



# Community Redevelopment Authority (CRA)

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

## **Item H2**

**TIF Request - 620 W State St**

Staff Contact: Chad Nabity

# **TAX INCREMENT FINANCING APPLICATION**

## **GRAND ISLAND, NEBRASKA**

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### **SUBMITTED BY:**

Super Market Developers, Inc.  
5000 Kansas Avenue  
Kansas City, KS 66106

### **PREPARED BY:**

Husch Blackwell LLP  
4801 Main Street, Ste. 1000  
Kansas City, MO 64112

### **SUBMITTED TO:**

City of Grand Island, Nebraska  
Community Redevelopment Authority

June 9, 2014

## I. PROJECT REDEVELOPER INFORMATION

### A. Applicant.

Super Market Developers, Inc., a Missouri corporation  
5000 Kansas Avenue  
Kansas City, KS 66106  
913-288-1000 (phone)  
913-288-1573 (fax)

### B. Applicant's Attorney/Contact Person.

Charles Renner, Esq.  
Husch Blackwell LLP  
4801 Main Street, Suite 1000  
Kansas City, Missouri, 64112  
(816) 329-4702  
Email: charles.renner@huschblackwell.com

C. Brief Description of Applicant's Business. Super Market Developers, Inc. (the "Developer") is a wholly-owned subsidiary of Associated Wholesale Grocers, Inc. ("AWG"), a retailer-owned cooperative serving over 2,300 retail member stores with a complete assortment of grocery, fresh meat, fresh produce, specialty foods, health care, and general merchandise items. The Developer buys, sells and develops real estate in connection with grocery and retail center uses.

## II. PROJECT INFORMATION

A. Present Ownership of Proposed Project Site. Wilmar Realty, LLC, a Nebraska limited liability company ("Wilmar"), is the present owner of the project site, which is generally located at 620 W. State St., Grand Island, Nebraska (the "Property"). The Property consists of two existing tax parcels: No. 400046709 and 400046474. The Developer is under contract to purchase the Property from Wilmar.

B. Description of Proposed Project. The proposed project will include the construction of the following improvements: an approximately 63,000 square foot grocery store building, an inline retail building with approximately 16,800 square feet of retail space, a restaurant building with approximately 5,855 square feet of space, and public improvements servicing such development. An existing grocery store currently occupies the site and this store would be retained during Phase 1 of the project as the new grocery store is constructed. Once Phase 1 is complete, the old grocery store will be razed to allow for the retail building and restaurant building to be constructed in its place as part of Phase 2. Depending on market conditions, the inline retail building could be substituted for an approximately 50,000 square foot retail box building. A preliminary site plan is attached hereto as **Exhibit A**.

C. Proposed Subdivision. The Developer anticipates that the Property will be subdivided and will provide additional subdivision information as the project moves forward.

D. Estimated Project Costs. Total project costs are estimated to be \$15,029,953.00. A preliminary project budget is attached hereto as **Exhibit B**.

E. Estimated Market Value of Property at Completion. The Hall County, Nebraska Assessor's Office estimates the market value of the Property at completion will be \$7,858,035.00.

F. Sources of Financing. The Developer is proposing to finance \$13,429,952.00 or eighty-nine percent of the project costs through Developer equity and is requesting that the remaining \$1,600,000.00 or eleven percent of project costs be financed through tax increment financing.

G. Architect, Engineer and General Contractor:

Architect:

Alan Schmidt  
Hutchinson Architect's, P.C.  
4535 Normal Blvd., Suite 257  
Lincoln, NE 68506  
Phone: (402) 421-1502 ext. 2#  
Fax: (402) 421-7835  
alan\_hdpc@windstream.net

Engineer:

Matt Rief  
Olsson Associates  
201 East 2nd Street  
P.O. Box 1072  
Grand Island, NE 68802  
mrief@olssonassociates.com  
TEL 308.384.8750  
FAX 308.384.8752

General Contractor

To be determined.

H. Estimated Real Estate Taxes on Project Site Upon Completion of Project: A projection of real estate taxes and TIF revenues is attached hereto as **Exhibit C**.

