

**City of Kearney**  
**Community Redevelopment Authority**  
**Cost-Benefit Analysis**  
**SEDO Hospitality, Inc.**  
**Redevelopment Area 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 \$200,802 per year assuming no annual increase in valuation. This would produce approximately \$3,012,027 of additional taxes over a fifteen-year period. Ninety (95%) percent of the additional taxes, not to exceed the eligible estimated project costs, will be rebated to the Redeveloper (\$190,762) for eligible Project Costs. The remaining 5% percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated 95% percent rebate to the Redeveloper will be \$190,762 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$2,861,426. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$1,888,128), Buffalo County (\$511,918), City of Kearney (\$228,841), Central Community College (\$138,765), Central Platte NRD (\$36,032), ESU #10 (\$27,628), Ag Society (\$22,867), and the City of Kearney Community Redevelopment Authority (\$7,248). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$2,861,426 in TIF funds will leverage approximately \$18,965,000 in private sector financing, resulting in a private investment of more than \$6.63 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:**

The new construction will provide additional hotel rooms to accommodate the participants and spectators at the new Kearney Sportsplex as well as conferencing and convention attendees. 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 by bringing new tourism and increased visitors to our city. Other businesses will benefit from new opportunities for growth and increased revenue due to more travelers to the community.

**(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.

**(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  
SEDO Hospitality, Inc.  
Redevelopment Area No 8  
Parcel 580095500

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
			1.228303	0.333023	0.14887	0.090272	0.02344	0.017973	0.014876	0.004715	1.861472
1	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
2	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
3	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
4	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
5	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
6	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
7	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
8	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
9	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
10	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
11	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
12	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
13	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
14	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
15	214,500	214,500	2,635	714	319	194	50	39	32	10	3,993
Total property taxes - base value year			39,521	10,715	4,790	2,905	754	578	479	152	59,893

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%	1.228303	0.333023	0.14887	0.090272	0.02344	0.017973	0.014876	0.004715	1.861472
Annual valuation Increase		0.00%									
1	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
2	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
3	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
4	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
5	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
6	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
7	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
8	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
9	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
10	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
11	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
12	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
13	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
14	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
15	11,001,760	10,787,260	132,500	35,924	16,059	9,738	2,529	1,939	1,605	509	200,802
Total property taxes - base & improvements			1,987,504	538,861	240,885	146,068	37,928	29,082	24,071	7,629	3,012,027

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		95.00%	1.228303	0.333023	0.14887	0.090272	0.02344	0.017973	0.014876	0.004715	1.861472
Annual valuation Increase		0.00%									
1	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
2	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
3	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
4	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
5	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
6	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
7	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
8	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
9	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
10	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
11	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
12	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
13	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
14	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
15	11,001,760	10,247,897	125,875	34,128	15,256	9,251	2,402	1,842	1,524	483	190,762
Total property taxes - base & improvements			1,888,128	511,918	228,841	138,765	36,032	27,628	22,867	7,248	2,861,426