

AREA #8

CROSIER MONASTERY HASTINGS, NEBRASKA

INTRODUCTION

The purpose of this Study is to determine the extent to which the area of concern known as 'Crosier Monastery' qualified and 'substandard and blight' under Nebraska Community Development Law, as most recently amended in 1999 Legislative Bill 774.

AREA OF CONCERN

The Site is located in Northeast Hastings, bounded roughly by 14th Street to the south, Cedar Street to the east, north bound of Union Pacific railroad tack to the North, and one block East Side Blvd. to the west. A total of about 17 acres are included. Legal definition of the area of concern, known as Crosier Monastery:

"All of block One (1), EXCEPT the West 12.00 feet thereof, Academy Addition, and vacated Pine Avenue; All of Block Six (6) Mumaw's Addition and vacated California Avenue; All of Block Seven (7) Mumaw's Addition, EXCEPT Sullivan Subdivision, the west 150.00 feet of the east 183.00 feet, and the east 33.00 feet, all in the City of Hastings, Adams County, Nebraska, more particularly described as follows:

Commencing at the Southeast corner of Hoback's Subdivision and Place beginning, thence N90°00'00"E (assumed bearing) along the north line of 14th Street a distance of 1103.83 feet, thence n00°32'5'7"E a distance of 627.04 feet, thence N90°00'00"W along the center line of vacated 16th Street a distance of 1103.99 feet, thence S00°32'05"W a distance of 627.04 feet to the Place of Beginning, containing 15.89 acres.

Entrance to the Crosier site is from 14th street. The Crosier Monastery has about 61,000 sq.ft. divided among three floors. It was constructed in two phases - 1889 (main building and sanctuary) and 1961 (gym and additional rooms). A split level entry in the main building allows for direct entrance to the 5,000 sq.ft. Chapel, which is open to the public. The site has about 1,000 sq.ft. cemetery, and a parking lot for about 30 cars.

BLIGHT AND SUBSTANDARD DEFINED

Under the Nebraska Community Development Law, in order for an area to be declared 'substandard and blight', it must meet a number of criteria.

- Substandard area – in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason specified below is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare. Reasons are:
 - Dilapidation/Deterioration,
 - Age [of structure] or obsolescence,
 - Inadequate provision for: Ventilation, light, air, sanitation, or open space,
 - High density of population and overcrowding, or,
 - Existence of conditions which endanger life or property by fire and other causes,
 - Or any combination of such factors

 - Blighted area – which by reasons specified below **(a) substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use**
 - Presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors,
and,
- (b) In which there is at least one of the following conditions:
- Unemployment in the designated area is at least one hundred and twenty percent of the state or national average;
 - The average age of residential or commercial units in the area is at least forty years;
 - More than one half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time;

- The per-capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or,
- The area has had either stable or decreasing population based on the last decennial censuses.

METHODOLOGY

The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or,

This study focuses on the 17 acres currently known as the Crosier Monastery. The area has had either stable or decreasing population based on the last decennial censuses. Because of the small and specific scope of area of concern, the study analyzed all factors identified in the Law. At the same time, the location of the Crosier Monastery created a need to analyze its immediate surroundings.

Site visit was a primary source of information. Additional data was obtained from the City of Hastings Planning Department (including land use plan and aerial photos), Adams County Assessor, and the Bureau of Census.

In assessing the condition of the Crosier Monastery, the evaluation closely followed the categories of issues related to the building conditions that are determined by the Community Development Law (hereinafter the Law). These categories include:

1. Building physical condition (e.g., age, structure, mechanical, architecture)
2. Environmental problems
3. Infrastructure (parking, entrance)
4. Occupancy
5. Other unspecified issues.

For each category, the study determined a number of components that address the above categories. These components are listed on the following page:

SUBSTANDARD AND BLIGHT CATEGORIES AND COMPONENTS

CATEGORY	COMPONENT	SPECIFICS
<u>Building Physical Condition</u>		
	Age	Typical life of a building is 40 years. Any building over 60 years old is determined old.
	Structural	Refers to building foundation, load-bearing walls, columns, and floors, roof structure, and other such elements of the building.
	Mechanical	Plumbing, electrical and heating systems, ventilation, and air conditioning. Elevator when available.
	Architectural	Elements added to the structure that create the 'envelop' and determine usage such as staircases, non load-bearing walls/ceiling and division of space, doors, windows, porches, gutters, and fire escapes.
<u>Environmental</u>		
	Lead-based paint and Asbestos	Presence of lead-based paint and asbestos.
	Fuel Tanks & other items specified by EPA	Presence of underground fuel tanks and other potential hazards.
<u>Infrastructure</u>		
	Parking, entrance	Sufficient parking per use of building
	Access to utilities	Availability of utility lines for empty lots
<u>Legal</u>		
	Ownership and title	Outstanding debt, unclear title, and other problems that can prevent or delay action.
	Tax delinquency	
	Planning & Platting	Non compliance with City land use management system
<u>Occupancy</u>		
	Unemployment	Rate higher than City
	Over crowding	Over 2 persons per Bedroom or as otherwise defined by HUD
	Population decline	Relative to the City

Based on official guidelines (such as EPA in environmental issues, HUD, City Planning, and the Nebraska Economic Development Law as pertains to occupancy), and acceptable professional practices, the Table of the following page specifies the criteria used to assess and rank the condition of the site and building of Crosier Monastery. Five assumptions guided the ranking system applied in this study:

- a. Although today's technology allows for devising remedies to the vast majority of deficiencies, the social and economic costs of remedies directly impact the viability of remedies.
- b. The extent of permissible discretion concerning remedies decreases with severity of problem. For example, the owner may choose not to address aesthetic issues concerning the building or its surrounding as long as code is respected. The owner may also choose design and material of windows. However, the owner must take care of issues related to lead-based paint and must ensure compliance with fire code.
- c. Deficiencies are a function of objective determination. However, the cumulative effect of deficiencies can add importance to certain deficiencies. Additionally, the extent of problem in terms of coverage in the building/area is a key to determining severity. Any problem that can be addressed locally without impacting the entire building and its operation shall not be considered detrimental.
- d. Maintenance costs are not considered a deficiency for the purpose of substandard and blight determination. Although a mal functioning building is expected to incur high maintenance costs, the substandard and blight determination is concerned with buildings that cannot operate 'as is' regardless of the diseconomies of operation costs.
- e. Non compliance with Code and environmental mandates (e.g., ADA, HHS) is considered from a perspective of what it would take to bring the building up to code and compliance. A building that cannot be brought up to code without vacating the building is considered as having an acute deficiency. An acute deficiency also applies to a building that poses health risk to resident because of non compliance with Code and/or mandates.

