

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

Monday, April 03, 2017
5:15 p.m.

Created 3/30/2017 8:34 AM

Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Monday, April 03, 2017 at 5:15 p.m. at the City Council Chambers, 309 N. 5th St., Norfolk, Nebraska.

The Agency reserves the right to adjourn into closed session as per Section 84-1410 of the Nebraska Revised Statutes.

An agenda for such meeting, kept continuously current, is available at the office of the City Administrator, City of Norfolk, 309 N 5th St, Norfolk, Nebraska, during normal business hours.

Elizabeth A. Deck
Norfolk City Clerk &
CDA Secretary

Publish (March 31, 2017)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

April 03, 2017

Call to Order

1. Call meeting to order
2. Inform the public about the location of the Open Meeting Act posted in the City Council Chambers and accessible to members of the public.
3. Roll Call

Action Items/Discussion Items

- | | |
|---|---------------|
| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the March 6, 2017 Agency meeting. | Motion |
| 6. Consideration of acceptance of the SCM 10X Norfolk 1120, LLC (13th/Omaha) Redevelopment Plan and authorization to forward to the Planning Commission for recommendation. | Motion |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY

April 03, 2017

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Action Items/Discussion Items

- | | |
|---|---------------|
| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the March 6, 2017 Agency meeting. | Motion |

See Enclosure 5.

- | | |
|---|---------------|
| 6. Consideration of acceptance of the SCM 10X Norfolk 1120, LLC (13th/Omaha) Redevelopment Plan and authorization to forward to the Planning Commission for recommendation. | Motion |
|---|---------------|

City staff received a Redevelopment Plan for the northwest corner of 13th and Omaha Avenue Redevelopment Area. The redeveloper proposes to demolish existing improvements (including asbestos remediation), relocate utilities and internal access ways, improve existing entrances, and install curb cuts, sidewalks and landscaping. The Community Development Agency is asked to accept the plan and forward to the Planning Commission for review and recommendation.

See Enclosure 6.

COMMUNITY DEVELOPMENT AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, met in the City Council Chambers, 309 N 5th Street, Norfolk, Nebraska, on Monday, March 6, 2017, beginning at 5:15 p.m.

Chair Josh Moenning called the meeting to order.

Roll call found the following Agency members present: Josh Moenning, Dave Fauss, Corey Granquist, Jim Lange, Rob Merrill, Shane Clausen, Gary L. Jackson, Thad Murren and Dick Pfeil. Absent: None.

City staff members present were City Attorney Clint Schukei, City Clerk Beth Deck, Public Works Director Dennis Smith and Economic Development Director Andy Colvin.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and the notice of the meeting was given to the Chair and all members of the Agency prior to the meeting.

The Chair presided and the Secretary recorded the proceedings.

The Chair informed the public about the location of the current copy of the Open Meetings Act posted in the meeting room and accessible to members of the public.

Shane Clausen declared a conflict of interest and did not participate in discussion or voting on agenda items.

Agenda

Lange moved, seconded by Granquist to approve the agenda as printed. Roll call: Ayes: Fauss, Granquist, Lange, Merrill, Moenning, Murren, Jackson and Pfeil. Nays: None. Abstaining: Clausen. Absent: None. Motion carried.

Minutes

February 21, 2017

Merrill moved, seconded by Lange to approve the minutes of the February 21, 2017 Agency meeting as printed. Roll call: Ayes: Fauss, Granquist, Lange, Merrill, Moenning, Murren, Jackson and Pfeil. Nays: None. Abstaining: Clausen. Absent: None. Motion carried.

Resolution No. 2017-3

Delay Bank Building Redevelopment Plan

Granquist moved, seconded by Fauss to adopt Resolution No. 2017-3 approving the Delay Bank Building Redevelopment Plan and forward to the Norfolk City Council for consideration.

The redevelopers propose to rehabilitate the structure for mixed uses, including residential, retail and office. The Delay Bank building consists of two separate buildings under separate ownership and both buildings are vacant and in disrepair. Building revitalization will include exterior and interior of the structures, including life safety investments. An additional impact of the rehabilitation of the structures will be the elimination of a blighted and substandard building

in the downtown area and prevention of further site deterioration. Estimates for full rehabilitation of both properties exceed \$2,100,000.

Roll call: Ayes: Fauss, Granquist, Lange, Merrill, Moenning, Murren, Jackson and Pfeil.
Nays: None. Abstaining: Clausen. Motion carried.

There being no further business, the Chair declared the meeting adjourned at 5:17 p.m.

