | 1,800,000              |                       |
|                       |                      | 1% Closing Costs                                      | 18,000                 |                       |
|                       |                      | Total Land  | 1,818,000              |                       |
|                       |                      | <b>OFF SITE DEVELOPMENT COST</b>                      |                        |                       |
|                       |                      | Highway Improvements                                  | 0                      |                       |
|                       |                      | Traffic Light   | 0                      |                       |
|                       |                      | Utility Relocation                                    | 0                      |                       |
|                       |                      | Miscellaneous Utilities                               | 0                      |                       |
|                       |                      | Storm Line/Detention Cell Clean Out                   | 0                      |                       |
|                       |                      | Contingency   | 0                      |                       |
|                       |                      | Total Off-Site  | 0                      |                       |
|                       |                      | <b>ON SITE DEVELOPMENT COST</b>                       |                        |                       |
|                       |                      | Clear/Grade/Fill (EARTHWORK)                          | 565,250                |                       |
|                       |                      | Site Demolition                                       | 105,000                |                       |
|                       |                      | E&S Controls  | Inc Above              |                       |
|                       |                      | Curbs/Gutters/Sidewalks                               | 148,723                |                       |
|                       |                      | Paving/Striping/Signage                               | 910,002                |                       |
|                       |                      | Guard Rail/Fencing/Misc.                              | 0                      |                       |
|                       |                      | Electrical Development                                | 107,500                |                       |
|                       |                      | Gas Development                                       | 20,500                 |                       |
|                       |                      | Telephone Development                                 | 14,500                 |                       |
|                       |                      | Landscaping   | 125,000                |                       |
|                       |                      | Parking Lot Lighting                                  | 207,700                |                       |
|                       |                      | Site Electric   | 95,200                 |                       |
|                       |                      | Pylon Sign & Monument Signs                           | 175,000                |                       |
|                       |                      | Retaining Wall  | 0                      |                       |
|                       |                      | Sewers - Sanitary                                     | 37,500                 |                       |
|                       |                      | Sewers - Storm & Detention Cell                       | 243,000                |                       |
|                       |                      | Water Lines   | 96,000                 |                       |
|                       |                      | Trash Receptacle & FFE                                | 45,000                 |                       |
|                       |                      | Utility Tap Fees                                      | 40,000                 |                       |
|                       |                      | Outlot Utility Allowance (3)                          | 120,000                |                       |
|                       |                      | Contingency- Sitework                                 | 109,931                |                       |
| ( \$ Cost/SF Land) \$ | 5.49                 | Total On-Site Costs                                   | 3,165,805              | CSI - Estimate Item A |
|                       |                      | <b>BUILDING CONSTRUCTION COST</b>                     |                        |                       |
| <u>Sq. Ft.</u>        | <u>Cost</u>          | <u>Tenant</u>   |                        |                       |
| 140,014               | \$43.82              | Gross Building Shell including Docks, Corridors, Roof | 6,135,113              |                       |
| 45,480                | \$18.00              | Jr Anchor White Box                                   | 818,640                |                       |
| 19,974                | \$18.00              | Jr Anchors White Box                                  | 359,532                |                       |
| 13,500                | \$18.18              | Jr Anchors White Box                                  | 245,430                |                       |
| 9,440                 | \$18.18              | Jr Anchors White Box                                  | 171,619                |                       |
| 6,175                 | \$25.53              | Jr Anchors White Box                                  | 157,648                |                       |
| 6,060                 | \$25.53              | Jr Anchors White Box                                  | 154,712                |                       |
| 28,043                | \$25.53              | Small Shops White Box                                 | 715,938                |                       |
| 11,342                |                      | Corridors, Docks , LL Rooms                           |                        |                       |
| 140,014               |                      | Sub-Total Building                                    | 8,758,631              | CSI - Estimate Item B |
| ( \$ Cost/SF) \$      | 62.56                |   |                        |                       |
|                       |                      | Above White Box - Leasing TI (Tenant Finish)          | 938,415                |                       |
|                       |                      | Winter/Spring Conditions - Allowance                  | 50,000                 | CSI - Estimate Item C |
|                       |                      | Building Contingency (3%)                             | 262,759                | CSI - Estimate Item D |
|                       |                      | Total Building  | 10,009,805             |                       |
|                       |                      | <b>GC/OH/FEE</b>                                      |                        |                       |
|                       |                      | Mobilization & Gen Cond (Building and Site)           | 314,089                | CSI - Estimate Item E |
|                       |                      | GC OHP/Fee/Insurance ( Building and Site)             | 491,541                | CSI - Estimate Item F |
|                       |                      | Total GC/OH/Fee                                       | 805,630                |                       |