ASSESSMENT AND RANKING OF DEFICIENCIES

Sound Condition	Building is in good condition provided on going maintenance work. Specifically, all systems function properly, taxes are paid off, title is clean, no outstanding environmental problems.
Fair Condition	Need for repair work. Current condition and anticipated repair work do not interfere with current and/or planned occupancy and activities. Deficiencies may apply roofing, A/C tunnels and any problem (mostly 'spot' problem) that can be addressed without changes in building operation. Such problems do not qualify for substandard and blight consideration.
Significant Deficiencies	Repair work requires relocation of residents for safety issues and to perform repair work. Deficiencies in this category may apply to problems that impact structures, building functioning, sound mechanical operation, or health of residents. Example of deficiencies in this category: elevators to be replaced/restored, bowing walls, holes or cracks in walls, leaking roofs, leaking underground fuel tanks, lack/malfunctioning of air conditioning, pending legal battles over taxes and ownership, contradiction with City zoning, insufficient capacity of area utilities to support activities in the building, presence of asbestos or lead-based paint that can deter rehabilitation.
Acute/Critical Deficiencies	Deficiencies that result in the building being inappropriate for living and/or non-residential occupancy. Problems may be similar to those previously mentioned but their impact extends to a large part of the building. Cracks in the foundation, mal-functioning of mechanical systems that cannot be corrected in any way other than complete replacement, inadequate size and spacing between load-bearing walls/columns that might risk building during rehabilitation work, and any feature that does not allow for residents to safely remain in the building or move into it. Structures that cannot bear rehabilitation are considered substandard 'as is'.

SURVEY FINDINGS

Exterior and interior inspection of the Crosier Monastery point at a number of factors relevant to the consideration of substandard and blight designation. These factors are presented below. Order of factors discussed here do not reflect their relative importance. Rather, listing is based on the itemized factors in the law.

DETERMINANTS OF SUBSTANDARD

Substandard Measure #1 - Dilapidation/Deterioration

► Factor #1.1 – Structure

- At least 20% of the building floor slopes. In some areas up to 1-1/2". This might indicate settling of the building over time. Should this be the case, the area affected will increase over time. Additionally, it is possible that the floor slopes indicate other structural deficiencies such as weakening of load bearing walls and columns.
- Refer to exterior (#1.3)
- There is little area separation between areas of the building and hence numerous code violations.
- The existing ground floor was wood structure and was damaged extensively by rot and termite. Extent of damage is unknown. However, a sample examination shows that the entire ground floor was affected.

► Factor #1.2 – Mechanical

- Existing heating is provided by hot water radiators.
- The main plumbing lines are rusted at the joints and must be replaced.

► Factor #1.3 - Architectural

- A major problem is related to the exterior brick veneer. A minimum of 30% of the building has spalling bricks. The spalling bricks are haphazardly distributed along the entire building. While it is not clear what caused the spalling, it is evident that moisture either migrated behind the brick or permeated through the face or joints. The result is spalling and loosening of brick structural integrity. Regardless of the cause of a deficiency which is manifested in the spalling bricks, the problem prevails throughout the entire building (it is not a 'spot' issue). Importantly, if left untreated, the spalling bricks can damage the entire building external and, perhaps, internal envelop.
- The old building and the new addition do not align. As a result, the building has a large number of stair-cases. Because of the shape of the

building, stair cases are not connected. As such, the building is not ADA accessible.

- The entire building contains asbestos floor tiles, and asbestos in the plaster in the walls and ceiling. The new addition portion of the Monastery contains asbestos insulation on all of the plumbing lines. A Third Party Environmental Study conducted in June of 2000 suggests that most parts of the building have between 3% to 10% asbestos. Based on EPA recommendations, material analyzed utilizing PLM method and found to contain <1%-10% asbestos should be assumed asbestos containing (refer to Attachment A).
- Additionally, in some places the ceilings of the rooms vary according to the building phase they were developed.
- All doors, although in fair condition, are 30" wide and 8' high. As such, they do not meet code for handicapped accessibility.
- The building is divided to about 241 rooms, 63 of which are bedrooms. About 20% of rooms do not have an immediate access to a fire escape. Maintaining this layout will require innovative solutions for proper mechanical provisions (e.g., air conditioning).
- The building is not handicapped accessible. The split-level entry prevents easy solutions for accessibility compliance.
- Accessibility is also prevented due to lack of an elevator and space within the building for a new elevator.

Substandard Measure #2 - Age or obsolescence

► Factor #2.1 – Age

The existing building has two major sections. The main part was constructed in approximately 1889, that is, over 110 years ago. A building addition was constructed in 1961, or about 40 years ago. Second phase of construction (or building addition) consists of about one third of the total building space. A large portion of the addition is a gym connected with a corridor to the main building. In and of itself, the age of the main building suggests potential deficiencies caused by aging of structure and aging of material.

Substandard Measure #3 - Inadequate provision for:

► Factor #3.1 – Ventilation

- The main building does not have air conditioning. Only 25% of the building (all in the new addition) have air conditioning.