I. Project Construction Schedule. Construction on Phase 1 of the Project is anticipated to commence early in the fourth quarter of 2014. The Developer expects Phase 1 to be completed with the grocery store open approximately nine months after the construction commences. The schedule and development of Phase 2 will be dictated by market conditions.

### III. TAX INCREMENT FINANCING REQUEST INFORMATION

A. Amount and Purpose of TIF Request. The Developer is requesting \$1,600,000.00 in tax increment financing assistance in order to cover certain site development and public improvement costs. Specific costs proposed for reimbursement are shown on **Exhibit B**.

B. Statement of Financial Gap and Necessity for TIF. As indicated in the letter from the Developer attached hereto as **Exhibit D**, the project is not economically viable without assistance from tax increment financing.

#### IV. MISCELLANEOUS

A. Municipal References. The Developer and AWG have worked closely with many municipalities to complete development projects within the last five years, including the following:

- *Sunrise Beach, Missouri*: The Developer partnered with the Village of Sunrise Beach, Missouri to develop a project, which, upon full build-out, will include an approximately 53,540 square foot supermarket, a 3,000 square foot retail/restaurant pad-site, an approximately 13,000 square foot strip center and public improvements. The Sunrise Beach project involved the use of tax increment financing and the formation of a community improvement district.

- Reference: Jeni Hamm  
Village Clerk, Sunrise Beach  
P.O. Box 348  
Sunrise Beach, MO 65079  
(573) 374-8782

- *Unified Government of Wyandotte County/Kansas City, Kansas*: AWG constructed a 35,000 square foot corporate office addition, which was financed, in part, through the issuance of industrial revenue bonds by the Unified Government.

- Reference: George Brajkovic  
Economic Development Director  
Unified Government of WyCo/KCK  
701 N 7th St, 4th Floor  
Kansas City, KS 66101  
(913) 573-5749  
[gbrajkovic@wycokck.org](mailto:gbrajkovic@wycokck.org)

- *St. Tammany Parish and the Town of Pearl River, Louisiana*: AWG constructed a 700,000 square foot grocery food distribution warehouse facility and worked closely with the St. Tammany Parish and the Town of Pearl River in financing the project through the issuance of Gulf Opportunity Zone revenue bonds.

