



Community Redevelopment Authority (CRA)

**Monday, September 22, 2014
Special Meeting**

Item I1

Amendment to Redevelopment Plan

Staff Contact: Chad Nabity

SUPPLEMENTAL BACKGROUND INFORMATION RELATIVE TO OCCUPATION TAX 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 and "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 (3) outlot opportunities. See Exhibit B – site plan, lease plan and proposed elevations. Grand Island Joint Venture, LLC hereby certifies that no one business will have one hundred thirty-five thousand square feet or

more of space within the development subject to the Enhanced Employment Area as long as such EEA is in place.

Required Information:

A. Describe the amount and purpose for which Occupation Tax Financing is requested:

An Occupation tax of one percent (1%) on all items subject to the sales tax sold and delivered within the Enhanced Employment Area. Occupation tax financing is requested for the redevelopment and re-branding of the former Grand Island Mall and related 16 acres of property into an “open air” regional retail shopping center “Northwest Commons” [Neb Rev Stat 18-2142.04(1)(a)] (See Exhibit “A” for acceptable purposes)

The amount of the Occupation Tax Financing is 14,370,247 for rehabilitation and repair
See Exhibit A – Sources and Uses of Funds for Northwest Commons. (\$16,188,247 less site acquisition cost of \$1,818,000)

B. What is the legal description of the area for which you are requesting occupation tax financing? (enhanced employment area) **Legal Description:**

A tract of land comprising all of Lot Ten (10), Grand Island Mall Eighth Subdivision and all of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and containing 16.428 acres more or less.

EXCEPTING THEREFROM

A tract of land comprising a part of Lot Ten (10), Grand Island Mall Eighth Subdivision and a part of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and more particularly described as follows: Beginning at the northwest corner of said Lot Ten (10); thence running easterly on the north line of said Lots Ten (10), on an Assumed Bearing of N89°47’33”E, a distance of Two Hundred Thirty Five (235.00) feet, to the Actual Point of Beginning; thence continuing N89°47’33”E, on the north line of said Lot Ten (10) and said Lot Two (2), a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running S00°12’27”E, a distance of Two Hundred Six (206.00) feet; thence running S89°47’33”W, a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running N00°12’27”W, a distance of Two Hundred Six (206.00) feet, to the Actual Point Of Beginning and containing 1.672 acres more or less. Net 14.756 acres more or less.

(“Enhanced Employment Area”)

- C. Will your investment in the Enhanced Employment Area result in at least fifteen new employees? If so, how many new employees do you project will result from your new investment?

Yes. The project will protect and enhance the existing employment base within the Enhanced Employment Area by redeveloping prime commercial space at this location. Most of the existing retail space within the Enhanced Employment Area is currently vacant. The new retail facilities will employ managerial and sales staff at these locations. New business would result in a net increase in employment. At project stabilization, employment within the Enhanced Employment Area is expected to increase by 275 employees including a mixture of part time, full time and managerial positions.

- D. Will your new investment in the Enhanced Employment Area exceed one million dollars? If so, what is your estimated new investment in the Enhanced Employment Area?

Yes. The anticipated total investment within the Enhanced Employment Area is projected at \$14,370,247.

- E. Will your project/business have one hundred thirty-five thousand square feet or more? If so, do you anticipate annual gross sales of ten million dollars or more?

No single retail tenant will exceed 135,000 square feet. The project will include approximately 77,000 square feet of leasable tenant space within the Enhanced Employment Area plus three (3) new outlot tenants. Sales for the retail tenants within the Enhanced Employment Area are projected at \$15 million for the initial stabilized year (2017). No single tenant will exceed \$10 million in sales.

- F. Please list the name of each business and its respective classification that you project will be located in the Enhanced Employment Area. (for example, prepared food retail, clothing retail, grocery retail, jewelry retail, gasoline retail, sporting goods retail):

<u>BUSINESS</u>	<u>CLASSIFICATION</u>	
1. Apparel	Clothing Retail	20,008sf
2. Hobby & Crafts	Hobby & Craft Retail	14,040sf
3. Shoes	Shoe Retail	8,960sf
4. Apparel	Clothing Retail	6,420sf
5. Cosmetics	Beauty Retail	5,777sf
6. Quick Serve	Prepared Food Retail	3,424sf

7. Specialty Store	Specialty Retail	3,210sf
8. Salon	Service Retail	1,605sf
9.. Apparel	Clothing Retail	6,060sf
10. Specialty Store	Specialty Retail	3,232sf
11. Quick Serve	Prepared Food Retail	3,030sf
12. Salon	Service Retail	1,515sf
13.		
14. Restaurant	Prepared Food Retail	Outlot A
15. Service/Fitness	Service Retail	Outlot B
16. Fast Food	Prepared Food Retail	Outlot C

*If you need more space, please attach additional page(s).

Exhibit "A"