► Factor #3.2 – Light

This factor was not identified as a problematic issue

► Factor #3.3 – Air

Thus far, this factor was not identified as a problematic issue

► Factor #3.4 – Sanitation

Thus far, this factor was not identified as a problematic issue

► Factor #3.5 – Open Space

This factor was not identified as a problematic issue

Substandard Measure #4 – High Density of Population or Overcrowding

► Factor #4.1 – Persons per acre

► Factor #4.2 – Persons per bedroom

Currently, the building is vacant. This creates a problem in that there is not direct supervision of the building, no commitment for long term maintenance and no control over improper use of the building.

Substandard Measure #5 - Existence of conditions which endanger life or property by fire

- Fire stops are not available in the building. According to initial assessment, the building is built such that construction of fire stops both horizontally and vertically is nearly impossible.
- The building has no sprinkler system.
- According to testimony of Fire Marshal, the Fire Department is unable to ensure that the building is protected against fire. As such, the building poses a potential fire hazard to its surrounding (Attachment B).

Substandard Measure #6 – Any Combination of above Factors

The deficiencies identified above are mostly a result of age of the building, including material and construction techniques that prevailed during the first and the second phase of the building construction. Deficiencies are not a result of neglect. Over the years, as building condition deteriorated, the capacity of the residents (Crosiers) to keep high maintenance standards and costs decreased. Currently, the building is at an initial stage of deterioration. It reached this stage in spite of continuous maintenance because the problems are indigenous in a structure of this age and size. Rusted pipes, spalling bricks, termites, and floor slopes are among the factors that will continue to accelerate the deterioration. Being vacant, the lack of a sprinkler system and unknown condition of the foundation pose a major challenge on protecting the building from fire.

Conclusion

Analysis of findings suggests that currently, the building is unsuitable for residential or commercial use of the building.

Lack of fire safety features and uncertainty about capacity to install these features, signs of building settling and damaged structure, and mal-functioning systems, are among the deficiencies that prevent safe and decent living environment in the Crosier Monastery.

Further, any attempt to address these deficiencies will expose the asbestos that is in itself a major deficiency. In the state of Nebraska with one of the highest rates of asbestos related diseases, the building must be cleaned of asbestos before it can even be considered for any human use.

In conclusion, the findings of the analysis clearly point at the building being qualified to be designated substandard based on the criteria set forth in the Nebraska Economic Development Law.

DETERMINANTS OF BLIGHT

According to the Nebraska Community Development Law, an area can be classified 'blight' under two conditions:

- (a) [it] "substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use, and
- (b) In which there is at least one of the following conditions:
 - Unemployment in the designated area is at least one hundred and twenty percent of the state or national average;
 - The average age of residential or commercial units in the area is at least forty years;
 - More than one half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time"

Analysis of the above blight criteria and the reasons stipulated in the Law to justify blight (refer to the Methodology for details) suggests that blight addresses the condition of the building (in our case) subject to the blight and is condition relative to its immediate environment.

Building condition - of the different reasons stipulated by the Law, the Crosier Monastery exhibits a deteriorating structure and the existence of life endangering conditions.

- Deterioration. As argued, deterioration of the building is expected to continue even if prevailing maintenance work can proceed. Needless to mention that the fact that the building was recently vacated implies no guarantee that even prevailing maintenance work will be available.
- Life Endangering Conditions. As structured, the building does not have the system to allow for proper protection from fire. The fact that the building is vacant suggests that no on site supervision will be provided. Should this be the case, fire can damage the building and expand to the housing (west) and park before it is detected and treated by the Fire Department. Experience in many urban areas indicate that empty buildings attract youth and unwanted activities. These activities can result in fire, which can proceed undetected and endanger people in the building and its surrounding area.
- Life Endangering Conditions are also a result of the fact that the building is vacant and open to people that 'pass by', people engaged in criminal activities, and such undesired uses of the building space. Impact would be on persons using the building for undesired activities and, as always is the case, the

surrounding neighborhood. Although Hastings' criminal activities are rather low, gang and drug activities often find their way to empty buildings and are located at distance from 'main street activities.

Impact Related to Relative Location of Building. As a vacant and deteriorating building, the Crosier Monastery might become a disruption to the surrounding areas.

- The history of many urban areas and small communities clearly shows that criminal and otherwise undesired activities impose a major burden on surrounding residential and business areas. In one case in northwest Omaha, Nebraska, for example, it took one abandoned church (abandoned due to high maintenance costs and building in poor condition) and less than one year to cause all businesses located within 1 mile from the building to relocate to another part of town. The Crosier Monastery is large enough to dominate the area, and should be treated as such.
- Impact is also expected to be felt in the residential areas. A random sample of the housing units immediately to the west and south of the Monastery shows that an average assessed value of \$78,990. This average assessed value is similar to the developed residential neighborhoods in North Hastings. Additionally, the area east of the Monastery has a potential to attract future developments (mixed use). The abandoned Monastery which will continue to deteriorate might deter development from the area. As a start, houses can lose at least 20% of their assessed value. Once assessed value drops down, a trickling effect can be generating, further contributing further to the area deterioration.

Conclusion, the presence of deteriorating building, conditions that endanger life, and age of the building are determined to warrant the Crosier Monastery warrant designation of Blight per the Law.

REDEVELOPMENT PLAN CROSIER REDEVELOPMENT AREA

Section One. Redevelopment Plan.

This Redevelopment Plan has been prepared in accordance with the Community Development Law, Neb. Rev. Stat. §§18-2101 et seq. (The “Act”), as amended, for use by the City of Hastings, Nebraska, and the Community Redevelopment Authority of the City of Hastings, Nebraska (the “Authority”) under the relevant provisions of the Act. Prior to adopting this plan, the Authority as required, by the Act, has:

considered whether the proposed land uses and building requirements in the redevelopment project area(s) are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the Village and its environs which will, in accordance with present and future needs, general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for light and air, the promotion of the healthful and convenient distribution of the 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.

