

REDEVELOPMENT PLAN V
PLAN MODIFICATION NO. 8.21.18
(Nebraska Truck Center, Inc. Redevelopment Project)

The Community Redevelopment Authority (CRA) of the City of Hastings intends to amend the Redevelopment Plan for Area #5 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 #5.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 801 W. "J" STREET FOR COMMERCIAL AND INDUSTRIAL USES, INCLUDING THE DEMOLITION OF AN EXISTING WAREHOUSE AND THE CONSTRUCTION OF A NEW WAREHOUSE BUILDING INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in demolition and rehabilitation expenses associated with redevelopment of the Nebraska Truck Center property to include demolition of a 9,000 sq foot substandard warehouse and the construction of a 10,100 square foot warehouse/storage area. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in the replacement of a substandard warehouse property and new metal and masonry façade improvements which will extend the life of the property and prevent the reoccurrence of blighted and substandard conditions. This project would not be possible without the use of TIF.

Nebraska Truck Center Inc. has provided a commitment for financing to cover the costs associated with the remodeling and rehabilitation of this building and the Hastings Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2020 towards the allowable costs and associated financing for rehabilitation.

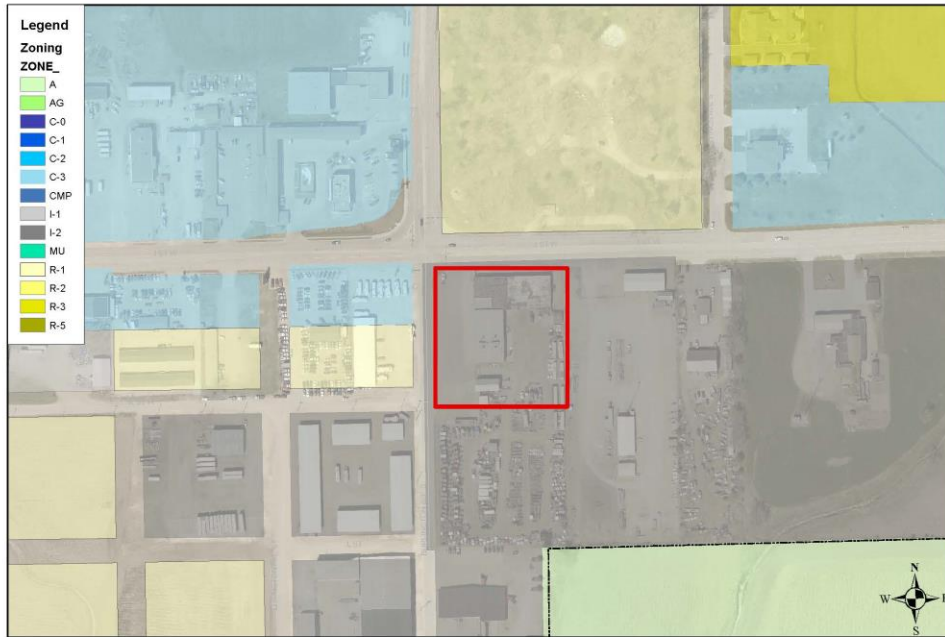
TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the "Redevelopment Project Area")

801 W. "J" Street in Hastings Nebraska

Legal Description: The West 325 feet of the South 700 feet of the North 733 feet of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of Section Twenty-Four (24), Township Seven (7) North, Range Ten (10) West of the 6th P.M., in the City of Hastings, Adams County Nebraska, except the tract deeded to the State of Nebraska for highway purposes by deed recorded as Instrument No. 872862, and except the tract deed to the City of Hastings by warranty deed recorded as Instrument No. 20002698 in the office of the Register of Deeds of Adams County, Nebraska.