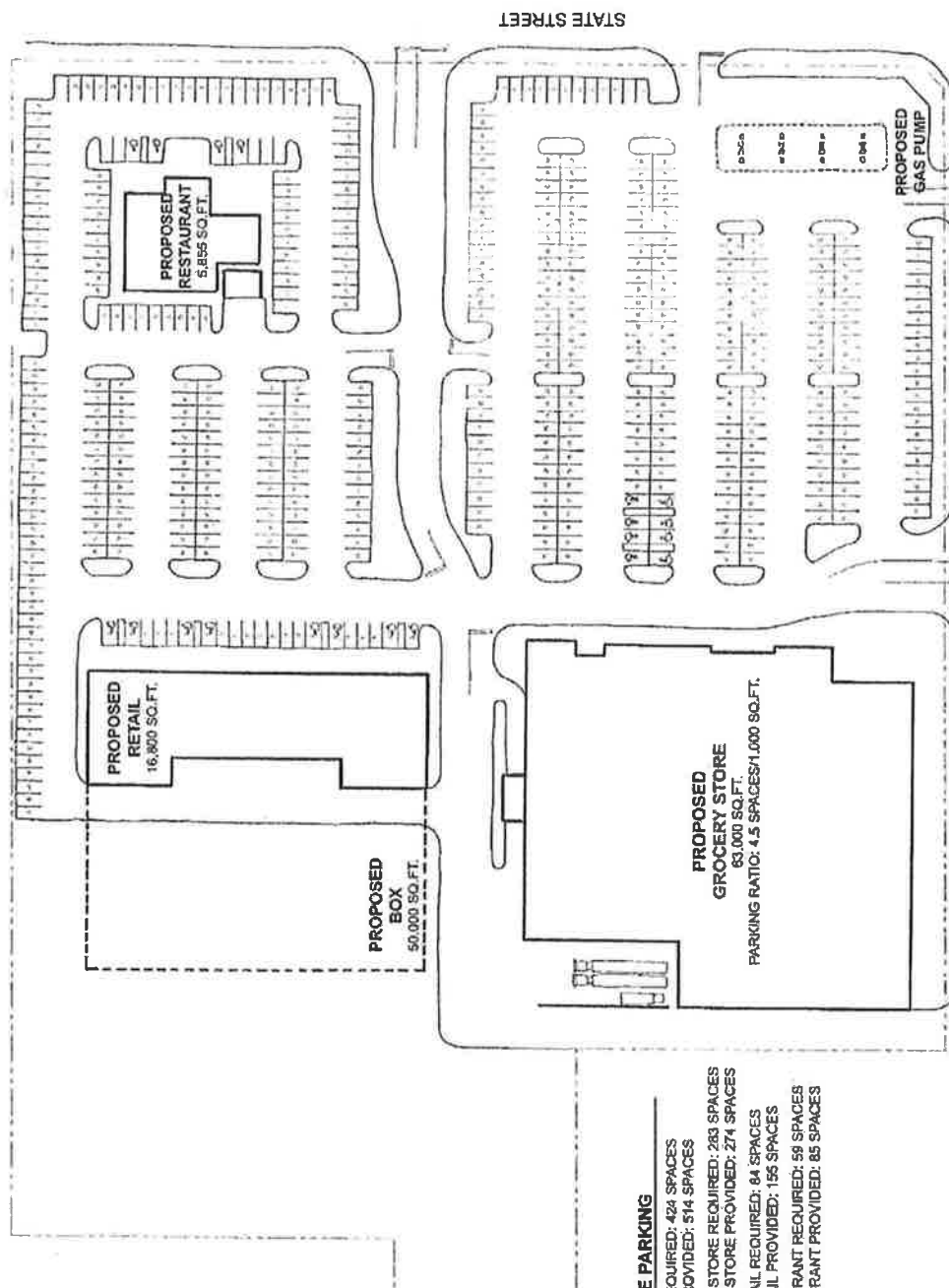
- Reference: St. Tammany Parish Development District  
21489 Koop Drive, Suite 7  
Mandeville, LA 70471  
Attention: Brenda Bertus  
Telephone: (985) 809-7874  
Facsimile: (985) 809-7596

- *Platte City, Missouri:* The Developer developed the Platte City Market Center, a retail center anchored by a super market in Platte City, Missouri. The project involved the formation of a community improvement district and the issuance of community improvement district revenue bonds.

- Reference: Dennis J. Gehrt  
City Administrator  
City of Platte City  
400 Main Street  
Platte City, MO 64079  
816.858.3046 (phone)  
816.858.3715 (direct)

B. Financial Statements. The Developer is a wholly-owned subsidiary of AWG. AWG's financial statements for the last three years are attached as **Exhibit E**.

**EXHIBIT A**  
**PRELIMINARY SITE PLAN**



BROADWELL AVENUE

STATE STREET

#### SITE PARKING

OVERALL REQUIRED: 424 SPACES  
 OVERALL PROVIDED: 514 SPACES  
 PROPOSED GROCERY STORE REQUIRED: 283 SPACES  
 PROPOSED GROCERY STORE PROVIDED: 274 SPACES  
 PROPOSED RETAIL REQUIRED: 84 SPACES  
 PROPOSED RETAIL PROVIDED: 156 SPACES  
 PROPOSED RESTAURANT REQUIRED: 59 SPACES  
 PROPOSED RESTAURANT PROVIDED: 85 SPACES

## CONCEPT A - GRAND ISLAND, NE

OLSSON  
 ASSOCIATES

MARCH 10, 2014

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**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT B, PAGE 1 OF 3  
BUDGET**