Neb. Rev. Stat. §18-2113 (Reissue 1997).

The general plan for the development of the City of Hastings, Nebraska, also known as “The Comprehensive Development Plan for City of Hastings, Nebraska, as amended from time to time, is incorporated herein by this reference. In the event that the terms and conditions of this Redevelopment Plan are inconsistent with the Comprehensive Plan, the provisions of the Comprehensive Plan shall be controlling. The adoption of this Redevelopment Plan, or any modifications, additions, or amendments hereto, shall not be deemed to be an amendment of The Comprehensive Development Plan.

The designation of areas to be: (1) substandard and blighted areas in need of redevelopment; or, (2)(a) areas essential to the proper clearance or redevelopment of substandard and/or blighted areas or a necessary part of the general community redevelopment program of the City of Hastings; and/or, (b) necessary or convenient to the proper clearance or redevelopment of one or more substandard and blighted areas within the City of Hastings or is a necessary adjunct to the general community redevelopment program of the City of Hastings is the initial step in

performing redevelopment activities as indicated in the Act. Once such conditions are found to exist, the Community Redevelopment Authority should proceed with a Redevelopment Plan for each area. The Redevelopment Plan must identify measures to be taken to correct identified problems, future land use of the area, and future zoning intentions for the area.

The purpose of this Redevelopment Plan is to identify general goals and objectives for the Crosier Redevelopment Area (also known as Area VII) identified in Hastings City Council Resolution No. 2000-37, passed and approved by the Hastings City Council on November 13, 2000. With the adoption of this plan, the Authority will be recognizing the need to utilize appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, and/or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the goals and objectives set forth herein. The Authority may utilize any powers allowed by the Act to afford maximum opportunity, consistent with the sound needs of the Village as a whole, by private enterprise towards the rehabilitation or redevelopment of the Community Redevelopment Areas discussed herein.

The property designated as "blighted and substandard" pursuant to Resolution No. 2000-37, shall hereafter be known as the "Project Area." This Redevelopment Plan sets forth the plan for the redevelopment of the Project Area (to be referred to as the "Redevelopment Project"). Any ad valorem tax levied upon real property in the Redevelopment Project and/or the Redevelopment Area for the benefit of any public body may be divided, for a period not to exceed 15 years after the effective date of that provision by the governing body, as follows:

- (a) That portion of the ad valorem tax which is produced by the 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 are all other taxes collected by or for the body; 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 be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of 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 premiums due, have been paid, the Authority shall so notify the County Assessor and County Treasurer, and all ad valorem taxes upon taxable property in such a redevelopment project shall be paid into the funds of the respective public bodies.

See Neb. Rev. Stat. §18-2147 (Reissue 1997).

CROSIER REDEVELOPMENT PROJECT

Project Area

The Authority may undertake a project, to be known as the “Crosier Redevelopment Project,” covering the “Project Area” identified above and as referenced in the Community Development Act, Neb.Rev.Stat. §18-2101 et seq. (the “Act”), as amended from time-to-time, and legally described as follows:

All of Block One (1), EXCEPT the West 12.00 feet thereof, Academy Addition, and vacated Pine Avenue; All of Block Six (6) Mumaw’s Addition and vacated California Avenue; All of Block Seven (7) Mumaw’s Addition, EXCEPT Sullivan Subdivision, the west 150.00 feet of the east 183.00 feet, and the east 33.00 feet, all in the City of Hastings, Adams County, Nebraska, more particularly described as follows:

Commencing at the Southeast corner of Hoback’s Subdivision and Place beginning, thence N90°00'00"E (assumed bearing) along the north line of 14th Street a distance of 1103.83 feet, thence N00°32'5"7E a distance of 627.04 feet, thence N90°00'00"W along the center line of vacated 16th Street a distance of 1103.99 feet, thence S00°32'05"W a distance of 627.04 feet to the Place of Beginning, containing 15.89 acres.

A copy of a map outlining the “Project Area” is attached hereto and incorporated herein by this reference.

Land Use Plan

This Redevelopment Plan is proposed to insure the redevelopment of the Project Area as set forth herein. The history of the Project Area reveals that the property has been utilized by the Catholic Church as a worship center and/or monastery for in excess of 100 years. The Project Area has been acquired by the Redeveloper, Burlington Center Limited Partnership, a Nebraska Limited Partnership. The Redeveloper has proposed the redevelopment of the Project Area into a commercial office center. Site plans showing existing and future uses of the structure located in the Project Area is attached and incorporated herein by this reference.

The structure has several problems and deficiencies which are outlined in the Blight and Substandard Study prepared by Orly Gilat, Ph.D. of Gilat Planning & Research, Inc., a copy of which is also attached herein and incorporated by this reference. The Redeveloper’s proposed conversion and redevelopment of the Project Area into a multi-tenant professional building is expected to include the following elements:

- New atrium entrance to serve all three levels with an open stairway and elevator will be constructed.

- New parking lots will be added. A 35 - 40 car concrete lot will be built on the south side (front) of the building while preserving virtually all of the existing trees. Additional concrete tenant parking will be added on the north side (back) in 20 car increments starting as early as spring.
- Asbestos abatement will be performed in all areas where it is friable or it might be disturbed through demolition or reconstruction.
- New electrical service will be brought in to service the building.
- A new 6 inch water service will replace an aging 2 inch line.
- New exterior lighting will be added.
- New landscaping and irrigation systems implemented.
- Wrought iron fencing to protect the cemetery will be constructed.
- A minimum of 7 new exits will be constructed before tenant occupancies commences.
- The spalling brick will be repaired and painted or sealed. All existing stone will be cleaned and sealed.
- New 32 foot horizontal signage identifying the property will be constructed.
- New “intelligent” fire alarm system will be installed with extensive deployment of sensing and warning devices.
- Extensive demolition of much of the main floor and upper level will be required as most tenant spaces will be custom designed to meet the tenant’s exact needs.
- Several exterior decks and patios will be added around the building.
- The lower level will host at least two fully equipped conference rooms and a central dining room that would accommodate 100 people.
- The existing gym will be refurbished and equipped to function as a health club for the tenants.
- The existing HVAC system will be augmented with 24 new rooftop units to provide fresh air, heat and cooling.
- Most of the windows will be reglazed with insulated glass.
- The 16 acres of woods and grounds will be enhanced to provide exercise and relaxation opportunities for the tenants and their invitees.