Map of Existing Land Use and Proposed Redevelopment Site



NE Truck Center Plan Modification, Existing Land Use



NE Truck Center Plan Modification, Existing Land Use



The tax increment will be captured for the tax years the payments for which become delinquent in

years 2020 through 2034 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 this building for commercial and industrial uses as permitted in the I-2 Heavy Industrial Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan, 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 was first declared blighted and substandard by action of the Hastings City Council on the 27th of May, 1992. (§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)**

Hastings adopted a Comprehensive Plan on February 24, 2009. This redevelopment plan amendment and project are consistent with the Comprehensive Development Plan, in that no changes in the Comprehensive Development Plan elements are intended. This plan merely provides funding for the developer to rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations. The Hastings Planning Commission held a public hearing at their meeting on September 17, 2018 and approved Plan Modification #8.21.18 to Redevelopment Plan V confirming that

this project is consistent with the Comprehensive Development Plan for the City of Hastings.

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 V provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

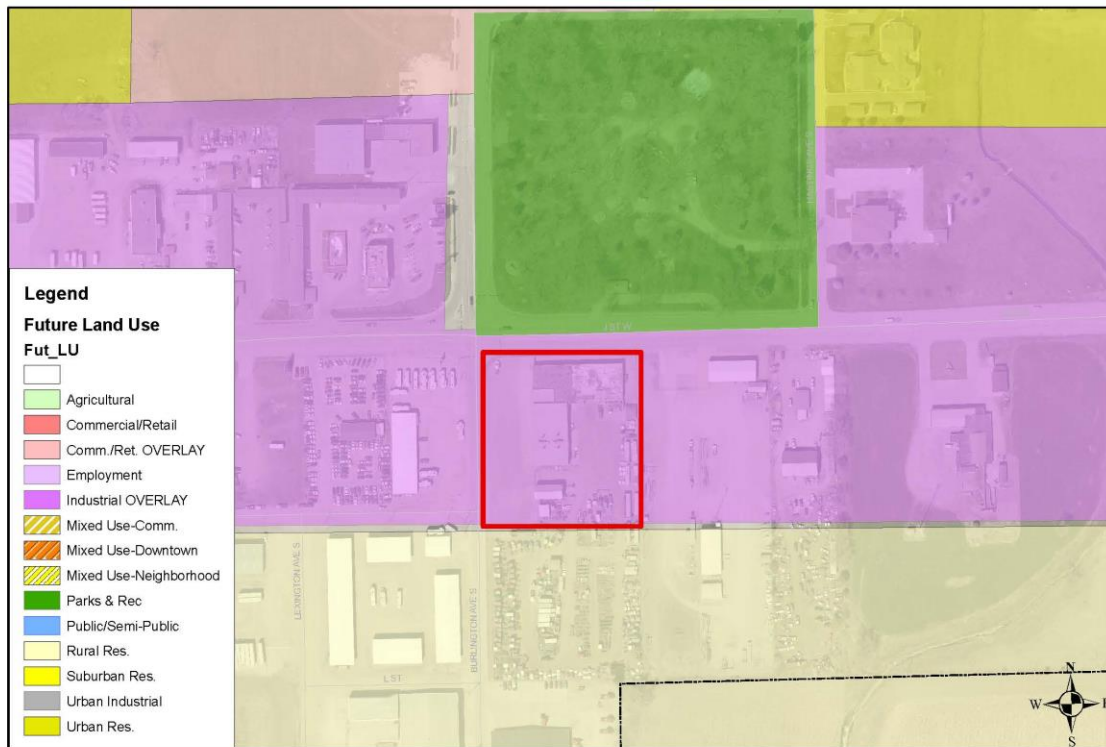
b. Demolition and Removal of Structures:

The project to be implemented with this plan provides for the demolition and removal of an approximately 9,000 sq ft dilapidated warehouse building.

c. Future Land Use Plan

See the attached map from the 2009 Hastings Comprehensive Development Plan. All of the area around the site is in private ownership is planned for industrial or commercial development; this includes warehousing and commercial uses within the same structure. This property is in private ownership. [§18-2103(b) and §18-2111) the attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5))

Future Land Use Map



NE Truck Center Plan Mod, Future Land Use

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

The area is zoned I-2 Heavy Industrial and 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 demolishing a portion of the existing building, constructing a new warehouse and rehabilitating the existing building. The developer is proposing to increase the size of the building with the addition of a warehouse, however, the addition and the current building meets the applicable regulations regarding site coverage and intensity of use. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. If required, the developer will extend a water line capable of providing sufficient water for a sprinkler system to construct the new warehouse and renovate the building.