REV6/26/2014

		<b>Total Project Costs</b>	<b>Total Reimbursable Project Costs*</b>
<b>1</b>	<b>Land Acquisition</b>	<b>\$2,600,000</b>	<b>\$1,600,000</b>
<b>2</b>	<b>Site Development &amp; Public Improvements</b>		
1	6" Concrete Pavement w/Integral Curb	\$925,000	\$0
2	Remove and Replace Pavement (Broadwell Ave. Storm Crossings)	\$28,125	\$0
3	Traffic Control (Broadwell Ave. Storm Crossings)	\$20,000	\$0
4	4" Concrete Sidewalk	\$52,500	\$0
5	Stamped Concrete Median Surfacing	\$31,250	\$0
6	Storm Sewer Manhole	\$20,000	\$0
7	Storm Sewer Curb Inlet	\$70,000	\$0
8	Storm Sewer Area Inlet	\$6,000	\$0
9	30" R.C. Storm Sewer Pipe	\$64,000	\$0
10	24" R.C. Storm Sewer Pipe	\$22,750	\$0
11	18" R.C. Storm Sewer Pipe	\$22,500	\$0
12	15" R.C. Storm Sewer Pipe	\$30,000	\$0
13	6" Water Service	\$2,000	\$0
14	6" Sanitary Sewer Service	\$1,200	\$0
15	Site Lighting	\$50,000	\$0
16	Landscaping	\$50,000	\$0
17	Pavement Removal (Phase 1)	\$212,000	\$0
18	Pavement Removal (Phase 2)	\$120,000	\$0
19	Earthwork (Phase 1)	\$75,000	\$0
20	Earthwork (Phase 2)	\$50,000	\$0
21	Subgrade Preparation	\$46,250	\$0
22	Building Demolition	\$450,000	\$0
23	Public Road Improvements	\$110,000	\$0
24	Combination Curb & Gutter	\$17,150	\$0
25	8" D.I. Water Main	\$42,000	\$0
26	6" D.I. Water Main	\$2,800	\$0
27	6" Tapping Sleeve and Valve	\$10,000	\$0
28	8" Gate Valve w/Box	\$6,000	\$0
29	Fire Hydrant Assembly	\$15,000	\$0
30	Bell Joint Block	\$1,000	\$0
31	D.I. Fittings	\$4,250	\$0
32	Traffic Signal (State St. & Cleburn St.)	\$175,000	\$0
33	Contingency	\$273,178	\$0
		<b>\$3,004,953</b>	<b>\$0</b>
<b>3</b>	<b>Building Costs</b>		
1	Phase 1	\$4,725,000	\$0
2	Phase 2	\$3,000,000	\$0
		<b>\$7,725,000</b>	<b>\$0</b>
<b>4</b>	<b>Fuel Center</b>	<b>\$500,000</b>	<b>\$0</b>
<b>5</b>	<b>Soft Costs</b>	<b>\$1,200,000</b>	<b>\$0</b>
	<b>Total**</b>	<b>\$15,029,953</b>	<b>\$1,600,000</b>

\* The total Reimbursable Project Costs amount shall not exceed \$1,600,000, exclusive of financing costs. Developer may shift amounts among qualified line items.

\*\* Exclusive of financing costs.

**EXHIBIT C**  
**PROJECTION OF REAL PROPERTY TAXES**

KCP-4269978-1

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 1 OF 3  
AVAILABLE TIF REVENUE**

<b>Year</b>	<b>Base Real Property Taxes</b>	<b>Post-Development Real Property Taxes</b>	<b>Incremental Real Property Taxes Available for Debt Service*</b>
2015	\$75,783	\$75,783	\$0
2016	\$75,783	\$129,737	\$53,955
2017	\$75,783	\$175,578	\$99,795
2018	\$75,783	\$175,578	\$99,795
2019	\$75,783	\$179,089	\$103,307
2020	\$75,783	\$179,089	\$103,307
2021	\$75,783	\$182,671	\$106,888
2022	\$75,783	\$182,671	\$106,888
2023	\$75,783	\$186,325	\$110,542
2024	\$75,783	\$186,325	\$110,542
2025	\$75,783	\$190,051	\$114,268
2026	\$75,783	\$190,051	\$114,268
2027	\$75,783	\$193,852	\$118,069
2028	\$75,783	\$193,852	\$118,069
2029	\$75,783	\$197,729	\$121,946
2030	\$75,783	\$201,684	\$125,901
<b>Total</b>		<b>\$2,820,065</b>	<b>\$1,607,542</b>

\* Assumes TIF activation beginning in 2016 with fifteen year repayment.