Financing

The Redeveloper has set forth a proposed Investment Schedule outlining estimated investment in the property in the amount \$2,013,500.00, between the initial acquisition date and December 31, 2003. Said schedule is attached hereto and incorporated herein by this reference. A Proforma Operating Statement is also attached and incorporated herein by this reference.

The Authority will enter into a Redevelopment Contract with the Redeveloper which will provide, in part, as follows:

1. Completion of the Project in accordance with plans and specifications to be reviewed by the Authority and/or the City of Hastings, NE.
2. An annual grant to the Redeveloper in the amount of Tax Increments Funds generated by the Project, less any amounts necessary to reimburse the Authority for costs incurred in connection with the Project. The maximum period for such grants is fifteen (15) years in accordance with Neb.Rev.Stat. §18-2147 (1).

Land Coverage, Etc.

The changes in the land utilization are as noted herein. The Project Area will be occupied by several office facilities over the next several years. At the time of the Redeveloper's acquisition of the property, there were no persons residing within the Project Area, and no persons will be displaced as a result of the project in the future.

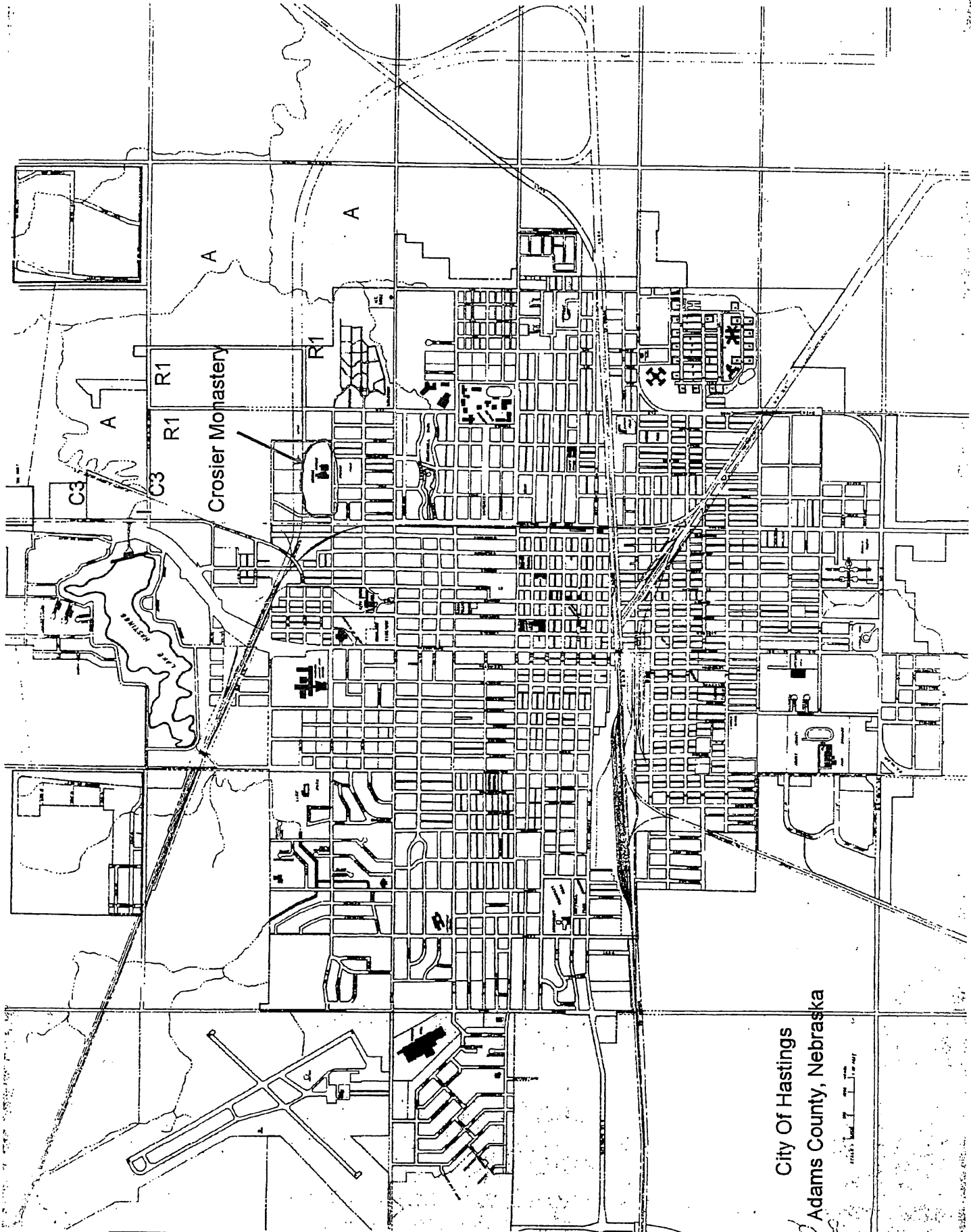
There shall be no changes in street layout as a result of the project, with the exception of providing access to the parking facilities. The redevelopment of the Project Area is not expected to create any significant traffic problems or require additional public transportation, recreational, or other facilities. There may be changes in zoning to allow for commercial development of the property and all such necessary changes to insure compliance with existing codes and regulations shall be instituted and required of the Redeveloper. Existing codes will require substantial redevelopment of the property and are the primary deficiencies noted in the Blight and Substandard Study.