| SOFT COST  |            |
|--|------------|
| Land Interest (12 Months @ 4.00%)                    | 72,720     |
| Construction Interest (8 Months @ 4.00%)             | 234,055    |
| Point Fee Construction Loan (Points)                 | 87,108     |
| Point Fee Perm Loan (Points)                         | 0          |
| Appraisal  | 5,000      |
| Architect & Engineers for Building                   | 428,000    |
| Architect - Other - DG Book, LOD's TI Coord, TIF Pkg | 25,000     |
| Builder's Risk Insurance/Owners GL Policy            | 53,000     |
| Construction Manager/Blakely Roof                    | 4,200      |
| Construction Staking                                 | 12,500     |
| Engineering - Site Civil, Drainage, SWPPP            | 97,500     |
| Environmental- Asbestos Survey Report                | 3,650      |
| Construction Site Testing                            | 28,000     |
| Inspections - Building & Materials                   | 26,000     |
| Legal Fees   | 25,000     |
| Public Finance - Legal Fees                          | 25,000     |
| Office Overhead                                      | 230,000    |
| Permits & Fees (Shell & W Box)                       | 73,475     |
| Real Estate Taxes                                    | 40,000     |
| Impact Fees/Filing Fees                              | 10,000     |
| Soil Borings   | 5,000      |
| Soils - Compaction Testing                           | 10,000     |
| Site - Construction Observations                     | 52,000     |
| Surveys - Plat, Topo, ALTA                           | 14,250     |
| Title Insurance                                      | 10,000     |
| Traffic Engineer - Opinion Letter Only               | 6,000      |
| Travel   | 15,000     |
| Wetlands   | 0          |
| Contingency  | 30,000     |
| Total Soft Cost                                      | 1,622,458  |
| REIMBURSEMENTS                                       |            |
| Sale Of Outlots                                      | 0          |
| Public Assistance                                    | 0          |
| Total Reimbursements                                 | 0          |
| Total Budget Before Fees                             | 17,421,698 |
| OUTSIDE PROJECT FEES                                 |            |
| Leasing Fee - Outside                                | 386,016    |
| Leasing Fee - Anchor - Outside                       | 0          |
| Total Outside Fees                                   | 386,016    |
| Total Budget After Outside Fees                      | 17,807,714 |
| TSG PROJECT FEES                                     |            |
| Land Acquisition Fee                                 | 0          |
| Leasing Fee - TSG                                    | 363,591    |
| Land Sale Fee  | 0          |
| Development Fee                                      | 257,344    |
| Total Internal Fees                                  | 620,935    |
| Total Budget After Fees                              | 18,428,649 |

June 5, 2014

Mr. Ray O'Connor  
Grand Island Joint Venture, LLC  
PO Box 139  
Grand Island, NE 68802-0139

RE: Grand Island Joint Venture, LLC  
2228 N. Webb Road, Grand Island, Nebraska

Dear Mr. O'Connor:


This letter is to confirm that First National Bank of Omaha is considering extending credit in connection with a possible real estate project by your company in Grand Island, Nebraska. Based upon the financial information provided to date First National Bank of Omaha may be willing to provide financing that will include, but not be limited to the following requirements:

1. The funding of any credit facility shall be subject to the receipt of approval of Tax Increment Financing in the approximate amount of \$6,447,250, by the Community Redevelopment Authority of the City of Grand Island, and the execution of redevelopment agreement committing such funding to the project by all appropriate parties;
2. The approval of all necessary local zoning officials or boards, the Grand Island City Council, and any other governmental agencies or entities which may have approval authority over any portion of the project; and
3. The finalization of a credit facility agreement in a form mutually acceptable to your firm and First National Bank of Omaha which, in addition to repayment terms involving Tax Increment Financing, shall include such guarantees, pledges of collateral, and other security provisions as may be appropriate for the credit facility.

