

**City of Kearney  
Community Redevelopment Authority  
Cost-Benefit Analysis  
Kruger Development  
Redevelopment Area No. 5  
(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 \$6,496 per year assuming no annual increase in valuation. This would produce approximately \$97,435 of additional taxes over a fifteen-year period. Fifty-two (52%) percent of the additional taxes, not to exceed the eligible estimated project costs, will be rebated to the Redeveloper (\$50,663) for eligible Project Costs. The remaining 48% percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated 52% percent rebate to the Redeveloper will be \$3,378 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$50,663. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$33,053), Buffalo County (\$9,314), City of Kearney (\$4,117), Central Community College (\$2,539), Central Platte NRD (\$614), ESU #10 (\$411), Ag Society (\$481), and the City of Kearney Community Redevelopment Authority (\$138). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$50,663 in TIF funds will leverage approximately \$593,000 in private sector financing, resulting in a private investment of more than \$11.70 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.

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, if any, 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.

**(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.

**(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 16<sup>th</sup> Street.

**(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  
Kruger Development - Phase II  
Redevelopment Area No 5  
Parcels 600047362**

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
			1.195309	0.33681	0.14887	0.091824	0.022196	0.014876	0.017385	0.004975	1.832245
1	69,380	69,380	829	234	103	64	15	10	12	3	1,271
2	69,380	69,380	829	234	103	64	15	10	12	3	1,271
3	69,380	69,380	829	234	103	64	15	10	12	3	1,271
4	69,380	69,380	829	234	103	64	15	10	12	3	1,271
5	69,380	69,380	829	234	103	64	15	10	12	3	1,271
6	69,380	69,380	829	234	103	64	15	10	12	3	1,271
7	69,380	69,380	829	234	103	64	15	10	12	3	1,271
8	69,380	69,380	829	234	103	64	15	10	12	3	1,271
9	69,380	69,380	829	234	103	64	15	10	12	3	1,271
10	69,380	69,380	829	234	103	64	15	10	12	3	1,271
11	69,380	69,380	829	234	103	64	15	10	12	3	1,271
12	69,380	69,380	829	234	103	64	15	10	12	3	1,271
13	69,380	69,380	829	234	103	64	15	10	12	3	1,271
14	69,380	69,380	829	234	103	64	15	10	12	3	1,271
15	69,380	69,380	829	234	103	64	15	10	12	3	1,271
Total property taxes - base value year			12,440	3,505	1,549	956	231	155	181	52	19,068

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
		100%	1.195309	0.33681	0.14887	0.091824	0.022196	0.014876	0.017385	0.004975	1.832245
Annual valuation Increase		0.00%									
1	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
2	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
3	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
4	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
5	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
6	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
7	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
8	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
9	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
10	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
11	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
12	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
13	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
14	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
15	423,900	354,520	4,238	1,194	528	326	79	53	62	18	6,496
Total property taxes - base & improvements			63,564	17,911	7,917	4,883	1,180	791	924	265	97,435

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
		52.00%	1.195309	0.33681	0.14887	0.091824	0.022196	0.014876	0.017385	0.004975	1.832245
Annual valuation Increase		0.00%									
1	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
2	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
3	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
4	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
5	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
6	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
7	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
8	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
9	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
10	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
11	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
12	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
13	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
14	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
15	423,900	184,350	2,204	621	274	169	41	27	32	9	3,378
Total property taxes - base & improvements			33,053	9,314	4,117	2,539	614	411	481	138	50,666