Effective Date

The Effective Date of the Project, in accordance with Neb.Rev.Stat. §18-2147 (1) shall be January 1, 2002. Accordingly, the Redevelopment Project Valuation Date shall be January 1, 2001. The Tax Increment Funds, those tax dollars generated from the increase in the valuation of the Project Area after January 1, 2001, will be utilized to provide the annual grants designated above.

Section Two. Conformity with General Plan. This Redevelopment Plan is found to be reasonable and in conformity with the general plan for the development of the City as a whole, and the Plan, as amended and modified, is in conformity with the legislative declaration and determinations set forth in Neb. Rev. Stat. §§18-2101 et seq.

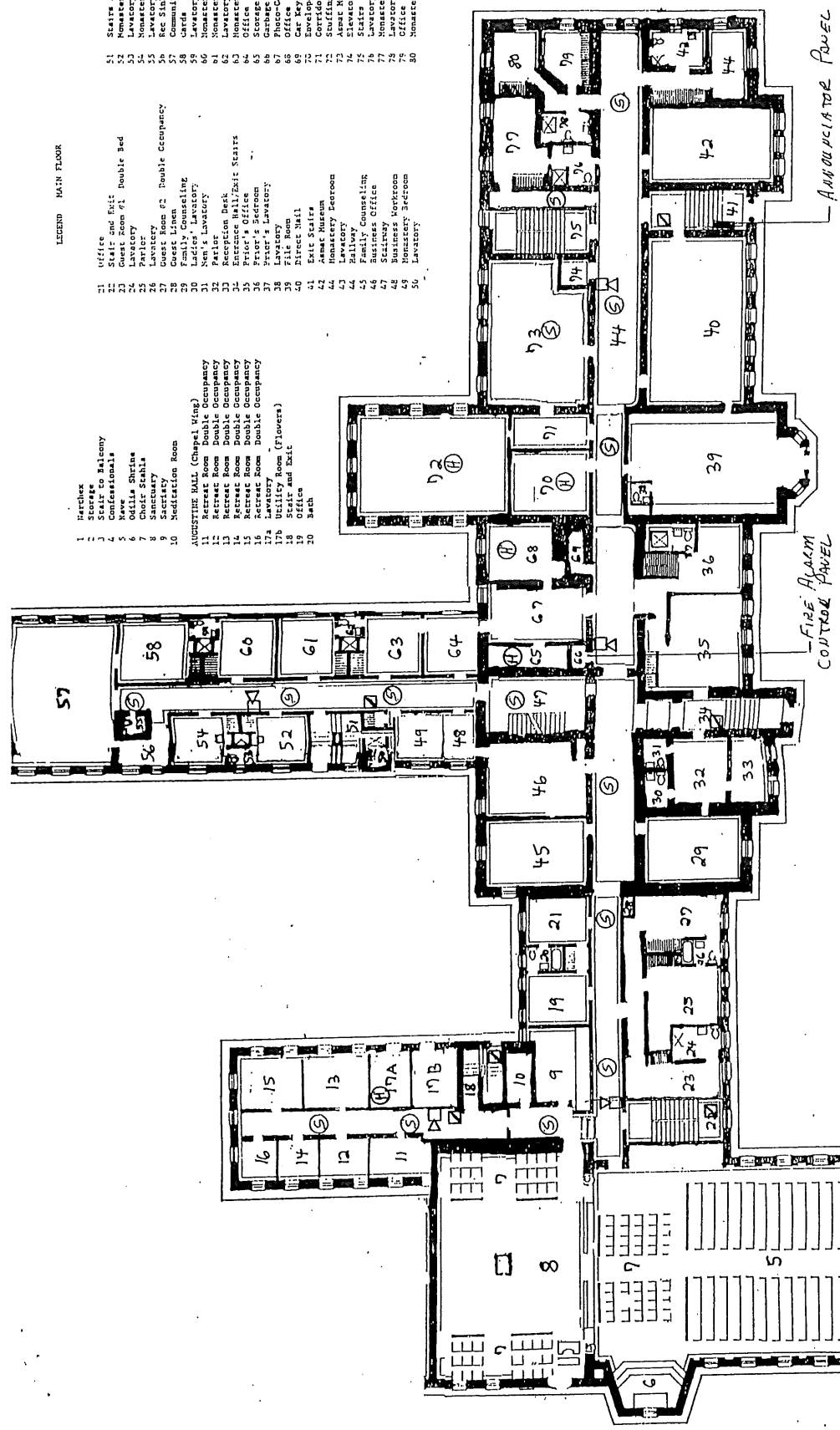
This Redevelopment Plan was adopted by the Community Redevelopment Authority on the _____ day of _____, 200__, and approved by the Hastings City Council on the _____ day of _____, 200__, based upon the finding that said plan, as modified, is feasible and in conformity with the general plan for the development of the City as a whole, and in conformity with the legislative declarations and determinations set forth in Neb. Rev. Stat. §§18-2101 et seq.