Josh Moenning, Chair

ATTEST:

Elizabeth A. Deck, Secretary

(S E A L)

March 20, 2017

Andy Colvin
Economic Development Director
309 N 5th Street
Norfolk NE, 68701

RE: Tax Increment Financing (“TIF”) Redevelopment Plan (the “Redevelopment Plan”) submitted by SCM 10X Norfolk 1120, LLC (“Redeveloper”) in connection with the redevelopment of 1120 and 1150 South 13th Street, Norfolk, Nebraska (the “Redevelopment Project”)

Dear Andy,

The Redevelopment Redevelopment Project is located generally on the northwest corner of Highway 81 and Highway 275 bypass, and has been designated as blighted and substandard by the City of Norfolk (“City”). As Redeveloper, we are in the process of redeveloping the Redevelopment Project and have submitted the Redevelopment Plan in connection therewith. The Redevelopment Project will include demolition of the existing improvements (which will require asbestos remediation), relocation of utilities, relocation of the internal access ways and acquiring legal rights of access over the adjacent property (which will benefit the Redevelopment Project and also provide significantly improved access to the adjacent parcels), improvement of existing entrances, and installation of curb cuts, sidewalks and landscaping. The Redevelopment Project’s public improvements will include constructing public access, upgrading water and sewer utilities, filling and grading the site, curb cuts, sidewalks, and landscaping.

As set forth in the Redevelopment Plan, the Redevelopment Project is not economically feasible without the use of TIF. The Redevelopment Project will only move forward if TIF is available from the City.

We look forward to working with you on the Redevelopment Plan.

Sincerely,



Darren A. Hicks
SCM 10X Norfolk 1120, LLC



**SCM 10X NORFOLK 1120, LLC
REDEVELOPMENT PLAN
NORFOLK, NEBRASKA**

**PREPARED MARCH 20, 2017
FOR
THE COMMUNITY DEVELOPMENT AGENCY
OF
NORFOLK, NEBRASKA**

REDEVELOPMENT PLAN INDEX

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Appendix

Exhibit A:	Redevelopment Project Area
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Exhibit D:	Existing Gas and Sewer Improvements
Exhibit E:	Site Plan
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Exhibit G:	Estimated Employment and Payroll
Exhibit H:	Pro Forma with TIF and without TIF

I. INTRODUCTION

The Mayor and City Council of the City of Norfolk ("City"), recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, passed Resolution No. 2016-64 on December 5, 2016. This Resolution declared the area which is to be governed by the terms of this Redevelopment Plan and which is described below (the "Redevelopment Project Area") to be an area which meets the criteria for designation as blighted and substandard in need of redevelopment under the terms of Section 18-2103 (10) and (11) and Section 18-2109, R.R.S. Neb. 2007, as amended.

The Redevelopment Project Area shall consist of Lots 1 and 2, O.L. Scheer Second Addition to the City of Norfolk, Madison County, Nebraska. All of the Redevelopment Project Area is encompassed within that area determined to be blighted and substandard by Resolution No. 2016-64. A map of the above described property showing the boundaries of the Redevelopment Project Area is attached hereto as Exhibit "A".

The Redevelopment Project Area is located generally on the northwest corner of 13th Street (Highway 81) and Omaha Avenue (Highway 275 bypass). The intersection of these two major thoroughfares makes the Redevelopment Project Area the gateway to the city of Norfolk. As further described in this Redevelopment Plan, currently the Redevelopment Project Area has dilapidated metal structures located on it that are in disrepair and that contain asbestos. Further, the Redevelopment Project Area lacks adequate access and adequate public utility infrastructure. Moreover, the current use of the Redevelopment Project Area is not the highest and best use of the property.

It is in the best interest of the City to have this gateway corridor redeveloped into first class commercial space. This redevelopment will bring new businesses to Norfolk, generate additional income to the City and help to revitalize the surrounding properties and both the Highway 81 and Omaha Avenue corridors. Moreover, it is essential to the City's comprehensive plan that dilapidated, inadequate, or deteriorating portions of the City, such as the Redevelopment Project Area, be rehabilitated to conform to the current and future needs of Norfolk and its citizens.