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 2 OF 3  
REAL PROPERTY VALUES**

Year	Base Market Value	Post-Development Market Value				Total	Total Incremental Market Value
		Grocery*	Retail*	Restaurant*			
2015	\$3,442,551		\$3,442,551			\$3,442,551	\$0
2016	\$3,442,551	\$5,893,526	\$0	\$0		\$5,893,526	\$2,450,975
2017	\$3,442,551	\$6,011,397	\$1,178,705	\$785,804		\$7,975,906	\$4,533,355
2018	\$3,442,551	\$6,011,397	\$1,178,705	\$785,804		\$7,975,906	\$4,533,355
2019	\$3,442,551	\$6,131,625	\$1,202,279	\$801,520		\$8,135,424	\$4,692,873
2020	\$3,442,551	\$6,131,625	\$1,202,279	\$801,520		\$8,135,424	\$4,692,873
2021	\$3,442,551	\$6,254,257	\$1,226,325	\$817,550		\$8,298,132	\$4,855,581
2022	\$3,442,551	\$6,254,257	\$1,226,325	\$817,550		\$8,298,132	\$4,855,581
2023	\$3,442,551	\$6,379,342	\$1,250,851	\$833,901		\$8,464,095	\$5,021,544
2024	\$3,442,551	\$6,379,342	\$1,250,851	\$833,901		\$8,464,095	\$5,021,544
2025	\$3,442,551	\$6,506,929	\$1,275,868	\$850,579		\$8,633,377	\$5,190,826
2026	\$3,442,551	\$6,506,929	\$1,275,868	\$850,579		\$8,633,377	\$5,190,826
2027	\$3,442,551	\$6,637,068	\$1,301,386	\$867,591		\$8,806,044	\$5,363,493
2028	\$3,442,551	\$6,637,068	\$1,301,386	\$867,591		\$8,806,044	\$5,363,493
2029	\$3,442,551	\$6,769,809	\$1,327,414	\$884,942		\$8,982,165	\$5,539,614
2030	\$3,442,551	\$6,905,205	\$1,353,962	\$902,641		\$9,161,808	\$5,719,257

\* Assumes 75% of value is attributable to grocery, 15% to retail and 10% to restaurant.

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 3 OF 3  
ASSUMPTIONS**

Revised 5/5/2014

<b>TAX ASSUMPTIONS</b>	
<b>Taxing District</b>	<b>Real Property Levy Rates</b>
County	0.424932%
Grand Island 2	1.102000%
Grand Island 2 2nd Bond	0.057971%
Grand Island 2 4th Bond	0.061165%
Grand Island City	0.276233%
Grand Island Bond	0.047867%
ED Serv Unit 10	0.015000%
Cent Comm Coll	0.112616%
Central Platte NRD	0.042153%
Hall Co Ag Society	0.003664%
Hall Airport General	0.010395%
Hall Airport Bond	0.021357%
Comm Redvlp Auth	0.026000%
<b>Total</b>	<b>2.201353%</b>

<b>DEVELOPMENT PROJECT ASSUMPTIONS</b>				
<b>Use</b>	<b>Sq. Ft.</b>	<b>Date on Property Tax Rolls</b>	<b>Base Market Value*</b>	<b>Post-Development Market Value**</b>
Grocery Store	63,000	1-Jan-2016		
Retail	16,800	1-Jan-2017	\$3,442,551	\$7,858,035
Restaurant	5,855	1-Jan-2017		
<b>Total</b>	<b>85,655</b>		<b>\$3,442,551</b>	<b>\$7,858,035</b>

\* Combined value of existing tax parcels.

\*\* Based on estimated value from assessor's office.