City Of Hastings
Adams County, Nebraska

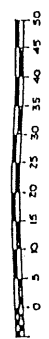
LEGEND MAIN FLOOR

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|------------------------------|--------------------------------|-----|---------------------------|
| 1 | Entrance | 51 | Stair and Exit |
| 2 | Stair to Balcony | 52 | Monastery Bedroom |
| 3 | Confessionals | 53 | Lavatory |
| 4 | Office | 54 | Monastery Bedroom |
| 5 | Odile Shrine | 55 | Lavatory |
| 6 | Choir Stalls | 56 | Monastery Bedroom |
| 7 | Sanctuary | 57 | Community Living Room |
| 8 | Sanctuary | 58 | Card |
| 9 | Sanctuary | 59 | Lavatory |
| 10 | Meditation Room | 60 | Monastery Bedroom |
| AUGUSTINE HALL (Chapel Wing) | | | |
| 11 | Retreat Room Double Occupancy | 61 | Pen's Lavatory |
| 12 | Retreat Room Double Occupancy | 62 | Reception Desk |
| 13 | Retreat Room Double Occupancy | 63 | Entrance Hall/Exit Stairs |
| 14 | Retreat Room Double Occupancy | 64 | Prior's Office |
| 15 | Retreat Room Double Occupancy | 65 | Pen's Office |
| 16 | Retreat Room Double Occupancy | 66 | Pen's Lavatory |
| 17 | Retreat Room Double Occupancy | 67 | Lavatory |
| 18 | Utility Room (Flowers) | 68 | File Room |
| 19 | Office | 69 | Direct Mail |
| 20 | Back | 70 | Exit Stairs |
| 21 | Office | 71 | Corridor |
| 22 | Stair and Exit | 72 | Stuffing Room |
| 23 | Monastery Bedroom | 73 | Monastery Bedroom |
| 24 | Lavatory | 74 | Stair Shaft |
| 25 | Parlor | 75 | Stair |
| 26 | Lavatory | 76 | Lavatory |
| 27 | Guest Room #1 Double Occupancy | 77 | Monastery Bedroom |
| 28 | Guest Room #2 Double Occupancy | 78 | Lavatory |
| 29 | Family Counseling | 79 | Monastery Bedroom |
| 30 | Ladies' Lavatory | 80 | Monastery Bedroom |
| 31 | Pen's Lavatory | 81 | Monastery Bedroom |
| 32 | Reception Desk | 82 | Lavatory |
| 33 | Entrance Hall/Exit Stairs | 83 | Monastery Bedroom |
| 34 | Prior's Office | 84 | Office |
| 35 | Pen's Office | 85 | Pen's Office |
| 36 | Pen's Lavatory | 86 | Garage - Fire Alarm |
| 37 | Lavatory | 87 | Photo-Copy |
| 38 | File Room | 88 | Office |
| 39 | Direct Mail | 89 | Car Key Storage |
| 40 | Exit Stairs | 90 | Corridor |
| 41 | Monastery Bedroom | 91 | Stuffing Room |
| 42 | Lavatory | 92 | Monastery Bedroom |
| 43 | Stair Shaft | 93 | Stair |
| 44 | Stair | 94 | Lavatory |
| 45 | Monastery Bedroom | 95 | Monastery Bedroom |
| 46 | Lavatory | 96 | Monastery Bedroom |
| 47 | Stair | 97 | Monastery Bedroom |
| 48 | Business Veritroom | 98 | Lavatory |
| 49 | Monastery Bedroom | 99 | Monastery Bedroom |
| 50 | Lavatory | 100 | Monastery Bedroom |



ANNUNCIATOR PANEL

FIRE ALARM CONTROL PANEL



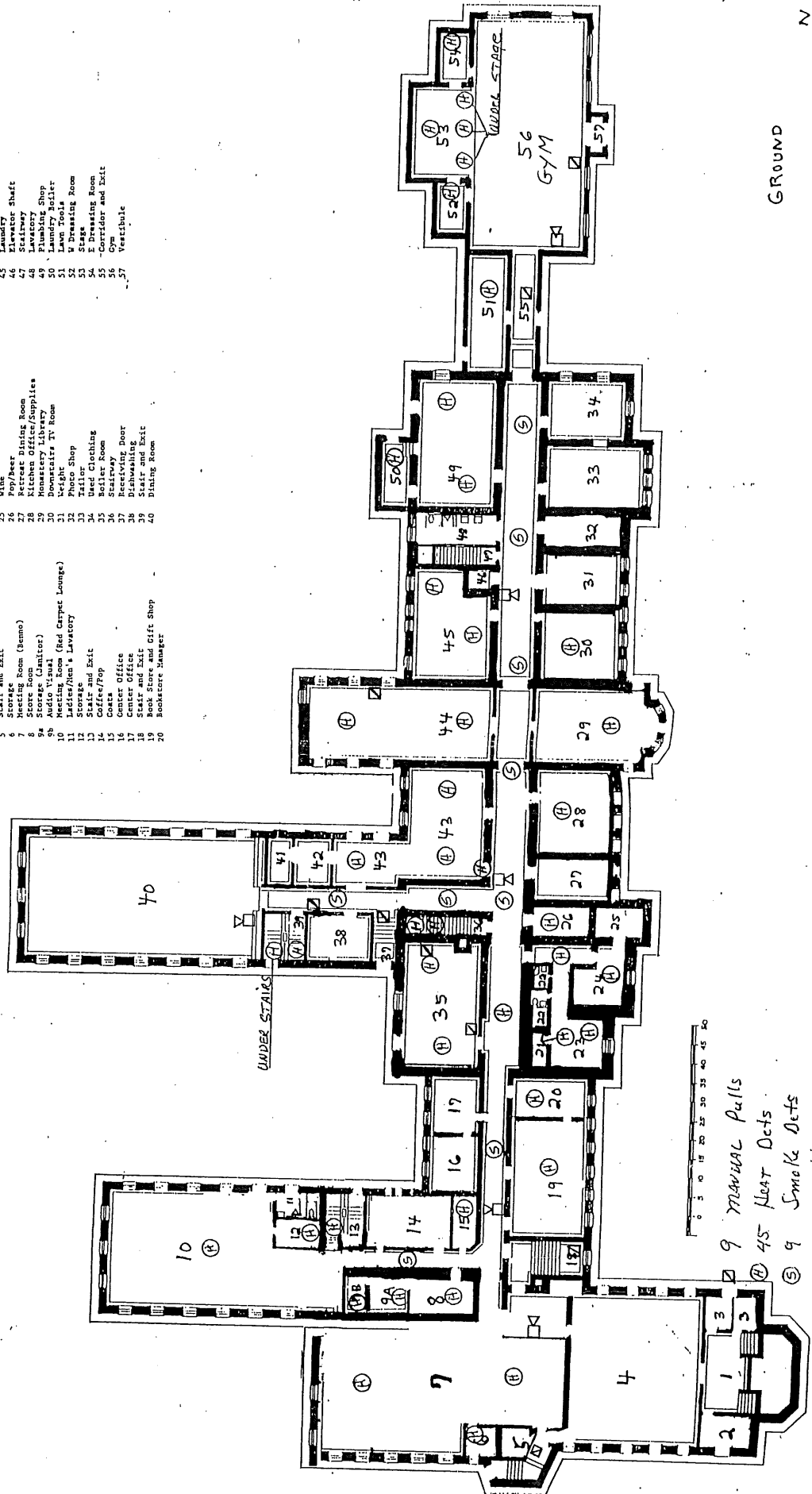
- 6 MANUAL PULL
- 5 NEAR DETS
- 15 SMOKE DETS
- 5 AUDIBLES

