

**City of Kearney
Community Redevelopment Authority
Cost-Benefit Analysis
Kearney Partnership
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 \$35,776 per year assuming no annual increase in valuation. This would produce approximately \$536,646 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 (\$509,813) 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 \$33,988 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$509,813. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$336,403), Buffalo County (\$91,207), City of Kearney (\$40,772), Central Community College (\$24,723), Central Platte NRD (\$6,420), ESU #10 (\$4,922), Ag Society (\$4,074), and the City of Kearney Community Redevelopment Authority (\$1,291). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$509,813 in TIF funds will leverage approximately \$4,994,977 in private sector financing, resulting in a private investment of more than \$9.80 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 through the promotion of continued growth and benefit of the city of Kearney. 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:

Development in the proposed area will enhance and compliment the Kearney Partnership building. The community meeting space that will be offered will be available to businesses, non-profits and residents for a nominal fee. The premier visitors center will be open 7 days a week and will provide educational and exhibit experiences, highlighting things to do in Buffalo County and Nebraska via interactive displays, kiosks and more.

The CRA expects that the public and private improvements associated with the Project will attract businesses and employees to the area.

(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:

By keeping the three organizations (The Economic Development Council of Buffalo County, the Kearney Visitors Bureau and the Kearney Area Chamber of Commerce) co-located, we can continue to build a strong culture for our community. Community meeting space will allow for expanded educational programming for businesses and industry. The new building will allow for technology upgrades, ADA accessible restrooms for our guests, ample parking for visitors and staff, as well as on-site storage. Our goal is to attract businesses, developers, site selectors and visitors from across the state, nation, and world.

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

The Project will not impact student populations of the Kearney Public School District 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
Kearney Partnership
Redevelopment Area No 8
Parcel 580092980

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	28,725	28,725	353	96	43	26	7	5	4	1	535
2	28,725	28,725	353	96	43	26	7	5	4	1	535
3	28,725	28,725	353	96	43	26	7	5	4	1	535
4	28,725	28,725	353	96	43	26	7	5	4	1	535
5	28,725	28,725	353	96	43	26	7	5	4	1	535
6	28,725	28,725	353	96	43	26	7	5	4	1	535
7	28,725	28,725	353	96	43	26	7	5	4	1	535
8	28,725	28,725	353	96	43	26	7	5	4	1	535
9	28,725	28,725	353	96	43	26	7	5	4	1	535
10	28,725	28,725	353	96	43	26	7	5	4	1	535
11	28,725	28,725	353	96	43	26	7	5	4	1	535
12	28,725	28,725	353	96	43	26	7	5	4	1	535
13	28,725	28,725	353	96	43	26	7	5	4	1	535
14	28,725	28,725	353	96	43	26	7	5	4	1	535
15	28,725	28,725	353	96	43	26	7	5	4	1	535
Total property taxes - base value year			5,292	1,435	641	389	101	77	64	20	8,021

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	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
2	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
3	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
4	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
5	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
6	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
7	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
8	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
9	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
10	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
11	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
12	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
13	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
14	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
15	1,950,665	1,921,940	23,607	6,401	2,861	1,735	451	345	286	91	35,776
Total property taxes - base & improvements			354,109	96,008	42,918	26,025	6,758	5,181	4,289	1,359	536,646

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	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
2	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
3	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
4	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
5	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
6	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
7	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
8	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
9	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
10	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
11	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
12	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
13	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
14	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
15	1,950,665	1,825,843	22,427	6,080	2,718	1,648	428	328	272	86	33,988
Total property taxes - base & improvements			336,403	91,207	40,772	24,723	6,420	4,922	4,074	1,291	509,813