<b>Real Property Assumptions</b>	
Bi-annual Growth/Inflation Rate	2.00%

**EXHIBIT D**  
**STATEMENT OF NECESSITY FOR TIF**

KCP-4269978-1

June 9, 2014

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

Re: Redevelopment of 620 West State Street

Dear Chad:

As you know, Super Market Developers Inc. (the "Developer") is excited about the potential to partner with the City of Grand Island, Nebraska and its Community Redevelopment Authority in order to redevelop and greatly improve the property at 620 West State Street. In particular, the Developer is proposing to replace the existing Skagway grocery store with (i) a new, first-class 63,000 square foot super market, (ii) a 5,855 square foot restaurant and (iii) another 16,800 to 50,000 square feet of retail space. This redevelopment stands to greatly benefit the City of Grand Island and its community as a whole.

Given the operating costs associated with this type of high-quality development, the anticipated revenue stream is insufficient alone to justify the project, and, in my experience as a real estate developer, a redevelopment of this type will necessarily require some public assistance to become feasible. As such, a public-private partnership between the Developer and the City and the use of tax increment financing are essential to bringing the proposed redevelopment to fruition.

Sincerely,



\*

KCP-4476315-1

## **Redevelopment Plan Amendment Grand Island CRA Area 6 June 2014**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 6 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 6.**

### **Executive Summary: Project Description**

THE ACQUISITION OF PROPERTY AT FIVE POINTS EAST OF BROADWELL AVENUE AND NORTH OF STATE STREET BY THE DEVELOPER AND SUBSEQUENT SITE PREPARATION, DEMOLITION, UTILITY IMPROVEMENTS, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR BUILDING A NEW GROCERY STORE, INLINE RETAIL SPACE AND RESTAURANT SPACE AT THIS LOCATION.

The use of Tax Increment Financing (“TIF”) to aid in the acquisition of property, demolition of existing structures, necessary site work and installation of public utilities and street improvements necessary to redevelop this site. The use of TIF makes it feasible to complete all of the phases of the proposed project within the timeline presented. This project could not be completed without the use of TIF.

The acquisition, site work and construction of all improvements 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 acquisition and site work.

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

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

This property is located at the northeast corner of Broadwell Avenue and State Street in northeast Grand Island including the attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 3 of Skag-Way Subdivision and Lot 1 of Skag-Way Second Subdivision.





**The tax increment will be captured for the tax years the payments for which become delinquent in years 2017 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 the construction of new commercial space on this property.**

**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, 2016.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

**1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on October 9, 2007.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.**

