

City of Kearney
Community Redevelopment Authority
Cost-Benefit Analysis
Stonebridge Wealth Systems
Redevelopment Area No. 2
(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 \$6,195 per year assuming no annual increase in valuation. This would produce approximately \$92,927 of additional taxes over a fifteen-year period. Ninety (90%) percent of the additional taxes, not to exceed the eligible estimated project costs, will be rebated to the Redeveloper (\$83,635) for eligible Project Costs. The remaining 10% percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated 90% percent rebate to the Redeveloper will be \$5,576 per year assuming no annual increase in valuation or changes in property tax levies. This will produce a total rebate of approximately \$83,635. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$55,742), Buffalo County (\$16,367), City of Kearney (\$7,263), Central Community College (\$976), Central Platte NRD (\$1,166), ESU #10 (\$620), Ag Society (\$1,164), and the City of Kearney Community Redevelopment Authority (\$336). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$83,635 in TIF funds will leverage approximately \$900,000 in private sector financing, resulting in a private investment of more than \$10.76 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 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 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:

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. Local subcontractors will be used if possible for the construction of this project.

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

The Redeveloper has indicated that they periodically educate KPS and UNK students through workshops, and as a result, the Project will have a positive impact student populations of school districts and educational institutions 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 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.