The Redevelopment Project Area shows deterioration of site or other improvements, which includes deteriorating parking areas and access ways and dilapidated structures. The current metal buildings contain asbestos and need to be demolished. The sanitary and gas mains are also awkwardly located to provide utilities and hinder the ability to development the Redevelopment Project Area. The access areas are insufficient for a commercial development and will be redone as part of the project. The Redevelopment Project Area, in short, does not have the improvements that would be required to attract high quality, long term tenants, which is why the current buildings are frequently vacant. The area surrounding the Redevelopment Project Area is zoned industrial and contains an O'Reilly Auto Parts store to the north; a motel to the east; a used car lot to the south; and a hardware store and Sunset Plaza Target shopping center to the west. The redevelopment of the Redevelopment Project Area will help to revitalize the surrounding area and bring new development and new business.

The redevelopment of the Redevelopment Project Area will include demolition of the

existing improvements (which will require asbestos remediation), relocation of utilities, relocation of the internal access ways and acquiring legal rights of access over the adjacent property to the east (which will benefit the Redevelopment Project Area and also provide significantly improved access to the adjacent parcels), improvement of existing entrances, and installation of curb cuts, sidewalks and landscaping.

All of the real estate located within the Redevelopment Project Area is presently owned or will be acquired by SCM 10X Norfolk 1120, LLC (“SCM”, or “Redeveloper”). SCM will act as the Redeveloper of the Redevelopment Plan. None of the Redevelopment Project Area is expected to be acquired by the Agency for redevelopment and therefore the invitation of proposals through public notice in accordance with the terms of Section 18-2119, R.R.S. Neb. 2007, as amended, is not appropriate or required.

The Redeveloper and the Agency shall enter into a redevelopment agreement with such terms and conditions as the Agency deems appropriate to carry out the purposes of this Redevelopment Plan, which shall include but not be limited to: (1) demolishing existing improvements and remediating any asbestos or other environmental concerns, (2) reconfiguring accessways and entering into an easement to provide access to neighboring properties; (3) upgrading existing utilities so that adequate gas and sewer systems service the Redevelopment Project Area and the surrounding development, (4) removal of any concrete and paving or repaving the asphalt; (5) construction of new retail and office buildings, and (6) installation of entrances, curb cuts, sidewalks and landscaping.

The cost of demolishing existing improvements and remediating environmental contamination (including asbestos removal), constructing adequate public accessways, reconfiguring the utilities, and preparing the site for construction, and completing public improvements, such as accessways, sidewalks, curb cuts and landscaping, as outlined herein, will be considerable. Unless the Redeveloper receives some assistance from the Community Development Agency (“CDA”) by the use of Tax Increment Financing (“TIF”), it will not be economically feasible for the Redeveloper to construct any commercial facility to utilize the site. As demonstrated by the five-year pro formas attached hereto as Exhibit “H”, TIF is essential to getting the project to an adequate level of return on investment to be feasible for Redeveloper to complete the project.

The initial site improvements planned by Redeveloper include demolishing existing improvements and remediating any asbestos or other environmental concerns; the engineering and planning of adequate ingress and egress to the Redevelopment Project Area; upgrade and/or relocation of utilities servicing the Redevelopment Project Area; legal expenses; site preparation, including removal of the existing concrete and asphalt; filling the site with additional soil as required; and the preliminary and final grading of the site, installing of entrances, curb cuts, sidewalks and landscaping, all of which are, or may be, required to satisfy the proper development of the area as needed by the City of Norfolk and its citizens.

This Redevelopment Plan is proposed to encourage private investment in this blighted and substandard area to provide an economic benefit to the city as a whole by allowing the construction of retail, restaurant, office and medical space.

II. EXISTING CONDITIONS

A. Existing Land Use

The property has two existing buildings that are used for storage, by an industrial technology tenant, or are vacant. The land surrounding the Redevelopment Project Area consists of a mixture of industrial and commercial retail, as well as undeveloped land. Exhibit “B” shows the existing land use in and around the Redevelopment Project Area.

B. Existing Zoning

The Redevelopment Project Area is currently zoned I-1 and is in the process of being re-zoned C-3 (See Exhibit “C”). The proposed Redevelopment Project is a permitted use in compliance with C-3 zoning.

C. Existing Public Improvements

Existing access to the Redevelopment Project Area is from 13th Street. The internal accessway that provides access to the Ace Hardware development to the east is part of the existing parking lot and there is currently no legal rights to access to and from the Ace Hardware development. There are sidewalks and entrances that are in disrepair and there is no landscaping located on the Redevelopment Project Area. The existing gas and sanitary sewer improvements serving the Redevelopment Plan Area are shown in Exhibit “D”.

D. Existing Building Conditions/Blighting Influences

The buildings and pavement in the Redevelopment Project Area are substandard and in disrepair. The metal buildings contain asbestos and, as such, in connection with their demolition, asbestos removal needs to take place. The surrounding area also has numerous buildings which are dilapidated and in need of repair.

