

**City of Kearney**  
**Community Redevelopment Authority**  
**Cost-Benefit Analysis**  
**Kearney Investment Corporation**  
**Redevelopment Areas No. 2 and No. 8**  
(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 \$355,023 per year assuming no annual increase in valuation. This would produce approximately \$5,325,346 of taxes over a fifteen year period. Eighty percent of the additional taxes, not to exceed the eligible estimated project costs of \$4,260,277, will be rebated to the City of Kearney and the Redeveloper for eligible Project costs. The remaining twenty percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated eighty percent rebate to the Redeveloper and the City will be \$284,018 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$4,260,277. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$2,859,697), Buffalo County (\$704,795), City of Kearney (\$324,635), Central Community College (\$222,872), Central Platte NRD (\$76,550), ESU #10 (\$29,247), Ag Society (\$28,911), and the City of Kearney Community Redevelopment Authority (\$13,571). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$4,260,277 in TIF funds will leverage approximately \$34,645,255 in private sector financing, resulting in a private investment of more than \$8.13 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 and relocation of the public utilities to serve the Project Site, but the project should not create a burden on public resources. Redeveloper intends to construct internal private roadways to provide the necessary ingress and egress for the Project. Additionally, Redeveloper intends to extend 6<sup>th</sup> Avenue around the boundaries of the Project Site and construct additional access points from Talmadge Street to account for increased traffic flow. All public rights-of-way will remain under the ownership of the City. Redeveloper will construct public sanitary sewer and water improvements as part of the Project. Drainage and detention improvements required for the Project will benefit the public and surrounding properties.

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

The CRA and Redeveloper anticipate that the Project will provide several thousand dollars in additional sales tax revenues to the City. Additionally, the hotel should provide significant tax revenue to Buffalo County and 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. The Project will provide additional retail and lodging amenities to surrounding businesses that will make the area more desirable to potential businesses in the surrounding 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 an estimated total of 75 new jobs to the Project Site. Redeveloper estimates that the hotel and convention center alone will create 40 new jobs. In addition, the hotel restaurant and coffee shop should result in approximately 35 new jobs. 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 approximately 75 new jobs and should not cause any job decreases in the surrounding area.

With respect to the surrounding businesses, the hotel is projected to draw 64,000 visitors annually to the area. The Project is projected to increase event attendance at the Holiday Inn and Younes Conference Center from 760,000 to 1,000,000 in annual attendees. A significant number of these visitors are from outside the local community. As such, the increase in visitors should lead to an increase in money spent in the City, directly benefitting other businesses within the City.

**(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 2<sup>nd</sup> Avenue – and important corridor for the City.
- The Project should bring significant consumer spending to other area businesses from hotel guests currently staying in other markets. Most notably, restaurants and gas stations will receive an immediate and direct benefit from the Project.

- The larger convention center will be able to accommodate larger groups of people, leading to a growth in visitors and tourists. The City's exposure should lead to an increase in business development and economic growth.

**(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 Investment Corporation  
Redevelopment Area Nos 2 and 8  
Parcel 580092005**

**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	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
2	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
3	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
4	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
5	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
6	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
7	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
8	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
9	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
10	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
11	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
12	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
13	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
14	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
15	305,120	305,120	3,692	910	419	288	99	38	37	18	5,500
<b>Total property taxes - base value year</b>			<b>55,379</b>	<b>13,649</b>	<b>6,287</b>	<b>4,316</b>	<b>1,482</b>	<b>566</b>	<b>560</b>	<b>263</b>	<b>82,502</b>

**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
<b>TIF percent abated</b>		<b>100%</b>	<b>1.210000</b>	<b>0.298214</b>	<b>0.13736</b>	<b>0.094302</b>	<b>0.03239</b>	<b>0.012375</b>	<b>0.012233</b>	<b>0.005742</b>	<b>1.802616</b>
<b>Annual valuation Increase</b>		<b>0.00%</b>									
1	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
2	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
3	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
4	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
5	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
6	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
7	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
8	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
9	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
10	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
11	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
12	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
13	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
14	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
15	20,000,000	19,694,880	238,308	58,733	27,053	18,573	6,379	2,437	2,409	1,131	355,023
<b>Total property taxes - base &amp; improvements</b>			<b>3,574,621</b>	<b>880,993</b>	<b>405,793</b>	<b>278,590</b>	<b>95,688</b>	<b>36,559</b>	<b>36,139</b>	<b>16,963</b>	<b>5,325,346</b>

**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
<b>TIF percent abated</b>		<b>80%</b>	<b>1.21</b>	<b>0.298214</b>	<b>0.13736</b>	<b>0.094302</b>	<b>0.03239</b>	<b>0.012375</b>	<b>0.012233</b>	<b>0.005742</b>	<b>1.802616</b>
<b>Annual valuation Increase</b>		<b>0.00%</b>									
1	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
2	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
3	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
4	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
5	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
6	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
7	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
8	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
9	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
10	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
11	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
12	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
13	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
14	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
15	20,000,000	15,755,904	190,646	46,986	21,642	14,858	5,103	1,950	1,927	905	284,018
<b>Total property taxes - base &amp; improvements</b>			<b>2,859,697</b>	<b>704,795</b>	<b>324,635</b>	<b>222,872</b>	<b>76,550</b>	<b>29,247</b>	<b>28,911</b>	<b>13,571</b>	<b>4,260,277</b>