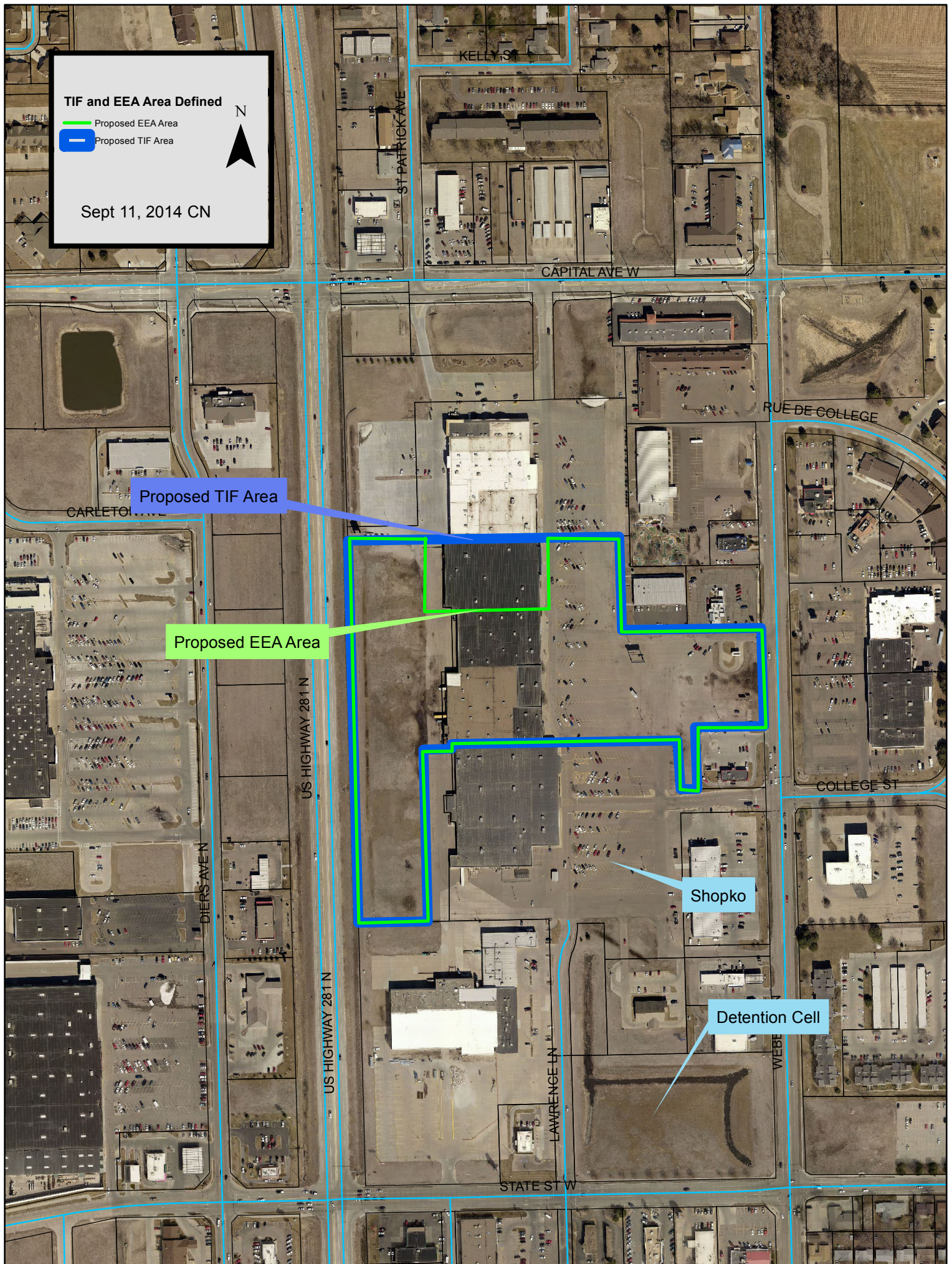
Attach Sources and Uses here

Northwest Commons
Grand Island, NE
Sources and Uses of Funds Exhibit A

			Original Budget - Allocation			
LAND ACQUISITION COST			Developer Costs	TIF Only	EEA Only	Total Budget
Acreage	Cost per Acre					
16.45	\$2.51	Purchase Price	1,800,000	0	0	1,800,000
		1% Closing Costs	18,000	0	0	18,000
		Total Land	1,818,000	0	0	1,818,000
OFF SITE DEVELOPMENT COST						
		Highway Improvements	0	0	0	0
		Traffic Light	0	0	0	0
		Utility Relocation	0	0	0	0
		Miscellaneous Utilities	0	0	0	0
		Storm Line/Detention Cell Clean Out	0	0	0	0
		Contingency	0	0	0	0
		Total Off-Site	0	0	0	0
ON SITE DEVELOPMENT COST						
		Clear/Grade/Fill (EARTHWORK)	0	0	565,250	565,250
		Site Demolition	0	105,000	0	105,000
		Curbs/Gutters/Sidewalks	0	0	148,723	148,723
		Paving/Striping/Signage	0	0	910,002	910,002
		Electrical Development	0	107,500	0	107,500
		Gas Development	0	20,500	0	20,500
		Telephone Development	0	14,500	0	14,500
		Landscaping	0	0	125,000	125,000
		Parking Lot Lighting	0	0	207,700	207,700
		Site Electric	0	95,200	0	95,200
		Pylon Sign & Monument Signs	0	0	175,000	175,000
		Sewers - Sanitary	0	37,500	0	37,500
		Sewers - Storm & Detention Cell	0	243,000	0	243,000
		Water Lines	0	96,000	0	96,000
		Trash Receptacle & FFE	0	0	45,000	45,000
		Utility Tap Fees	0	40,000	0	40,000
		Outlot Utility Allowance (3)	0	120,000	0	120,000
		Contingency- Sitework	109,931	0	0	109,931
(\$ Cost/SF Land)	\$ 5.49	Total On-Site Costs	109,931	879,200	2,176,675	3,165,806
BUILDING CONSTRUCTION COST						
Sq. Ft.	Cost	Tenant				
140,014	\$43.82	Gross Building Shell including Docks, Corridors, Roof	0	1,992,836	4,142,277	6,135,113
45,480	\$40.00	Anchor White Box	0	1,819,200	0	1,819,200
19,974	\$18.00	Jr Anchors White Box	0	359,532	0	359,532
13,500	\$18.18	Jr Anchors White Box	0	245,430	0	245,430
9,440	\$18.18	Jr Anchors White Box	0	171,619	0	171,619
6,175	\$25.53	Jr Anchors White Box	0	157,648	0	157,648
6,060	\$25.53	Jr Anchors White Box	0	154,712	0	154,712
28,043	\$25.53	Small Shops White Box	0	204,240	511,698	715,938
11,342		Corridors, Docks , LL Rooms	0	0	0	0
140,014		Total Building	0	5,105,217	4,653,975	9,759,192
(\$ Cost/SF)	\$ 41.02					
		Above White Box - Leasing TI (Tenant Finish)	0	386,193	552,222	938,415
		Winter/Spring Conditions - Allowance	0	20,577	29,423	50,000
		Building Contingency (3%)	262,759	0	0	262,759
		Total Building	262,759	5,511,987	5,235,620	11,010,366
GC/OH/FEE						
		Mobilization & Gen Cond (Building and Site)	314,089	0	0	314,089
		GC OHP/Fee/Insurance (Building and Site)	491,541	0	0	491,541
		Total GC/OH/Fee	805,630	0	0	805,630
SOFT COST						
		Land Interests (12 Months @ 4.0 %)	72,720	0	0	72,720
		Construction Interest (8 Months @ 4.0%)	234,055	0	0	234,055
		Point Fee Construction Loan (Points)	87,108	0	0	87,108
		Appraisal	5,000	0	0	5,000
		Architect & Engineers for Building	0	119,346	170,654	290,000
		Architect – Anchor TI package	0	75,000	0	75,000
		Architect – Jr Anchor/Tenant TI Packages	0	0	63,000	63,000
		Architect - Other - LOD's TI Coord, TIF Pkg	0	25,000	0	25,000
		Builder's Risk Insurance/Owners GL Policy	53,000	0	0	53,000
		Construction Manager/Blakely Roof	4,200	0	0	4,200
		Construction Staking	0	0	12,500	12,500
		Engineering - Site Civil, Drainage, SWPPP	0	0	97,500	97,500
		Environmental- Asbestos Survey Report	0	1,502	2,148	3,650
		Construction Site Testing	0	11,523	16,477	28,000
		Inspections - Building & Materials	26,000	0	0	26,000
		Legal Fees	25,000	0	0	25,000
		Public Finance - Legal Fees	0	10,288	14,712	25,000
		Office Overhead	230,000	0	0	230,000
		Permits & Fees (Shell & W Box)	73,475	0	0	73,475
		Real Estate Taxes	40,000	0	0	40,000
		Impact Fees/Filing Fees	0	10,000	0	10,000
		Soil Borings	5,000	0	0	5,000
		Soils - Compaction Testing	10,000	0	0	10,000
		Site - Construction Observations	0	21,400	30,600	52,000
		Surveys - Plat, Topo, ALTA	0	0	14,250	14,250
		Title Insurance	10,000	0	0	10,000

