

**City of York, Nebraska, Community Development Agency
Fairfield Inn Redevelopment Plan**

The Community Development Agency (CDA) of York, Nebraska, intends to adopt a site specific Redevelopment Plan for CDA Area #10 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing to assist in site rehabilitation and infrastructure extension for a new Fairfield Inn.

Executive Summary:

Project Description:

THE REHABILITATION OF AN UNDEVELOPED PLATTED LOT IN CDA AREA #10 REQUIRING SIGNIFICANT SITE PREPARATION AND PAVEMENT OF THE A PORTION OF GRAND AVENUE AND THE CONSTRUCTION OF A NEW FAIRFIELD INN WITH UP TO 79 ROOMS WITH PARKING AND OTHER AMENITIES

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of Lot 3, Block 1, H&R Addition and Grand Avenue adjoining said lot in to the city of York, York County, Nebraska, will incent a significant development near the Interstate 80 interchange. The total project is estimated to cost \$13,989,314. The investment will allow for the paved extension of Grand Avenue, construction of a new hotel attracting additional travelers to stay in the city, provide new jobs and generate an increase in tax revenue to support the community. Without the grant of funds from tax increment financing developer cannot generate a sufficient return to justify this level of investment. This project would not be feasible without the use of TIF and will not be financed without a grant funded by tax increment financing. The CDA has documentation from the Redeveloper showing that the level of project investment yields a rate of return less than is standard for this development.

Anarba, LLC, is the owner and Redeveloper of the site. The Redeveloper is responsible for and has provided evidence that it can secure adequate debt financing to cover the costs associated with the rehabilitation of this property, subject to receipt of tax increment financing. The CDA is requested to pledge the ad valorem taxes generated over the 15 year period, beginning with an effective date determined by a redevelopment contract and contract amendment, towards the allowable costs and associated financing for rehabilitation.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

Legal Description: Lot 3, Block 1, H&R Addition to the City of York, York County, Nebraska, and Grand Avenue adjacent thereto.

Existing Land Use is shown below.



The current assessed valuation of the real estate is \$267,000 (“base value”) and is taxed at \$4,784. During a 15 year period of division of taxes for tax increment financing taxes on the base value will continue to be paid to the normal taxing entities. The assessed property valuation above the base value is estimated to be \$6,320,000 as a result of the rehabilitation.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the CDA hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract and Redevelopment Contract Amendment, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

- a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes

collected by or for the bodies; and

b. That portion of the ad valorem tax on real property, as provided in the redevelopment contract, bond resolution, or redevelopment plan, as applicable, in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the CDA to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, of the CDA for financing or refinancing, in whole or in part, the redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the CDA shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CDA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the York City Council.

The York City Council received a substandard and blight analysis for the Redevelopment Project Area and declared it substandard and blighted and in need of redevelopment after compliance with the requirements of the Act.

2. Conformation to the General Plan for the Municipality as a whole.

York adopted a Comprehensive Plan in 2019. This redevelopment plan and project are consistent with the Comprehensive Plan, in that the proposed project is implement a consistent use as designated in the Comprehensive Plan. This plan merely provides funding for the Redeveloper to rehabilitate the Redevelopment Project Area for permitted uses on this property as defined by the current and effective zoning regulations, subject to revision of height restrictions.

3. The Redevelopment Plan must be sufficiently complete to address the following items:

a. Land Acquisition:

The Redevelopment Plan does not require site acquisition. There is no proposed

acquisition by the CDA.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not require demolition but does require for extensive earth work and site development for street and project development.

c. Future Land Use Plan

Exhibit "A", attached hereto is a map showing the Future Land Use Plan for the Redevelopment Area after rehabilitation.

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned C-3 Highway Commercial. A zoning change will be required to allow the anticipated structure height of 60 feet. It is anticipated that such change will be made by the City for all of the C-3 zone. Grand Avenue will be paved and extended to the southern end of Lot 3, Block 1, H&R Addition to the city. No other planning changes contemplated.

The Redevelopment Plan provides that the Redeveloper will pay for the paved extension of Grand Avenue to the west of the site to standards established by the City.

The proposed site plan for the development shows a driveway exit onto a dedicated but unopened street south of site. In order to prevent the public from traveling on the unopened roadway, the Redeveloper will be required to install an unmovable barricade preventing vehicles exiting the site to the south. The city will not be required to open or otherwise improve the unopened street.

e. Site Coverage and Intensity of Use

Exhibit "A" shows the site as fully developed. The site contains 1.78 acres. The structure will contain 4 stories with the development to provide 79 parking spaces, six of which will be ADA compliant. It is currently intended that the parking will be public as provided in a redevelopment contract between the CDA and the Redeveloper.