IV. PROPOSED REDEVELOPMENT

A. Public Improvements

1. Public Access

The costs of constructing public access to 13th Street, obtaining legal rights through the adjacent property to the east to grant access to Omaha Avenue and constructing accessways, curb cuts and sidewalks for the Redevelopment Project Area will be financed by funds of the Redeveloper.

2. Construction of Water and Sewer Improvements

The costs of upgrading and construction of gas and sewer infrastructure to adequately service the Project Area and the surrounding area will be financed by funds of the Redeveloper.

3. Other Public Improvements

Other public improvements such as filling and grading the site, curb cuts, entrances, sidewalks and landscaping will be financed by funds of the Redeveloper.

B. Zoning, Street Levels, Building Codes and Ordinances

The Redevelopment Project Area is currently in the process of changing the zoning of the area to C-3. The proposed Redevelopment Project is an appropriate use in compliance with C-3 zoning. No changes are proposed for applicable building codes and ordinances. No changes are proposed for existing street levels. The street level layout proposed after redevelopment is shown on Exhibit "E".

C. Comprehensive Plan - City of Norfolk

The public and private improvements proposed in the Redevelopment Project Area are consistent with the City of Norfolk's Comprehensive Plan.

D. Private Improvements

Private improvements for the Redevelopment Project Area consist of the construction of commercial retail, restaurant, office and medical space.

The Project Area is proposed to be redeveloped through the use of TIF financing and private funds. The development shall consist of two newly constructed buildings, consisting of approximately 2,724 square foot and 10,050 square foot. The Project Area will also include extensive parking and landscaping surrounding the premises with appropriate exterior lighting and signage. Both building, parking and landscaping areas shall conform to all ADA requirements.

There is no proposed residential construction in the Project Area; therefore there will be no population density in the Project Area.

After redevelopment, approximately 15 percent of the Redevelopment Project Area will be covered by buildings. Exhibit "E" is a site plan of the redevelopment project area after redevelopment is completed.

New sidewalks and both public street access improvements, as well as gas and sewer improvements are to be constructed by the Redeveloper as a part of the project. No other additional public utility improvements are expected to be required.

E. Financing

The Redeveloper has advised the City that it will not be economically feasible to develop the proposed project without use of Tax Increment Financing as described in this document. Redevelopment Project only produces an acceptable return on investment to make the project feasible with TIF financing. Please see Exhibit "H," which shows a 5-year pro-forma analysis with and without TIF financing.

Infrastructure development to include (1) demolishing existing improvements and remediating any asbestos or other environmental concerns, (2) reconfiguring accessways and entering into an easement to provide access to neighboring properties; (3) upgrading existing utilities so that adequate gas and sewer systems service the Redevelopment Project Area and the surrounding development, (4) removal of any concrete and paving or repaving the asphalt; and (5) installation of entrances, curb cuts, sidewalks and landscaping; all of which shall be construed as public improvements that may be financed by tax increment financing from the City of Norfolk.

It is proposed that the costs of those delineated improvements in the Project Area shall be paid for by a mix of private equity, a loan with Sac Federal Credit Union, and TIF financing.

Exhibit "F" shows the Estimated Construction Cost of the Redevelopment Project.

G. Employment

The Redevelopment Project will generate both temporary construction jobs as well as permanent jobs in the area. Based on draft leases with proposed medical, retail, and restaurant users for the Redevelopment Project Area, we approximate at least 38 permanent new jobs and \$1,730,000 in payroll each year. Exhibit "G" shows the estimated new jobs and payroll generated by the redevelopment area each year.