Northwest Commons
Grand Island, NE
Sources and Uses of Funds Exhibit A

Traffic Engineer - Opinion Letter Only	0	0	6,000	6,000
Travel	15,000	0	0	15,000
Contingency	30,000	0	0	30,000
Total Soft Cost	920,558	274,059	427,841	1,622,459
REIMBURSEMENTS				
Sale Of Outlots	0	0	0	0
Public Assistance	0	0	0	0
Total Reimbursements	0	0	0	0
Total Budget Before Fees	3,916,878	6,665,246	7,840,136	18,422,260
OUTSIDE PROJECT FEES				
Leasing Fee - Outside	386,016	0	0	386,016
Leasing Fee - Anchor - Outside	0	0	0	0
Total Outside Fees	386,016	0	0	386,016
Total Budget After Outside Fees	4,302,894	6,665,246	7,840,136	18,808,276
TSG PROJECT FEES				
Land Acquisition Fee	0	0	0	0
Leasing Fee - TSG	363,591	0	0	363,591
Land Sale Fee	0	0	0	0
Development Fee	257,344	0	0	257,344
Total Internal Fees	620,935	0	0	620,935
OUTPARCEL BUILDINGS				
Outparcel Buildings (By Others)	2,657,000	0	0	2,657,000
Total Outparcel Buildings	2,657,000	0	0	2,657,000
Total Budget	7,580,829	6,665,246	7,840,136	22,086,211





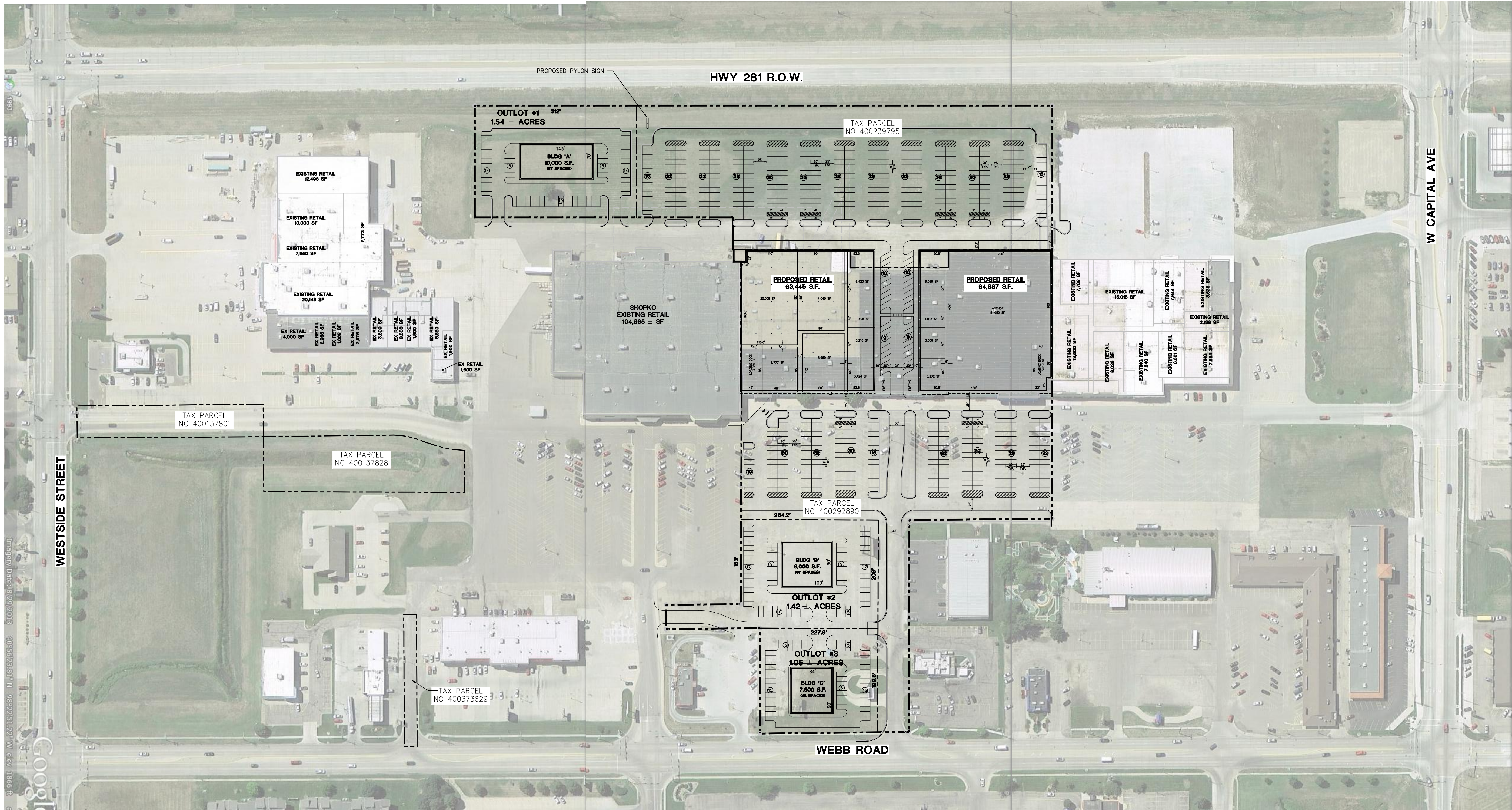
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GRAND ISLAND RETAIL