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Electric utilities are sufficient for the proposed use of this building. No other utilities would be impacted by the development.

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.

The Redeveloper will not be required to relocate individuals or families as part of the site redevelopment.

5. No member of the CDA, nor any employee thereof holds any interest in any property in this Redevelopment Project Area.

No members of the CDA have any interest in this property.

6. The Act requires that the CDA consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to Redevelopers.

The Redeveloper is the owner of the property. The Request for Tax Increment Financing shows estimated costs for site preparation is included in the project construction cost. Since the site is owned by the Redeveloper there will be no proceeds from site disposal.

b. Statement of proposed method of financing the redevelopment project.

Project financing includes \$1,857,044 in equity, a commercial loan of \$11,191,451 and a TIF grant of \$937,804. The TIF grant from the CDA is anticipated to be repaid from the Tax Increment Revenues generated from the project over a period of fifteen years.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. The Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, the CDA shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The CDA has considered these elements in proposing this Plan. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring blighting conditions due to site obsolescence.

8. Time Frame for Development

Development of this project is anticipated to begin in late fall of 2024.

9. Cost Benefit Analysis

Section 18-2113 of the Act further requires the CDA conduct a cost benefit analysis of the Plan in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Act, §18-2147, *Neb. Rev. Stat. (2022)*, the CDA has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Based on Redeveloper’s estimate of annual TIF revenues, \$1,627,000 (total of principal and interest) in public funds from tax increment financing over 15 years, provided by the York Community Development Agency, will be required to complete the project. This investment by the CDA will leverage an estimated \$13,048,495 in private sector financing; a private investment of \$8.19 for every tax dollar invested.

The grant from TIF funds of \$937,804 will reimburse the Redeveloper for a portion of the TIF eligible costs of the project expenditures below:

A. Land Acquisition:	78,000
B. Site Development: (to be separated from construction cost)	\$TBD
C. Building Costs:	\$10,974,124
D. Equipment	\$342,900
E. Architectural & Engineering	\$260,000
F. Redeveloper Legal Fees	\$10,000
G. Paving of Grand Avenue	\$373,568
H. Financing Costs	\$724,127
I. Parking (to be separated from construction cost)	TBD
J. Other	\$1,226,595
TOTAL	\$13,989,314

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2024, valuation of approximately \$267,000. Based on the 2023 levy this would result in a real property tax of approximately \$4,875. It is anticipated that the assessed value will increase by \$6,053,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$108,467 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF note, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2024 assessed value:	\$ 267,000
Estimated value after completion	\$6,320,000
Increment value	\$6,053,000
Annual TIF generated (estimated)	\$ 108,467
TIF bond issue	\$ 937,804

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

Tax shifts will be anticipated to be equal to \$1,627,000 total of principal and interest, over 15 years, on the TIF Note.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. Fire and police protection are available and should not be negatively impacted by this development.

The Project will require paving a portion of Grand Avenue. The Redeveloper will be responsible for that cost.

This redevelopment project will generate significant lodging tax and generate approximately \$57,000 in local city sales tax.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

This project is project to incur approximately \$500,000 in payroll cost at full operation, with the number of employees yet to be determined.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project should not have a negative impact on other employers in any manner different from any other expanding business within the York area.

(e) Impacts on student populations of school districts within the City or Village:

This development will have little to no impact on the York School system as it will likely not result in any increased attendance.