Nothing herein shall be deemed a commitment to extend credit. This letter is simply to acknowledge the potential involvement of First National Bank of Omaha in the project's financing.

Please contact the undersigned with any questions. I can be reached at 308-389-2615 or [jhoggatt@fnni.com](mailto:jhoggatt@fnni.com).

Respectfully,

  
John M. Hoggatt  
Grand Island Market President

**Site Specific Redevelopment Plan  
Grand Island CRA Area 9  
June 2014**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 9 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 9.**

**Executive Summary:  
Project Description**

THE RENOVATION AND REDEVELOPMENT OF THE GRAND ISLAND MALL AT 2228 N WEBB ROAD LOT 10 OF GRAND ISLAND MALL EIGHTH SUBDIVISION AND LOT 2 OF GRAND ISLAND MALL FIFTEENTH SUBDIVISION. THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REDEVELOPMENT AND RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovation and conversion of 128,000 square feet of leasable ‘open air’ tenant space and the development of out parcels on the existing mall property. The developer intends to connect a drive between the east and west sides of the mall by opening a vehicle and pedestrian plaza through the center of the mall creating additional tenant spaces with exterior entrances. The developer is trying to attract national retailers as an anchor to the shopping center. 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, 2016 towards the allowable costs and associated financing for the remodeling and site work.

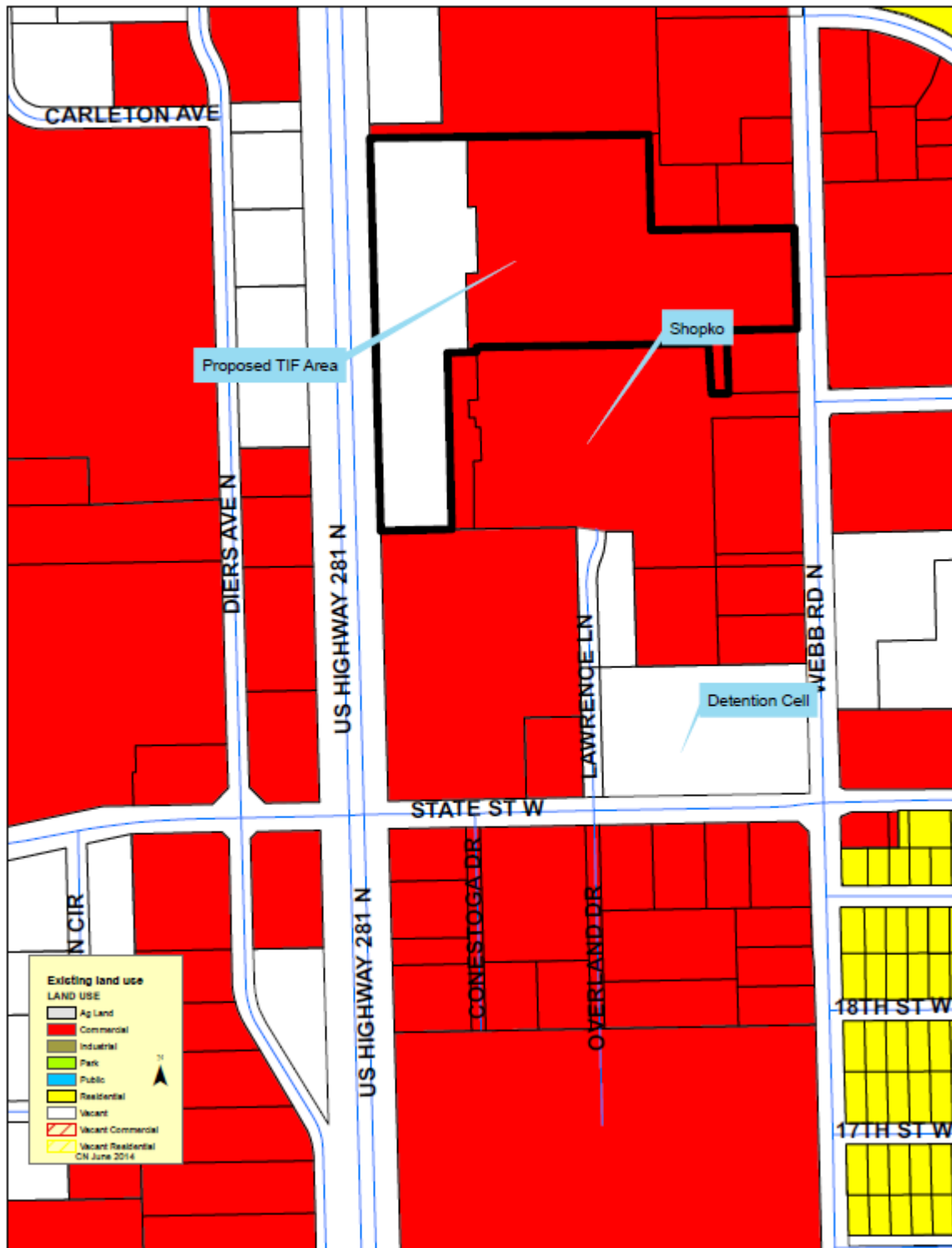
**TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:**