HALL COUNTY,
14.039

NEBRASKA
07.08.14

THE STAENBERG GROUP
DESIGN. DEVELOP. DELIVER.



OVERALL SITE ANALYSIS

TOTAL BUILDING 151,776 S.F.
TOTAL PARKING 835 SPACES
RATIO 5.50/1,000 S.F.

RETAIL SITE ANALYSIS

PROPOSED RETAIL 128,332 S.F.
TOTAL PARKING 656 SPACES
RATIO 5.11/1,000 S.F.

OUTLOT 1 SITE ANALYSIS

BLDG A 10,000 S.F.
TOTAL PARKING 57 SPACES
RATIO 5.77/1,000 S.F.
SITE AREA 1.46 ± AC.

OUTLOT 2 SITE ANALYSIS

BLDG B 9,000 S.F.
TOTAL PARKING 67 SPACES
RATIO 7.44/1,000 S.F.
SITE AREA 1.42 ± AC.

OUTLOT 3 SITE ANALYSIS

BLDG C 7,500 S.F.
TOTAL PARKING 48 SPACES
RATIO 6.4/1,000 S.F.
SITE AREA 1.05 ± AC.

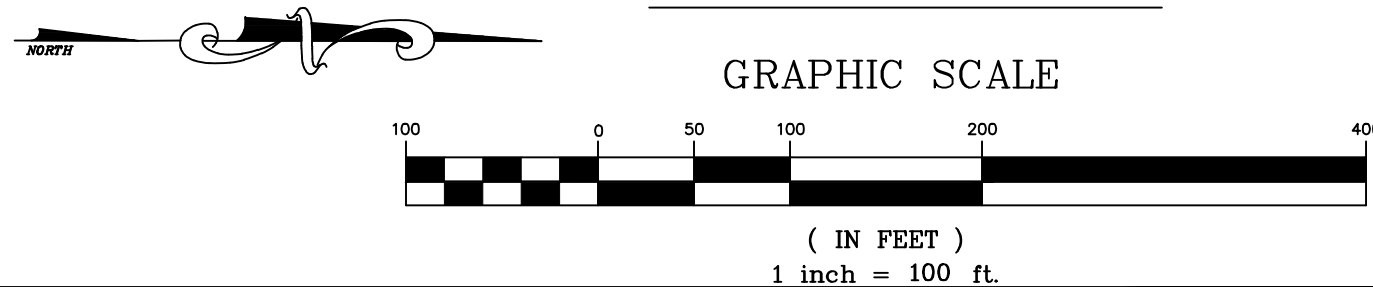
SITE DEVELOPMENT AREA DEMISE

RETAIL 12.56 ± AC.
OUTLOTS 1-3 4.02 ± AC.
SITE AREA 16.58 ± AC.

EXISTING PARCEL AREA DEMISE

TAX PARCEL NO 400239795 6.53 ± AC.
TAX PARCEL NO 400292890 10.05 ± AC.
TAX PARCEL NO 400373629 0.14 ± AC.
TAX PARCEL NO 400137828 0.92 ± AC.
TAX PARCEL NO 400137801 0.50 ± AC.
SITE AREA 18.14 ± AC.

(OVERALL)
SITE 3
CONCEPTUAL
SITE PLAN



NOTE:
THIS DRAWING IS FOR CONCEPTUAL PURPOSES ONLY. DESIGN MAY VARY
DEPENDING ON ACTUAL TOPOGRAPHIC AND BOUNDARY SURVEY, DRAINAGE, ETC..
THIS ADDITIONAL INFORMATION COULD CAUSE CHANGES IN TOTAL SITE AREA
REQUIRED DUE TO SLOPES, PARKING, ETC. THE CONCEPTUAL SITE PLAN IS FOR
THE PURPOSE OF DEVELOPING A CONCEPT ONLY, AND DECIDING WHETHER OR NOT
TO CONDUCT MORE DETAILED INVESTIGATION. THIS CONCEPTUAL SITE PLAN IS
PREPARED FOR CLIENT WHOSE NAME IS SHOWN IN TITLE BLOCK ONLY. IT IS NOT
TO BE USED OR RELIED UPON BY ANY OTHER PERSON OR ENTITY.

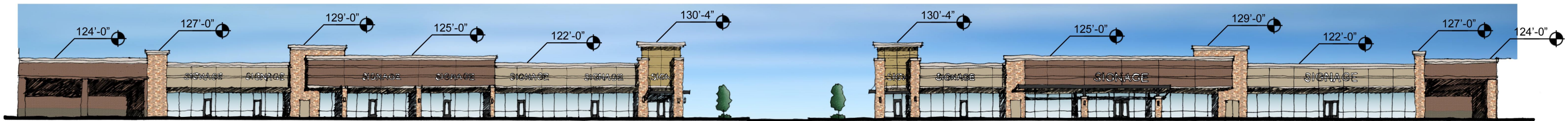
Project Title
PROPOSED COMMERCIAL DEVELOPMENT
GRAND ISLAND, HALL COUNTY, NE
BY: THE STAENBERG GROUP
ST. LOUIS, MO