Electric utilities are sufficient for the proposed use of this building. No other utilities would be impacted by the development.

The developer will be responsible for replacing any streets or 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 has been utilized for industrial uses only and no relocation is contemplated or necessary. [§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] No members of the authority or staff of the CRA has any interest in this property.**
- 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 owns this property and acquisition is not part of the request for tax increment financing. The estimated costs of rehabilitation of this property is \$1,300,000, planning related expenses for Architectural and Engineering services of \$63,000 and are included as a TIF eligible expense. Site preparation of \$99,000 and utility and infrastructure costs of \$54,000 are included as TIF eligible expense. The total of TIF eligible expenses for this project is \$318,800. The CRA has been asked to grant \$195,000 to this project to offset the cost of TIF eligible expenditures.

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 \$195,000 from the proceeds of the TIF which after interest is paid will result in approximately \$264,400 of direct aid to the project. 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, 2020 through December 2034.

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 Hastings Comprehensive Development Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of both the Hastings City Council and the Community Redevelopment Authority of creating commercial corridors that make a positive impact on visitors and residents of the community as well as to expand employment opportunities within the community.

8. Time Frame for Development

Development of this project is anticipated to be completed between November 2018 and December 2019. Excess valuation should be available for this project for 15 years beginning with the 2020 tax year.

9. Justification of Project

Nebraska Truck Center purchased the existing structure and business in 1992 and for many years has operated this location on a shoe string budget. The current warehouse building has outlived its useful life and needs to be replaced. The facility currently has nine employees and it is the company's hope that this project will increase revenue and employment opportunities and allow the company to keep more products on hand thereby increasing service to their area customers. When completed the property will see a significant increase in value and will eliminate a public hazard with removal of the driveway access along Highway 6, create a green space in place of a small asphalt lot which will help control water runoff, eliminate an outdated and substandard building by replacing it and bringing the structure up to today's standards and codes and provide other landscaping and facade improvements which will extend the life of

the building and prevent the reoccurrence of blighted and substandard conditions.

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 Hastings has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses.

Approximately \$264,400 in public funds from tax increment financing provided by the Hastings Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$1,105,000 in private sector financing; a private investment of \$4.18 for every TIF dollar of investment.

USE OF FUNDS	SOURCE OF FUNDS			Totals
	TIF Funds	Other Grants	Equity or Bank funds	
Description				
Site Preparation	\$ 99,000		\$ -	\$ 99,000
Utility & Infrastructure	\$ 30,000		\$ -	\$ 30,000
Engineering & Architecture	\$ 63,000		\$ -	\$ 63,000
New Construction			\$ 1,056,200	\$ 1,056,200
Façade	\$ 3,000	\$ -	\$ 48,800	\$ 51,800
TOTALS	\$ 195,000	\$ -	\$ 1,105,000	\$ 1,300,000

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2017, valuation of approximately \$509,540. Based on the 2017 levy this would result in a real property tax of approximately \$11,399.00. It is anticipated that the assessed value will increase by \$790,460 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$17,684 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 2017 assessed value:	\$509,540
Estimated value after completion	\$1,300,000
Increment value	\$790,460
Annual TIF generated (estimated)	\$17,684
TIF bond issue	\$195,000

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

The redevelopment project area currently has an estimated valuation of \$509,540.

The proposed redevelopment will create additional valuation of \$790,460. 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. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building actually reduces the chances of negative impacts to the fire department.

(c.) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on employers and employees of firms locating within the boundaries of the redevelopment area.

(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 project will not have a negative impact on other employers in any manner different from any other expanding business within the Hastings area.

(e) Impacts on the student populations of school districts within the city or village; and

There is no additional housing associated with this project and it is not anticipated that this will impact schools in any significant way.

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

This project is consistent with the goals of the City Council and the Community Redevelopment Authority of creating commercial corridors that make a positive impact on visitors and residents of the community as well as to expand employment opportunities within the community.

Time Frame for Development

Development of this project is anticipated to be completed during between November of 2018 and December of 2019. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2020 with taxes due in 2021. 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 on an amount not to exceed \$195,000 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 rehabilitation the developer will spend at least \$318,000 on TIF eligible activities. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.**