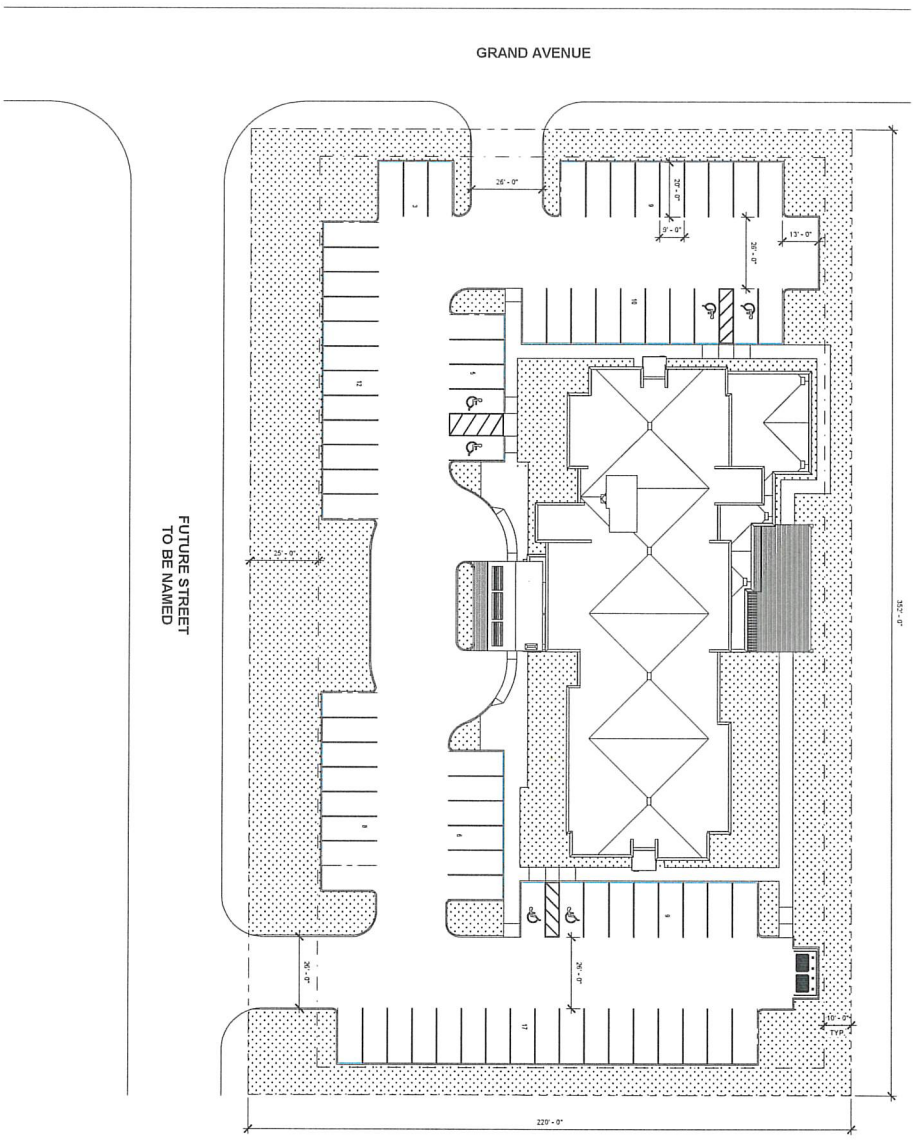
(f) Any other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This project will provide the pavement of Grand Avenue along the western edge of the site without cost to the York taxpayer.

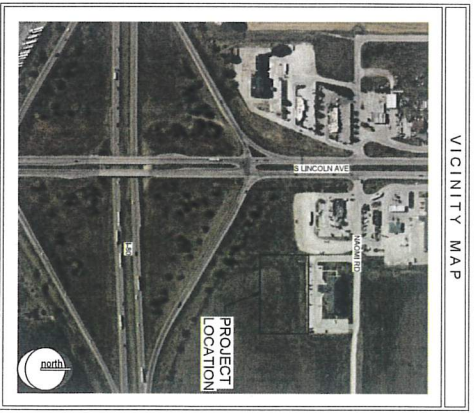
Exhibit A

Future Land Use After Rehabilitation

01 | FAIRFIELD INN, YORK, NE
SITE PLAN



FUTURE STREET
TO BE NAMED



VICINITY MAP

SITE INFORMATION	
FORMER - C-HIGHWAY COMMERCIAL DISTRICT	
SITE AREA:	1.29 ACRES (17,451.91)
HOTEL BUILDING FOOTPRINT:	12,841 SF (INCLUDES SIGNAGE)
LANDING INFORMATION	
HOTEL:	200 ROOMS
MAX BUILDING HEIGHT:	4'-0" (12')
MAX SIGNAGE HEIGHT:	20'-0" (6.1M)
LANDSCAPE	
LANDSCAPE FOOTPRINT:	79
LANDSCAPE VOLUME:	73
LANDSCAPE MATERIALS:	71
TOTAL PLANNING PROVIDED	71

SITE LEGEND	
-----	SERVICE
-----	PARKING
-----	PREFERENTIAL
-----	ACCESSIBLE PARKING



01/19/2024 | THE RICHARDSON
DESIGN PARTNERSHIP
TEL: 801.355.6868
WWW.TRDP.COM