**Property Description (the “Redevelopment Project Area”)**

This property is located between State Street and Capital Avenue and between U.S. Highway 281 and Webb Road in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 10 of Grand Island Mall Eighth Subdivision and Lot 2 of the Grand Island Mall Fifteenth Subdivision in the City of Grand Island, Hall

County, Nebraska. It is anticipated that these will be replatted to facilitate the redevelopment.





**The tax increment will be captured for the tax years the payments for which become delinquent in years 2016 through 2030 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 vacant commercial space into smaller tenant spaces.**

**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, 2015.

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:***

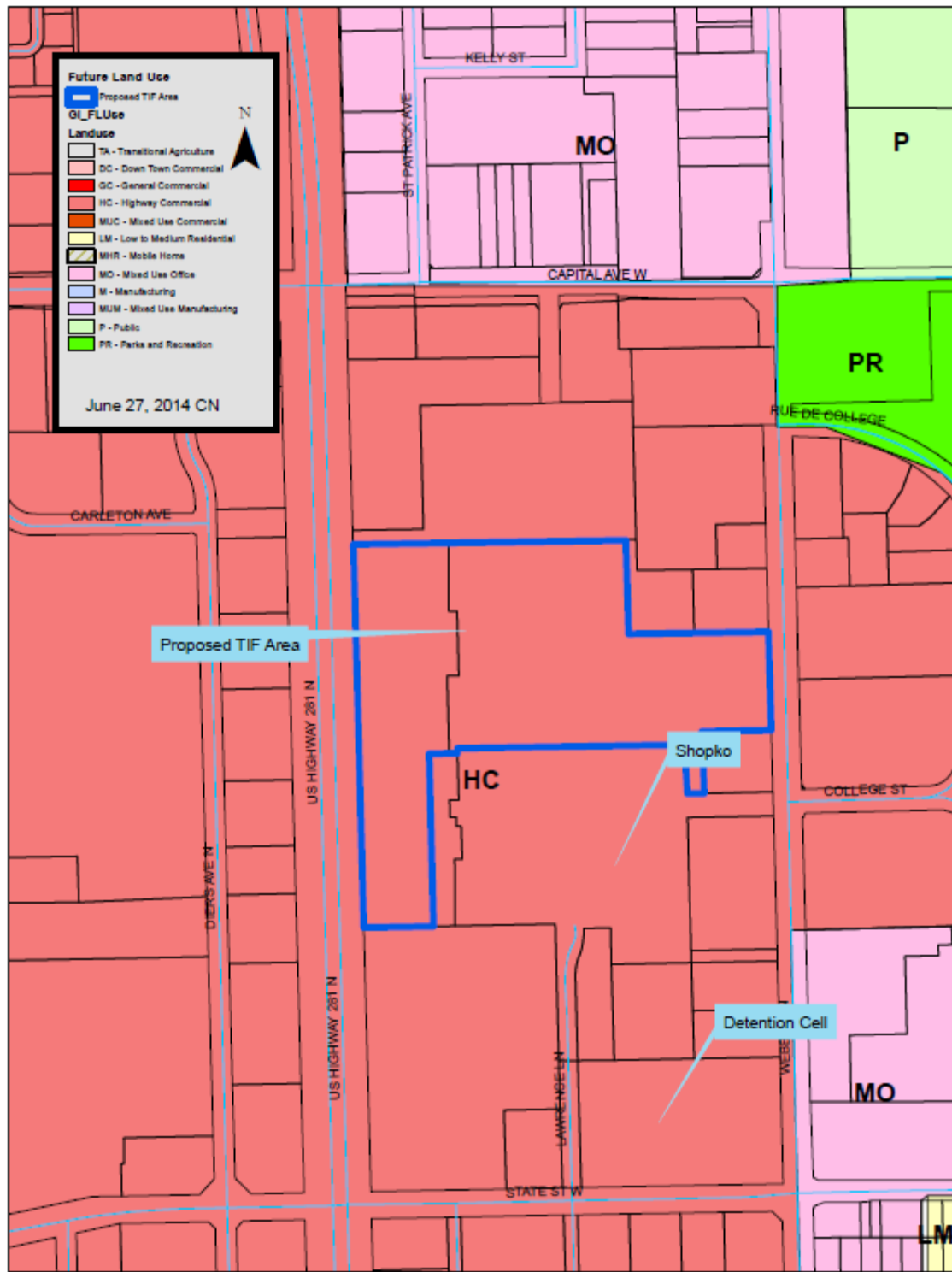
There is no proposed acquisition by the authority or the developer.

***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. Partial demolition and renovation of the existing Grand Island Mall will be necessary to facilitate the planned development and vehicular and pedestrian plaza between the east and west sides of the Mall.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for highway 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 CD Commercial Development zone. The CD zone is a planned unit development with the look, style placement and size of the buildings approved by with a Development Plan approved by the Grand Island City Council. The proposed redevelopment will require a revised development plan for the Grand Island Mall Commercial Development zone. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. No other planning changes are contemplated. The proposed use for commercial retail space is permitted in the CD zoning district. [§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 CD zoning district and add additional structures as may be permitted with a revised development plan. [§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. It is anticipated that the developer will need to extend sewer and water to various new lots to be created on this property. All improvements will be paid for by the developer.

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 maintained as retail center. The proposed use of this property would continue as a retail commercial space. 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 since 2013 it was acquired at a cost of \$1,818,000. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing structure are estimated at \$10,009,805. The cost of onsite improvements including the extension of utilities is estimated at \$3,165,805. Fees and reimbursement to the City and the CRA will be 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 \$6,447,250 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, 2016 through December 31, 2030.

***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 at this location. Renovated commercial development 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 October 2014 and June of 2016. Additional buildings will be added as the market permits. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year.

## **9. Justification of Project**

The U.S. Highway 281 Corridor is a major entrance for the City of Grand Island from the north and from I-80. The majority of the new commercial development in Grand Island in the past 10 years has occurred along this stretch of highway. The Grand Island Mall area was one of the first pieces in this corridor to develop. The pattern that has been most successful with buildings facing onto U.S. 281 was not as obvious a pattern for success as it is today. The opportunity to partner with owners of key building along this corridor as they redevelop and reinvest in their properties is important to making those favorable first impressions. Buildings to both the north and the south of this property have been redeveloped with faces toward both U.S. 281 and Webb Road. The completion of this project will transform this area.