First (Main)

N
E
W
S

LEGEND GROUND FLOOR

- | | | |
|-------------------------------------|----------------------------|----------------------|
| 1 Foyer | 21 Janitor Closet/Store | 41 Walk-in Freezer |
| 2 Small Meeting Room | 22 Ladies/Men's Lavatory | 42 Walk-in Cooler |
| 3 Ladies/Men's Lavatory | 23 Janitor Supplies | 43 Kitchen |
| 4 Front Conference Room | 24 Office | 44 Carpenter Shop |
| 5 Storage | 25 Post Office | 45 Elevator Shaft |
| 6 Storage | 26 Post Office | 46 Elevator Shaft |
| 7 Meeting Room (Banco) | 27 Retreat Dining Room | 47 Stairway |
| 8 Store Room | 28 Kitchen Office/Supplies | 48 Lavatory |
| 9 Store Room (Banco) | 29 Homeatory Library | 49 Laundry Shop |
| 10 Audio Visual | 30 Homeatory Library | 50 Laundry Shop |
| 11 Meeting Room (Red Carpet Lounge) | 31 Night | 51 Lawn Tools |
| 12 Ladies/Men's Lavatory | 32 Photo Shop | 52 V Dressing Room |
| 13 Storage | 33 Tailor | 53 Stage |
| 14 Ladies/Men's Lavatory | 34 Tailor | 54 Dressing Room |
| 15 Storage | 35 Tailor | 55 Corridor and Exit |
| 16 Coffee/Pop | 36 Tailor | 56 Gym |
| 17 Center Office | 37 Tailor | 57 Vestibule |
| 18 Center Office | 38 Tailor | |
| 19 Book Store and Gift Shop | 39 Tailor | |
| 20 Book Store Manager | 40 Tailor | |



GROUND

N
W
E
S

9 MANUAL Pulls
45 Heat Dets
9 Smoke Dets
6 Avoibles

CROSIER PARK PROFESSIONAL CENTER
INVESTMENT SCHEDULE

		<u>2000</u>
Acquisition & Initial Investment		\$ 765,000
Moscatti Suite (10,675 s.f. x \$30)		320,250
David & Associates (6,550 s.f. x \$15)		<u>98,250</u>
TOTAL	Dec. 31, 2000	\$1,183,500
New Tenants (3,000 s.f. x \$35)		\$ 105,000
New Parking Lot		30,000
Finish Brick Seal		55,000
Operating Loss		<u>142,000</u>
TOTAL	Dec. 31, 2001	\$1,515,500
New Tenants (6,000 s.f. x \$35)		\$ 210,000
Operating Loss		<u>102,000</u>
TOTAL	Dec. 31, 2002	\$1,827,500
New Tenants (5,000 s.f. x \$25)		\$ 125,000
Operating Loss		<u>61,000</u>
TOTAL	Dec. 31, 2003	\$2,013,500

CROSIER PARK PROFESSIONAL CENTER
PROFORMA OPERATING STATEMENT

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Jan - June	16,000 s.f.	22,000 s.f.	28,000 s.f.
July - Dec	19,000 s.f.	25,000 s.f.	30,000 s.f.
 \$/s.f. Lease Rate	 \$6.75	 \$7.25	 \$8.00

GROSS RENTAL INCOME

Jan - June	\$ 54,000	\$ 79,750	\$112,000
July - Dec	<u>64,125</u>	<u>90,625</u>	<u>120,000</u>
Total	\$118,125	\$170,375	\$232,000

OPERATING EXPENSES

Maintenance Labor	\$ 18,000	\$ 20,000	\$ 21,000
Taxes/Benefits	6,300	7,000	7,300
Janitorial	21,600	24,000	27,000
Trash	3,000	4,000	4,500
Telephone	3,000	3,000	3,000
Johnson Controls	20,000	20,000	20,000
Protex	3,500	3,500	3,500
O'Keefe	1,000	3,000	4,000
K-T Heating	3,000	3,000	3,500
Supplies	6,000	7,000	7,500
3rd Party Maintenance	6,000	7,000	8,000
Marketing/Adv.	10,000	6,000	2,000
Prof. Fees	3,000	3,000	3,500
Equip. & Chem.	12,000	10,000	8,000
Insurance	8,000	8,000	9,000
Utilities	<u>60,000</u>	<u>62,000</u>	<u>64,000</u>
Subtotal	184,400	190,500	196,300

Real Estate Taxes	-0-	-0-	-0-
Interest*	66,000	72,000	87,000
Contingency	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total	\$260,400	\$272,500	\$293,300

INCOME (LOSS)			
BEFORE DEPRECIATION	(\$142,275)	(\$102,125)	(\$ 61,300)

* Interest at 9.5% on 50 percent of the total capital investment. The other 50 percent is equity capital invested at no return by the owners.