

City of Kearney
Community Redevelopment Authority
Cost-Benefit Analysis
PEANUT BUTTER & JELLY, LLC IV
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 \$119,258 per year assuming no annual increase in valuation. This would produce approximately \$1,788,875 of additional taxes over a fifteen-year period. Ninety percent of the additional taxes, not to exceed the eligible estimated project costs, will be rebated to the Redeveloper (\$1,609,987) for eligible Project Costs. The remaining ten percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated ninety percent rebate to the Redeveloper will be \$107,332 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$1,609,987. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$1,059,265), Buffalo County (\$285,207), City of Kearney (\$132,184), Central Community College (\$75,820), Central Platte NRD (\$20,759), ESU #10 (\$12,172), Ag Society (\$18,156), and the City of Kearney Community Redevelopment Authority (\$6,423). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$1,609,987 in TIF funds will leverage approximately \$8,330,000 in private sector financing, resulting in a private investment of more than \$5.17 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 parcel, 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 property 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.

This project will help employees working within the project area have affordable housing and allow them to live very near their employer. Retailers located within the project area should benefit from increased sales to the tenants living in the new residential apartment housing.

(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:

Retailers located outside the project area should also benefit from increased sales to the tenants living in the new residential apartment housing.

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

The Project will have minimal impact on the 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.