**2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]**

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

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

***a. Land Acquisition:***

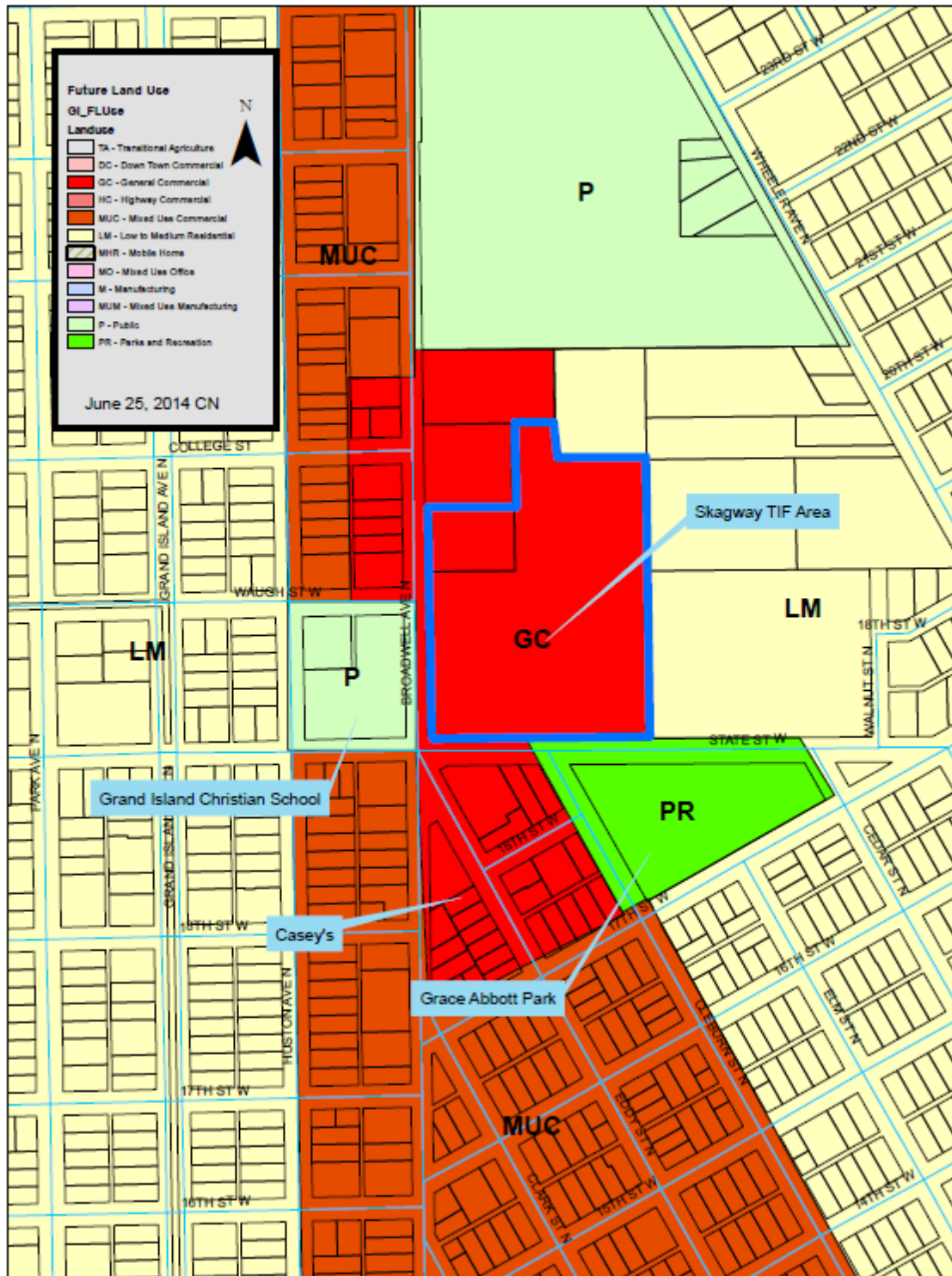
The Redevelopment Plan for Area 6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The applicant will be acquiring the property from the current owner.

***b. Demolition and Removal of Structures:***

The project to be implemented with this plan does intend several structures along on the subject property to be removed or demolished. The structures to be demolished are all non-residential in nature and use.

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

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

***d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.***

The area is zoned B2- General Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The developer is proposing remove all of the structures on the subject property in two phases. The buildings on Lot 3 of Skag-Way Subdivision will be demolished and a new grocery store will be constructed at that location, fuel pumps will be added near Broadwell Avenue and after the construction of the new store the old store will be demolished and the site will be prepared for additional retail and restaurant space to be constructed at a time when the market allows for said construction. The property is zoned B2 and could accommodate a building of up to 100% of the property [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Sewer and water are available to support this development. Water mains will have to be extended throughout the site to support the configuration of the proposed development. New water and sewer services may be required for this building.

No other utilities would be impacted by the development.

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

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§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]**

Barry Sandstrom, Chairman of the Grand Island Community Redevelopment Authority, is President of Home Federal Bank in Grand Island and Home Federal has a branch office and an ATM on the property. Mr. Sandstrom will recuse himself from action on this application.

**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 is proposing to purchase this property for redevelopment for \$2,600,000 in October of 2014 provided that TIF is available for the project as define. The cost of property acquisition is being included as a TIF eligible expense. Costs for site preparation, utility and parking improvements are estimated at \$3,004,953 as related to the demolition and site preparation are included as a TIF eligible expense. It is estimated based on the proposed increased valuation of \$4,416,000 will result in \$1,600,000 of increment generated over a 15 year period, substantially less than the TIF allowable expenses.

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 \$1,600,000 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2016 through December 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 the Five Points intersection. New 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 phase one of this project (including construction of the new grocery store) is anticipated to be completed between October of 2014 and October of 2015. Demolition of the existing Skagway store and preparation of the eastern portion of the site for further development will occur after the opening of the new store. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year.