REVISIONS	BY

DRAWN BY	DMN
CHECKED BY	THH
DATE	06/30/2014
SCALE	1" = 100'
JOB No.	13-000
SHEET NUMBER	P-4
OF	SHEETS

Wolverton & Associates
Consulting Engineers + Land Surveyors
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Phone (770) 447-5895 • Fax (770) 447-9070
www.wolverton-assoc.com

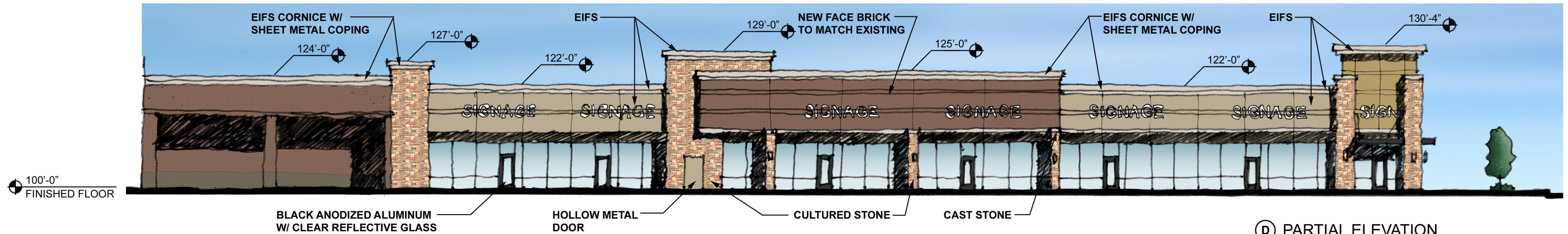
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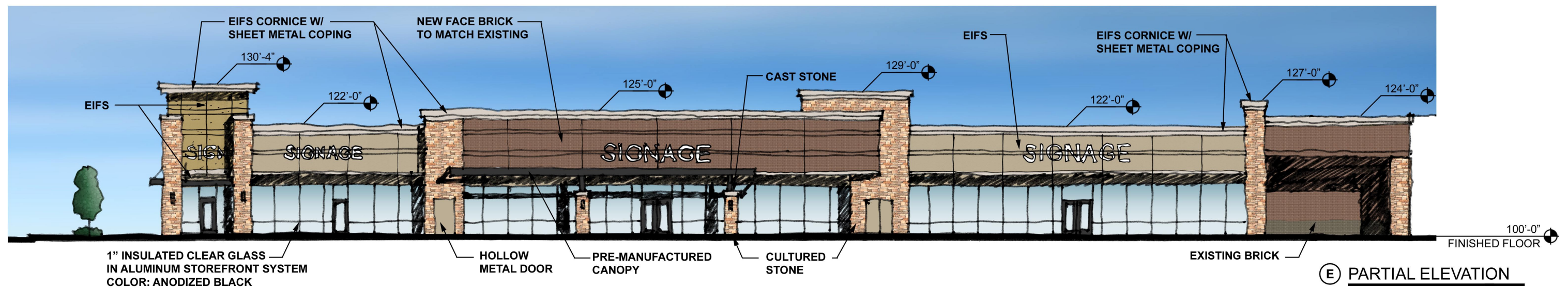
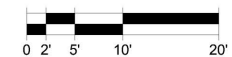
(D)

(E)

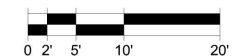
OVERALL EAST ELEVATION



(D) PARTIAL ELEVATION

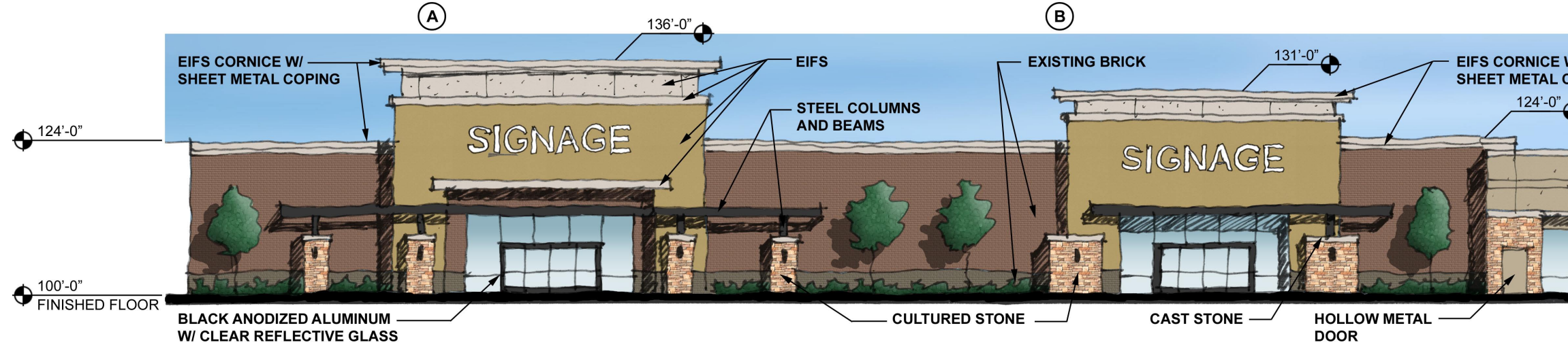
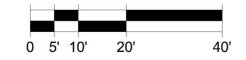


(E) PARTIAL ELEVATION

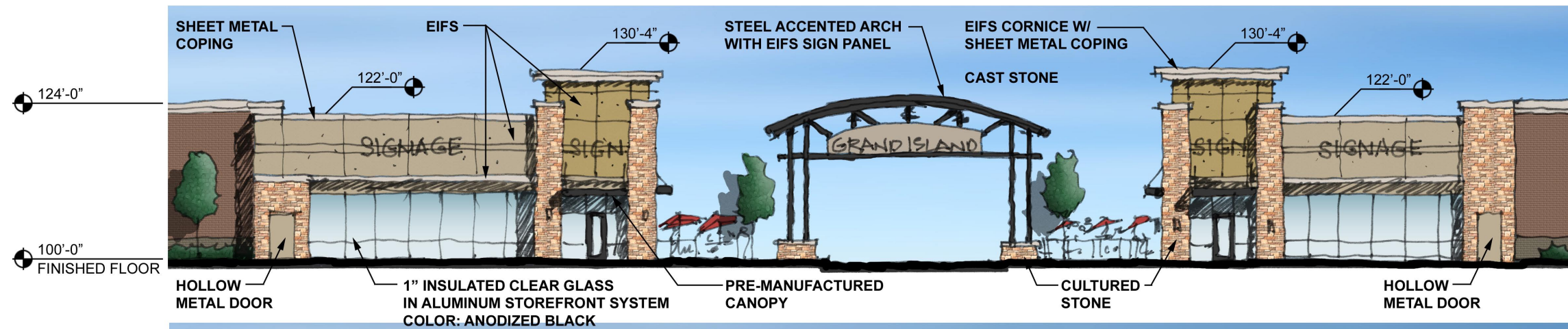
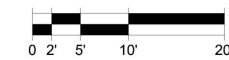




