

City of Kearney
Community Redevelopment Authority
Cost-Benefit Analysis
Bowman Agronomics, Inc.
Redevelopment Area No. 12
(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 at \$19,122 in year one with an estimated annual increase of two percent annually. This would produce approximately \$330,693 of additional taxes over a fifteen year period. One hundred percent of the additional taxes, not to exceed the eligible estimated project costs, will be rebated to the Redeveloper (\$250,000) for eligible Project Costs and to the City (\$80,693) to assist with the construction of Patriot Boulevard. An estimated one hundred percent rebate to the Redeveloper and the City will range from \$19,122 in year one to \$25,232 in year fifteen assuming an annual valuation increase of two percent and no changes in property tax levies. This will produce a total rebate of approximately \$330,693. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$222,584), Buffalo County (\$54,544), City of Kearney (\$25,061), Central Community College (\$17,507), Central Platte NRD (\$4,700), ESU #10 (\$2,579), Ag Society (\$2,737), and the City of Kearney Community Redevelopment Authority (\$981). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$250,000 in TIF funds will leverage approximately \$857,219 in private sector financing, resulting in a private investment of more than \$3.43 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 lot, 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 public streets to serve the Project Site and the Project should not create a burden on public resources.

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

The CRA and Redeveloper anticipate that the Project may provide additional sales 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. As such, the CRA expects that the public and private improvements associated with the Project will attract businesses and employees to the area.

Construction of the Project will require a number of construction employees and managers. Redeveloper intends to use as many local construction trades as possible during construction. Those contractors that come from outside the City will use other hotels, apartments, restaurants, gas stations and other services and facilities in the City during the construction time frame.

The Project will bring additional jobs to the Project Site as the business grows. Most of the individuals that will fill these jobs already live in or around the City. In light of the above, Redeveloper and the CRA anticipate that the Project will have a positive impact on employers and employees of firms locating or expanding within the boundaries of the Project Site.

(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 the other employers and employees within the City or surrounding area. With respect to employees, the Project is expected to result in the transfer of three existing jobs and should not cause any job decreases in the surrounding area.

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

The Project will not impact student populations of school districts within the City.

(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 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 Patriot Boulevard and Piper Avenue.

(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
Bowman Agronomics, Inc.
Redevelopment Area No 12
Parcels 620143575 and 620143580

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
			1.220002	0.298962	0.13736	0.095956	0.025761	0.014138	0.015001	0.005379	1.812559
1	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0	0	0	0	0
Total property taxes - base value year			0	0	0	0	0	0	0	0	0

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%	1.220002	0.298962	0.13736	0.095956	0.025761	0.014138	0.015001	0.005379	1.812559
Annual valuation increase		2.00%									
1	1,055,000	1,055,000	12,871	3,154	1,449	1,012	272	149	158	57	19,122
2	1,076,100	1,076,100	13,128	3,217	1,478	1,033	277	152	161	58	19,505
3	1,097,622	1,097,622	13,391	3,281	1,508	1,053	283	155	165	59	19,895
4	1,119,574	1,119,574	13,659	3,347	1,538	1,074	288	158	168	60	20,293
5	1,141,966	1,141,966	13,932	3,414	1,569	1,096	294	161	171	61	20,699
6	1,164,805	1,164,805	14,211	3,482	1,600	1,118	300	165	175	63	21,113
7	1,188,101	1,188,101	14,495	3,552	1,632	1,140	306	168	178	64	21,535
8	1,211,863	1,211,863	14,785	3,623	1,665	1,163	312	171	182	65	21,966
9	1,236,101	1,236,101	15,080	3,695	1,698	1,186	318	175	185	66	22,405
10	1,260,823	1,260,823	15,382	3,769	1,732	1,210	325	178	189	68	22,853
11	1,286,039	1,286,039	15,690	3,845	1,767	1,234	331	182	193	69	23,310
12	1,311,760	1,311,760	16,003	3,922	1,802	1,259	338	185	197	71	23,776
13	1,337,995	1,337,995	16,324	4,000	1,838	1,284	345	189	201	72	24,252
14	1,364,755	1,364,755	16,650	4,080	1,875	1,310	352	193	205	73	24,737
15	1,392,050	1,392,050	16,983	4,162	1,912	1,336	359	197	209	75	25,232
Total property taxes - base & improvements			222,584	54,544	25,061	17,507	4,700	2,579	2,737	981	330,693

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		90.00%	1.220002	0.298962	0.13736	0.095956	0.025761	0.014138	0.015001	0.005379	1.812559
Annual valuation increase		2.00%									
1	1,055,000	949,500	11,584	2,839	1,304	911	245	134	142	51	17,210
2	1,076,100	968,490	11,816	2,895	1,330	929	249	137	145	52	17,554
3	1,097,622	987,860	12,052	2,953	1,357	948	254	140	148	53	17,906
4	1,119,574	1,007,617	12,293	3,012	1,384	967	260	142	151	54	18,264
5	1,141,966	1,027,769	12,539	3,073	1,412	986	265	145	154	55	18,629
6	1,164,805	1,048,325	12,790	3,134	1,440	1,006	270	148	157	56	19,002
7	1,188,101	1,069,291	13,045	3,197	1,469	1,026	275	151	160	58	19,382
8	1,211,863	1,090,677	13,306	3,261	1,498	1,047	281	154	164	59	19,769
9	1,236,101	1,112,491	13,572	3,326	1,528	1,068	287	157	167	60	20,165
10	1,260,823	1,134,740	13,844	3,392	1,559	1,089	292	160	170	61	20,568
11	1,286,039	1,157,435	14,121	3,460	1,590	1,111	298	164	174	62	20,979
12	1,311,760	1,180,584	14,403	3,529	1,622	1,133	304	167	177	64	21,399
13	1,337,995	1,204,196	14,691	3,600	1,654	1,155	310	170	181	65	21,827
14	1,364,755	1,228,279	14,985	3,672	1,687	1,179	316	174	184	66	22,263
15	1,392,050	1,252,845	15,285	3,746	1,721	1,202	323	177	188	67	22,709
Total property taxes - base & improvements			200,326	49,090	22,555	15,756	4,230	2,321	2,463	883	297,624