

EXHIBIT “H”

GRAND THEATER REDEVELOPMENT PROJECT COST-BENEFIT ANALYSIS

(Pursuant to Neb. Rev. Stat. § 18-2113)

November, 2019

The cost-benefit analysis for the above referenced project, which will utilize funds authorized by Neb. Rev. Stat. §18-2147, can be summarized as follows:

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15 year tax shift is as follows:

a.	Redevelopment Project Valuation:	\$72,000.00
b.	Projected Completed Project Assessed Valuation:	\$900,000.00
c.	Projected Tax Increment Base (b. minus a.):	\$828,000.00
d.	Estimated Tax Levy:	2.31503
e.	Annual Projected Tax Shift (less 1% assessor's fee):	\$18,976.00

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2018 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.

2. 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:

The Project anticipates expenditures of approximately \$1,250,000.00 for construction and installation of the Project and related and ancillary improvements. It is proposed that up to \$194,000.00 in TIF over the 15 year TIF period will be used for eligible public expenditures associated with the Project. The actual amount of the TIF indebtedness will depend on the interest rate the redeveloper obtains from its lender, although for purposes of this Cost-Benefit Analysis, the interest rate is assumed to be up to 5.5% per annum. The cost of the eligible public improvements is estimated to exceed \$250,000.00. The public infrastructure improvements associated with the Project are necessary to utilize the Project Site for any use, and all the public improvements will create a material positive impact on existing public infrastructure. The Project improvements will materially benefit the City.

- b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The City should realize revenue from sales taxes paid by the customers of the commercial and/or retail operated on the Project Site after completion of the Project. The Project will also materially contribute to municipal revenues through excise taxes, fees, licenses, and other taxes that occur and are paid in the course of the normal operation of a business.

The Project will require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

The Project will create additional employment in the community. The Redeveloper anticipates that the new street level commercial and/or retail space constructed as part of the Project will create employment opportunities in the Redevelopment Area, although the number and type of employment opportunities will not be determined until the ultimate operator(s) said space are identified.

It is not anticipated that the Project will have a material adverse impact on other employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. Rather, the construction of 9 apartment units on the Project Site will create additional housing options and types for employers and employees of firms locating or expanding in the Downtown district.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers, but should increase the need for services and products from existing businesses. The Project will likely require the purchase of janitorial services and similar products/services for the operation of the ground level commercial and/or retail space.

Further, the removal of blight and substandard conditions through renovation and rehabilitation of a historic building may attract further development in downtown Norfolk, which will both create and support additional jobs in the City, and strengthen the Downtown district as a center of commerce, governance and gathering in accordance with the Comprehensive Plan.

5. Impacts on the student populations of school districts within the City:

The Project is not anticipated to have a material impact on student populations of school districts within the City of Norfolk. The Project includes construction of approximately 9 one-bedroom, two-bedroom and three-bedroom apartment units, which should not result in a material increase in student populations in local schools. The apartment units are expected to be attractive to young professionals employed in downtown Norfolk.

6. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project.

7. Summary of Findings:

The Project Site is in disrepair and is in need of redevelopment in order to revitalize the historic Grand Theater building. The redevelopment of the Project Site will eliminate the existence of blight and substandard conditions from the Redevelopment Area to the benefit of the City as a whole. It is anticipated that the Project will attract and maintain commercial and residential activity in downtown Norfolk in furtherance of the goals of the Comprehensive Plan. There will be a material property tax shift in the short-term because of the use of TIF, but there will be other tax and municipal revenue generated for the immediate benefit of the community. Additionally, the Project will benefit the community through higher property tax revenue in the long-term. The Project will facilitate the development of a blighted and substandard area of the City without the incurrence of significant public cost. The benefits outweigh the costs of the proposed Project.