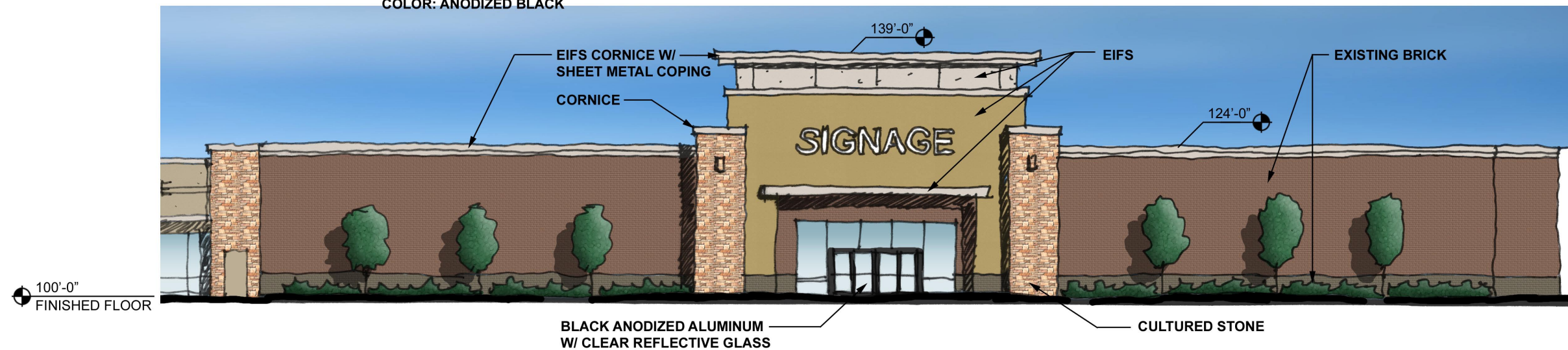
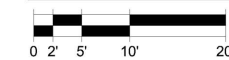
OVERALL WEST ELEVATION



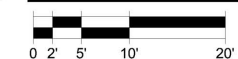
(A) PARTIAL ELEVATION



(B) PARTIAL ELEVATION



(C) PARTIAL ELEVATION



**Amended & Restated Site Specific Redevelopment Plan
Grand Island CRA Area 9
September 2014**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 9 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 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 FIFTHTEEN 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” or “Authority”) 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.

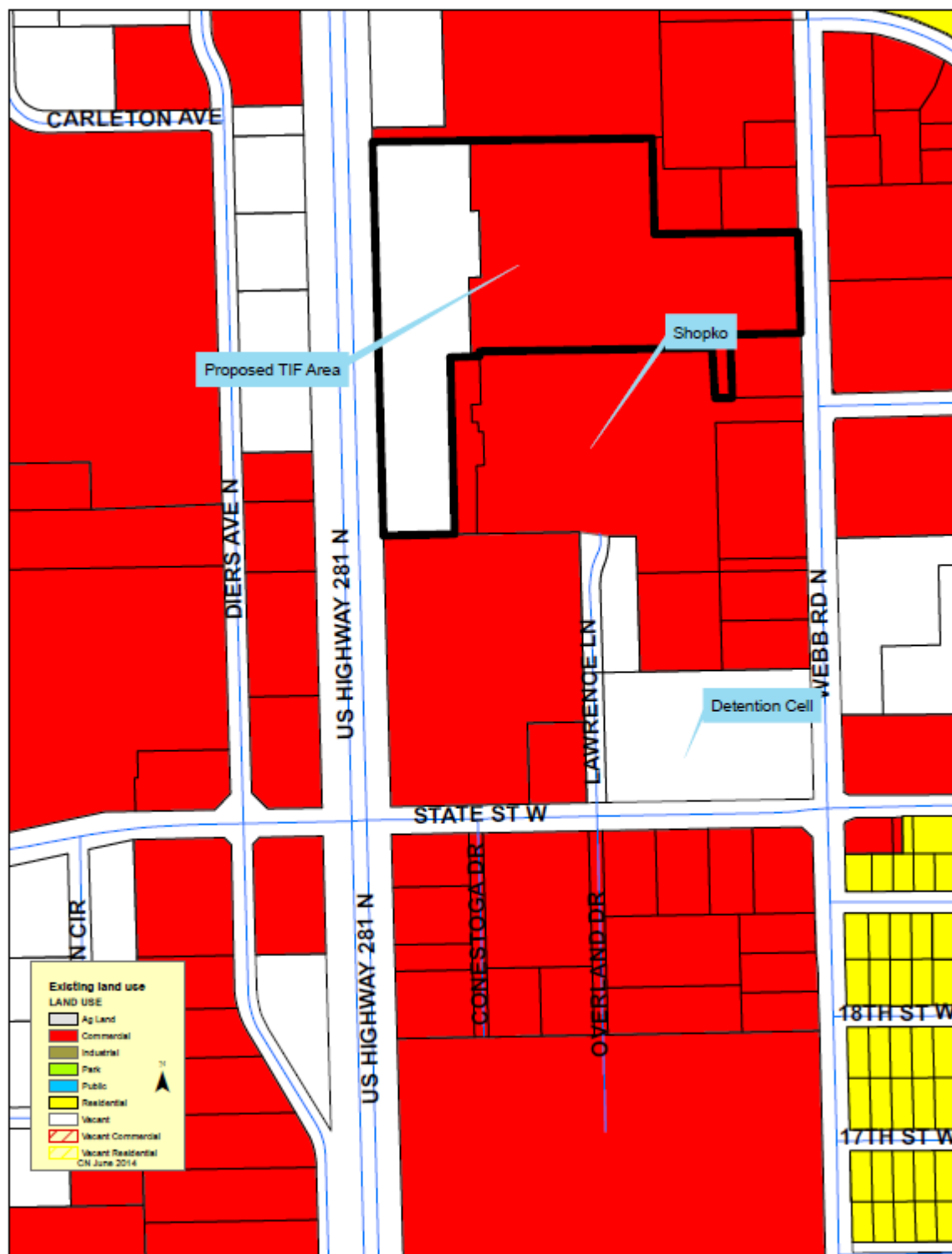
In addition, the CRA intends to designate a portion of Area 9 an enhanced employment area as eligible for the imposition of an occupation tax pursuant to the Act.