**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.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Grand Island Mall Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$6,447,250 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,638,399 in private sector financing; a private investment of \$2.27 for every TIF dollar investment.<sup>1</sup>

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<sup>1</sup> This does not include any investment in personal property at this time.

| <b>Use of Funds.</b> |                  |                      |              |
|----------------------|------------------|----------------------|--------------|
| <b>Description</b>   | <b>TIF Funds</b> | <b>Private Funds</b> | <b>Total</b> |
| Site Acquisition     |                  | \$1,818,000          | \$1,818,000  |
| Site preparation     |                  | \$3,165,805          | \$3,165,805  |
| Legal and Plan*      |                  |                      |              |
| Building Costs       |                  |                      |              |
| Renovation Phase 1   | \$6,447,250      | \$3,562,555          | \$10,009,805 |
| Out Parcels Phase 2  |                  | \$2,657,000          | \$2,657,000  |
| General Conditions   |                  | \$805,630            | \$805,630    |
| Personal Property    |                  | ???                  |              |
| Soft Costs           |                  | \$2,629,409          | \$2,629,409  |
| TOTALS               | \$6,447,250      | \$14,638,399         | \$21,570,029 |
|                      |                  |                      |              |

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2014, valuation of approximately \$2,044,858. Based on the 2013 levy this would result in a real property tax of approximately \$45,015. It is anticipated that the assessed value will increase by \$19,525,171, upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$429,818.00 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

|                                  |                  |
|----------------------------------|------------------|
| Estimated 2014 assessed value:   | \$ 2,044,858.00  |
| Estimated value after completion | \$ 21,570,029.00 |
| Increment value                  | \$ 19,525,399.00 |
| Annual TIF generated (estimated) | \$ 429,818.00    |
| TIF bond issue                   | \$ 6,447,250.00  |

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

The redevelopment project area currently has an estimated valuation of \$2,044,858. The proposed renovation of this facility will result in an estimated additional \$19,525,399 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;***

This project will protect and enhance the existing employment within the Project Area by redeveloping prime commercial space at this location. Most of the retail space at this location is vacant. It could result in a new national retailers locating in Grand Island. The new retail facilities will employ managerial and sales staff at these locations. New businesses would result in a net increase in employment. At project stabilization employment is expected to increase by 368 employees including a mixture of part time, full time and managerial positions. Temporary construction employment will increase during the construction. The construction period is expected to be 18 to 36 months.

The proposed facility will provide jobs for persons employed by the contractors that will be involved with the project.

***(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 may create additional demand for retail service employees in the Grand Island area and could impact other retailers. The proposed retailers represent businesses not located in Grand Island but they will potentially create competition for businesses located here. The latest available labor statistics show that the Grand Island labor pool is 27,961 with a 3.3% unemployment rate<sup>2</sup>.

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

Personal property in the project is subject to current property tax rates and would generate additional property tax for all entities in the first year. Annual city sales taxes at this location at project stabilization are expected to approach \$25,000,000. Based on the current city sales tax rate of 1.5% this would be projected at \$375,000.

**Time Frame for Development**

Development of this project is anticipated to be completed during between October 2014 and June of 2016 with out-parcels to be developed as the market demands. The base tax year should be calculated on the value of the property as of January 1, 2015. The tax increment on excess valuation should be available for this project for 15 years beginning in 2016. 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

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<sup>2</sup> <https://networks.nebraska.gov> Labor Force, Employment and Unemployment for Grand Island City in May 2014

or an amount not to exceed \$6,447,250 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 \$13,000,000 of TIF eligible activities over \$10,000,000 of which are directly related to remodeling and rehabilitating the existing building.

It is anticipate by the Hall County Assessor's office that this property if redeveloped as proposed will see a 10 fold increase in valuation.

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

**RESOLUTION NO. 176**

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 \_\_\_\_\_, 2014.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

2228 N Webb Rd



EXHIBIT 1  
REDEVELOPMENT PLAN AMENDMENT

2228 N Webb Rd

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

**RESOLUTION NO. 177**

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 Anson Investments, (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 \_\_\_\_\_, 2014.

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

By \_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

2228 N Webb Rd.

Exhibit 1

Attach a copy of the Redevelopment Contract

2228 N Webb Rd.