

City of Kearney
Community Redevelopment Authority
Cost-Benefit Analysis
Kearney Area Habitat for Humanity (Phase II)
Redevelopment Area No. 7
(Required by State Statute 18-2113(2))

(A) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147:

The ad valorem real property taxes (“taxes”) generated by the current value of the Project Site will continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Additional, or incremental taxes generated from new real property value created from this Redevelopment Project (“Project”) is estimated to range from \$3,286 for year one to \$48,640 for year seven and beyond. This would produce approximately \$577,532 of taxes over a fifteen year period. Eighty-three percent of the additional taxes, not to exceed the eligible estimated project costs of \$477,245, will be rebated to the Redeveloper for eligible Project costs. The remaining seventeen percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated eighty-three percent rebate to the Redeveloper will range from \$2,728 for year one to \$40,371 for year seven and beyond. This will produce a total rebate of approximately \$479,352. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$321,763), Buffalo County (\$79,301), City of Kearney (\$36,527), Central Community College (\$25,077), Central Platte NRD (\$8,613), ESU #10 (\$3,291), Ag Society (\$3,253), and the City of Kearney Community Redevelopment Authority (\$1,527). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$477,425 in TIF funds will leverage approximately \$1,677,246 in private sector financing, resulting in a private investment of more than \$3.51 for every City TIF dollar spent.

Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of the Project is a positive shift in taxes after fifteen years. Additionally, because of the need for significant additional public infrastructure to develop the vacant lots, it is not anticipated that there will be any valuation increase on the Project Site without approval of a redevelopment project utilizing TIF. Accordingly, any valuation increase is deemed to be a benefit to the City, even considering the fifteen-year period.

(B) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

There are no anticipated negative public infrastructure impacts from the Project. The Project will require the extension of streets and storm water infrastructure as well as the public utilities to serve the Project Site, but the project should not create a burden on public resources. Specifically, 17th Street will be extended east to Avenue P and Avenue P will extend south to 16th Street.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The CRA and Redeveloper anticipate that the Project will provide additional utility fees, licenses, sales tax, and other tax revenues to the City. Overall, the Project should have a positive impact on local taxes.

(C) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

Currently, there are no employers or employees within the Project Site. Since the project only includes the construction of twenty single family residential homes, it is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the Project.

(D) Impacts on other employers and employees within the city and the immediate area that are located outside of the boundaries of the area of the redevelopment project:

The CRA and Redeveloper anticipate that the Project will have a positive impact on other employers and employees within the City or surrounding area. The surrounding businesses outside of the Project will benefit from an increased appearance of the area.

(E) Impacts on student populations of school districts within the City:

The Project will not significantly impact student populations of school districts within the City. The Project will include twenty single family homes. These homes could have the potential overall average of two children per household. The Project is located in the Bryant Elementary School District and Sunrise Middle School District.

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

Redeveloper and the CRA anticipate the following relevant impacts on the City:

- The Project will occupy and develop land that is currently vacant, has been determined to be blighted and substandard, and has limited assessed tax value in its current state.
- The Project should help promote the development of future projects around the Project Site and along Avenue N.
- The Project will allow Kearney Area Habitat for Humanity volunteers and home owners to continue the construction of residential homes for qualifying individuals and families.

(G) Cost Benefit Analysis Conclusion:

Based upon the findings presented in this cost-benefit analysis, the benefits outweigh the costs of the proposed Project.

**City of Kearney
Community Redevelopment Authority
Annual Estimated Assessed Valuation and Real Estate Tax Capture
Kearney Area Habitat for Humanity (Phase II)
Redevelopment Area No. 7**

Parcels 600008024, 600008038, 600008039, 600008042, 600008043, 600008044, 600008045, 600008046, 600008047, 600008048, 600008049, 600008050, 600008051, 600008052, 600008053, 600008054, 600008055, 600008056, 600008057, 600008058

Assessed value/taxes - base value year (actual)											
Year	Assessed Value (Base)	Base Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Base Value Taxes
			1.210000	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
1	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
2	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
3	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
4	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
5	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
6	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
7	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
8	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
9	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
10	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
11	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
12	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
13	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
14	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
15	261,695	261,695	3,167	780	359	247	85	32	32	15	4,717
Total property taxes - base value year			47,498	11,706	5,392	3,702	1,271	486	480	225	70,760

Assessed value/taxes - base value year plus increment (estimated)											
Year	Assessed Value (with increment)	Increment Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Increment Value Taxes
TIF percent abated		100%	1.21	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
Annual valuation Increase		0.00%									
1	444,000	182,305	2,206	544	250	172	59	23	22	10	3,286
2	888,000	626,305	7,578	1,868	860	591	203	78	77	36	11,290
3	1,332,000	1,070,305	12,951	3,192	1,470	1,009	347	132	131	61	19,293
4	1,776,000	1,514,305	18,323	4,516	2,080	1,428	490	187	185	87	27,297
5	2,220,000	1,958,305	23,695	5,840	2,690	1,847	634	242	240	112	35,301
6	2,664,000	2,402,305	29,068	7,164	3,300	2,265	778	297	294	138	43,304
7	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
8	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
9	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
10	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
11	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
12	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
13	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
14	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
15	2,960,000	2,698,305	32,649	8,047	3,706	2,545	874	334	330	155	48,640
Total property taxes - base & improvements			387,667	95,544	44,008	30,213	10,377	3,965	3,919	1,840	577,532

Assessed value/taxes - base value year plus increment (estimated)											
Year	Assessed Value (with increment)	Increment Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Increment Value Taxes
TIF percent abated		83%	1.21	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
Annual valuation Increase		0.00%									
1	444,000	151,313	1,831	451	208	143	49	19	19	9	2,728
2	888,000	519,833	6,290	1,550	714	490	168	64	64	30	9,371
3	1,332,000	888,353	10,749	2,649	1,220	838	288	110	109	51	16,014
4	1,776,000	1,256,873	15,208	3,748	1,726	1,185	407	156	154	72	22,657
5	2,220,000	1,625,393	19,667	4,847	2,233	1,533	526	201	199	93	29,300
6	2,664,000	1,993,913	24,126	5,946	2,739	1,880	646	247	244	114	35,943
7	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
8	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
9	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
10	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
11	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
12	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
13	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
14	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
15	2,960,000	2,239,593	27,099	6,679	3,076	2,112	725	277	274	129	40,371
Total property taxes - base & improvements			321,763	79,301	36,527	25,077	8,613	3,291	3,253	1,527	479,352

Note: Estimated assessed value for each home at completion is \$148,000.