I. 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. Said taxes shall be divided as follows:

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:

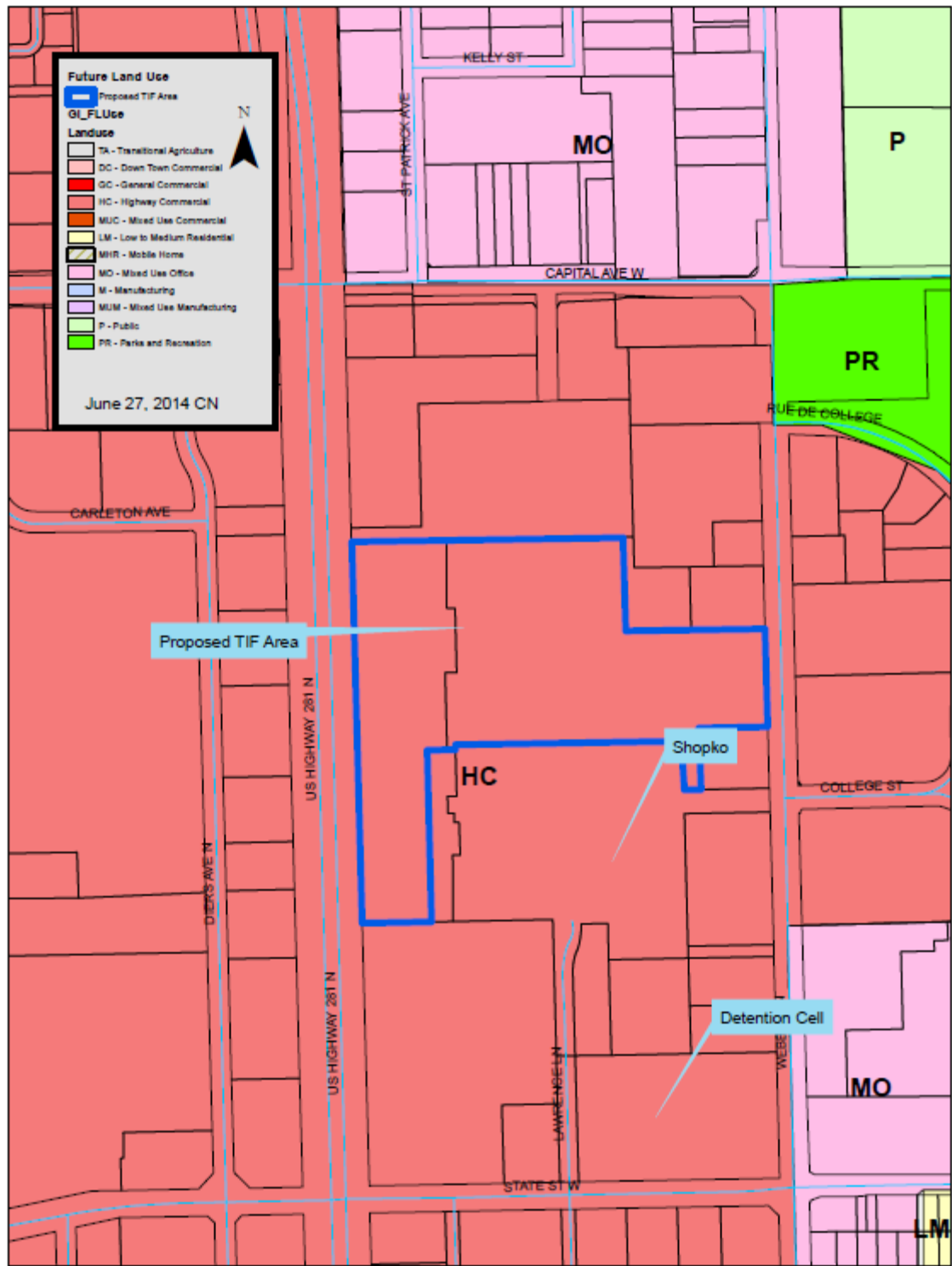
There is no proposed acquisition by the authority or the developer.

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 structures and onsite improvements including the extension of utilities is estimated at \$20,268,210. Fees and reimbursement to the City and the CRA will be included as a TIF eligible expense, which costs are estimated at \$35,000.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$5,600,000 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 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 \$5,600,000 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 \$14,668,210 of other investment by the Developer; a non TIF investment of \$2.61 for every TIF dollar investment.¹

¹ This does not include any investment in personal property at this time.

Use of Funds.			
Description	TIF Funds	Other Funds	Total
Site Acquisition			
Site preparation		\$ 3,165,805	\$ 3,165,805
Legal and Plan*		\$ 35,000	\$ 35,000
Building Costs			
Renovation Phase 1	\$5,600,000	\$ 4,159,191	\$ 9,759,191
Renovation Phase 2		\$ 2,657,000	\$ 2,657,000
General Conditions		\$ 805,630	\$ 805,630
Tenant rehab		\$ 1,251,174	\$ 1,251,174
Soft Costs		\$ 2,629,409	\$ 2,629,409
TOTALS	\$5,600,000	\$14,703,209	\$20,030,209

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	\$ 5,600,000.00

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

The redevelopment project area currently has an estimated valuation of \$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 rate².

(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

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

or an amount not to exceed \$5,600,000 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 \$14,000,000 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.