#### **9. Justification of Project**

Skagway has been a commercial anchor for the Five Points neighborhood since the 1950's. This redevelopment and reinvestment by AWG at this location represents a great opportunity to strengthen and sustain this neighborhood commercial development. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

**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 AWG-Skagway North Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$1,600,000.00 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 \$14,430,000.00 in private sector financing; a private investment of \$9.02 for every TIF dollar investment.

<b>Use of Funds.</b>			
<b>Description</b>	<b>TIF Funds</b>	<b>Private Funds</b>	<b>Total</b>
Site Acquisition	\$1,600,000	\$1,000,000	\$2,600,000
Site preparation		\$3,004,953	
Legal and Plan			
Building Costs			
Phase 1		\$4,725,000	\$4,725,000
Phase 2		\$3,000,000	\$3,000,000
Fuel Center		\$500,000	\$500,000
Personal Property		\$1,000,000	\$1,000,000
Soft Costs		\$1,200,000	\$1,200,000
<b>TOTALS</b>	<b>\$1,600,000</b>	<b>\$14,429,953</b>	<b>\$16,029,953</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2014, valuation of approximately \$3,442,551. Based on the 2013 levy this would result in a real property tax of approximately \$75,783. It is anticipated that the assessed value will increase by \$4,416,000, upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$97,200.00 annually adjusted with a 2% appreciation in value for 15 years resulting in \$1,600,000 of increment over the 15 year period. 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:	\$ 3,442,551.00
Estimated value after completion	\$ 7,858,035.00
Increment value	\$ 4,415,484.00
Annual TIF generated (estimated)	\$ 97,200.00
TIF bond issue	\$ 1,600,000.00

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

The redevelopment project area currently has an estimated valuation of \$3,442,591. The proposed demolition, new parking lot and renovations at this location will result in an additional \$4,415,444 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 maintaining a grocery store at this location. Additional employment is anticipated with the inline retail and restaurant also proposed at this site. At project stabilization employment is expected to increase to 28 full time equivalent employees. Temporary construction employment will increase during the construction. The construction period is expected to exceed 12 months.

***(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 facility could draw employees from other similar facilities within the City. The latest available labor statistics show that the Grand Island labor pool is 27,961 with a 3.3% unemployment rate<sup>1</sup>.

***(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 provide appropriate development at a key entrance into the City of Grand Island. Five Points is an iconic location in Grand Island. This redevelopment plan will result in substantial new construction in the neighborhood. Skagway has been a key business at the Five Points location for more than 60 years. This site has had a neighborhood grocery store since before the area to the north and east was developed. Redevelopment of this site will preserve this neighborhood commercial district and strengthen and preserve the surrounding residential values.

Personal property in the project is subject to current property tax rates. Personal property for the Project is estimated at \$1,000,000 resulting in an estimated personal property tax for the first year of operations of \$22,000. Personal property tax is not subject to TIF and

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<sup>1</sup> <https://neworks.nebraska.gov> Labor Force, Employment and Unemployment for Grand Island City in May 2014

will be paid to the normal taxing entities. There will additionally be more city sales taxes paid to the city of Grand Island as a result of new taxable sales at the restaurant and inline stores.

### **Time Frame for Development**

Development of phase 1 of this project is anticipated to be completed during between October 2014 and October of 2015. The base tax year should be calculated on the value of the property as of January 1, 2015. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year. 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 \$1,600,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the purchase price of the property and estimates of the expenses of renovation activities and associated engineering fees, the developer will spend more than \$5,000,000 on TIF eligible activities.

### **See Attached Site Plan and Interior Renovation Plan**

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

**RESOLUTION NO. 178**

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

620 W State Street

EXHIBIT 1

REDEVELOPMENT PLAN AMENDMENT

620 W State Street

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

**RESOLUTION NO. 179**

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

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

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

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

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

Passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2014.

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

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

ATTEST:

\_\_\_\_\_  
Secretary

620 W State Street

Exhibit 1

Attach a copy of the Redevelopment Contract

620 W State Street