II. THE ENHANCED EMPLOYMENT AREA DESIGNATED BY THE CRA AS ELIGIBLE FOR THE IMPOSITION OF AN OCCUPATION TAX TO PAY FOR AUTHORIZED WORK WITHIN THE AREA IS DESCRIBED AS FOLLOWS:

Property Description (the "Enhanced Employment 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** A tract of land comprising all of Lot Ten (10), Grand Island Mall Eighth Subdivision and all of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and containing 16.428 acres more or less.

EXCEPTING THEREFROM

A tract of land comprising a part of Lot Ten (10), Grand Island Mall Eighth Subdivision and a part of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and more particularly described as follows:

Beginning at the northwest corner of said Lot Ten (10); thence running easterly on the north line of said Lots Ten (10), on an Assumed Bearing of N89°47'33"E, a distance of Two Hundred Thirty Five (235.00) feet, to the Actual Point of Beginning; thence continuing N89°47'33"E, on the north line of said Lot Ten (10) and said Lot Two (2), a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running S00°12'27"E, a distance of Two Hundred Six (206.00) feet; thence running S89°47'33"W, a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running N00°12'27"W, a distance of Two Hundred Six (206.00) feet, to the Actual Point Of Beginning and containing 1.672 acres more or less. Net 14.756 acres more or less.

Authorized work within the Enhanced Employment Area means the performance of any one or more of the following purposes:

(a) The acquisition, construction, maintenance, and operation of public offstreet parking facilities for the benefit of the Enhanced Employment Area;

(b) Improvement of any public place or facility in the Enhanced Employment Area, including landscaping, physical improvements for decoration or security purposes, and plantings;

(c) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;

(d) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the Enhanced Employment Area;

(e) Creation and implementation of a plan for improving the general architectural design of public areas in the Enhanced Employment Area;

(f) The development of any public activities and promotion of public events, including the management, promotion, and advocacy of retail trade activities or other promotional activities, in the Enhanced Employment Area;

(g) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

(h) Any other project or undertaking for the betterment of the public facilities in the Enhanced Employment Area, whether the project is capital or noncapital in nature;

(i) Enforcement of parking regulations and the provision of security within the Enhanced Employment Area; or

(j) Employing or contracting for personnel, including administrators for any improvement program under the Community Development Law, and providing for any service as may be necessary or proper to carry out the purposes of the Community Development Law.

Redevelopment Plan Amendment related to the Enhanced Employment Area Complies with the Act:

The Act requires that in connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants.

This Plan Amendment meets these enhanced employment area statutory qualifications because (a) at project stabilization employment in the Enhanced Employment Area is expected to increase by 275 employees including a mixture of part time, full time and managerial positions, (b) the project in the Enhanced Employment Area includes new private sector investment of \$14,370,247, and (c) as of the 2010 census, Hall County's population comprised 58,607 inhabitants.

Levy of General Business Occupation Tax and Levy:

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. Any occupation tax imposed pursuant to the Act shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax.

The businesses and their classification in the Enhanced Employment Area are as follows:

<u>BUSINESS</u>	<u>CLASSIFICATION</u>	
1. Apparel	Clothing Retail	20,008sf
2. Hobby & Crafts	Hobby & Craft Retail	14,040sf
3. Shoes	Shoe Retail	8,960sf
4. Apparel	Clothing Retail	6,420sf
5. Cosmetics	Beauty Retail	5,777sf
6. Quick Serve	Prepared Food Retail	3,424sf
7. Specialty Store	Specialty Retail	3,210sf
8. Salon	Service Retail	1,605sf
9. Apparel	Clothing Retail	6,060sf
10. Specialty Store	Specialty Retail	3,232sf
11. Quick Serve	Prepared Food Retail	3,030sf
12. Salon	Service Retail	1,515sf
13.		
14. Restaurant	Prepared Food Retail	Outlot A
15. Service/Fitness	Service Retail	Outlot B
16. Fast Food	Prepared Food Retail	Outlot C

No occupation tax shall be imposed on any business or transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 of the Act or which is exempt from tax under section 77-2704.24 of the Act. Any such occupation tax agreed to by the Authority and the City shall remain in effect so long

as the Authority has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

The collection of a tax imposed pursuant to the Act shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance.

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

RESOLUTION NO 183

**A RESOLUTION FORWARDING A PROPOSED REDEVELOPMENT PLAN
AMENDMENT OF THE CITY OF GRAND ISLAND, NEBRASKA TO THE
HALL COUNTY REGIONAL PLANNING COMMISSION, ACTING AS THE
PLANNING COMMISSION OF THE CITY OF GRAND ISLAND, NEBRASKA
FOR REVIEW AND RECOMMENDATION PURSUANT TO THE COMMUNITY
DEVELOPMENT LAW**

WHEREAS, the Mayor and City Council of the City of Grand Island, Nebraska (the “City”), upon the recommendation of the Planning Commission of the City of Grand Island, Nebraska (the “Planning Commission”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), duly declared the redevelopment area legally described in the Redevelopment Plan Amendment, set forth hereafter to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan Amendment (the “Redevelopment Plan”), has been prepared by the Authority in the form attached hereto as **Exhibit A**, for the purpose of redeveloping the Blighted and Substandard Area and includes a provision to divide certain ad valorem taxes as provided in Section 18-2147 of the Act on that portion of the Blighted and Substandard Area legally described in **Exhibit A** to assist in the redevelopment thereof; and

WHEREAS, pursuant to the §18-2112 of the Act the Authority is required to submit the Redevelopment Plan to the Planning Commission of the City for its review and recommendation as to the Redevelopment Plans conformity to the general plan for development of the City as a whole;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:**

Section 1. The Authority hereby submits the Redevelopment Plan in the form attached hereto as **Exhibit A** to the Hall County Regional Planning Commission, acting as the Planning Commission of the City for its review and recommendation as to the Redevelopment Plans conformity to the general plan for development of the City as a whole.

PASSED AND APPROVED this 22nd day of September, 2014.

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

ATTEST:

By: _____
Chairman

By: _____
Secretary

EXHIBIT A

FORM OF REDEVELOPMENT PLAN