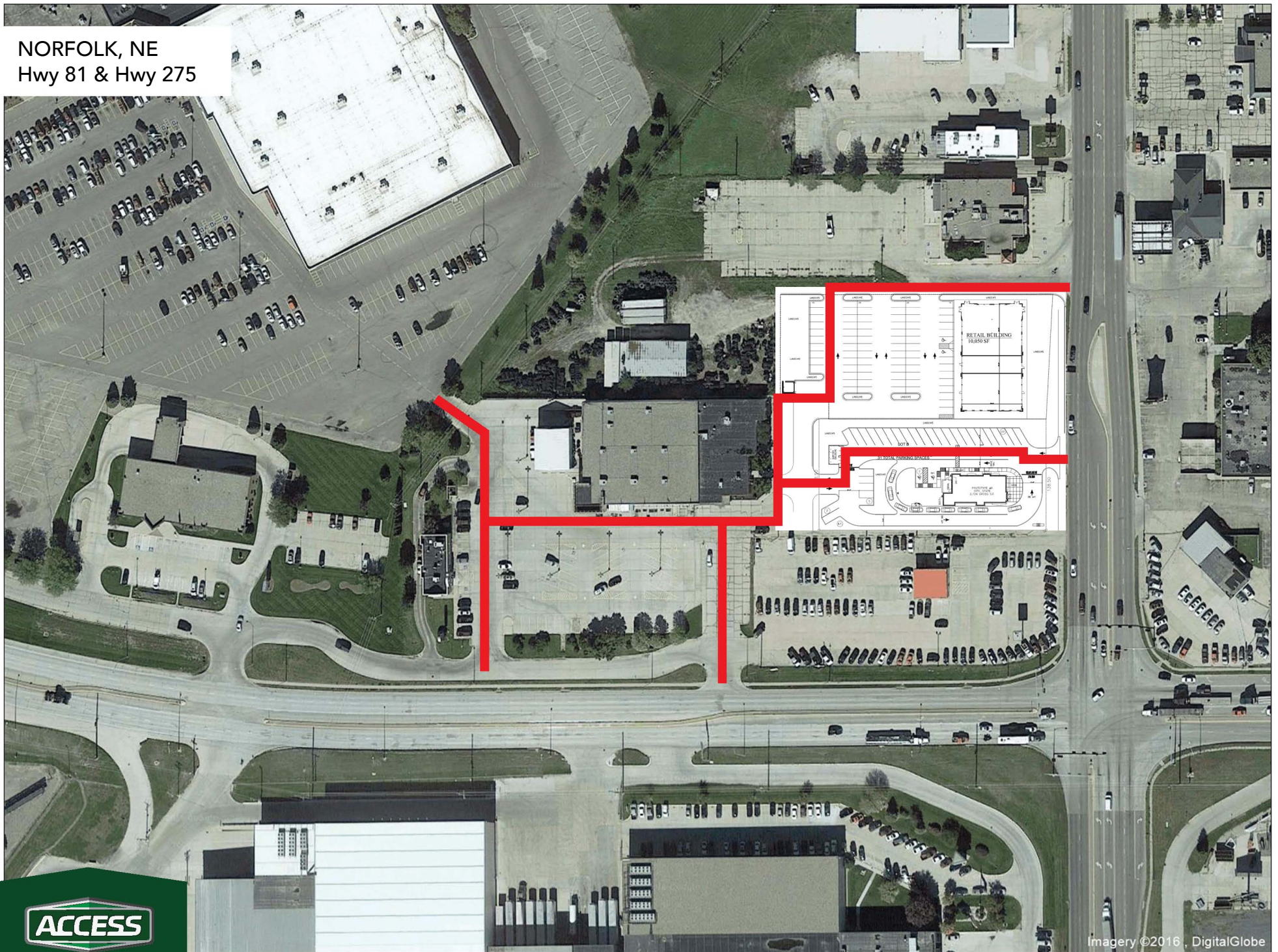
Exhibit A
Redevelopment Project Area

Exhibit A

4/3/2017

Enclosure 6
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NORFOLK, NE
Hwy 81 & Hwy 275



Imagery ©2016, DigitalGlobe



Exhibit B
Existing Land Use

Exhibit B

4/3/2017

Enclosure 6
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NORFOLK, NE
Hwy 81 & Hwy 275



ACCESS

Exhibit C
Zoning Code for C-3 Zoning

DIVISION 14. DISTRICT C-3, SERVICE COMMERCIAL DISTRICT

Sec. 27-181. Intent - District C-3.

The Service Commercial District (C-3) is intended to provide areas around the city to provide for general business, commercial and service activities. It is also intended to provide business oriented areas adjacent to major arterials and expressways with special design considerations in order to insure safe and efficient circulation and attractive appearance.

Source: Ord. No. 4603, § 1, 9-16-02

Sec. 27-182. Permitted uses - District C-3.

In District C-3, no building, structure, land, or premises shall be used, and no building or structure shall be hereafter erected, constructed, reconstructed, moved, or altered as a permitted use, except for one or more of the following or as provided for in Sec. 27-401:

- (1) Convenience food sales.
- (2) Limited food sales.
- (3) General food sales.
- (4) Supermarkets.
- (5) Financial services.
- (6) Limited retail services.
- (7) Medium retail services.
- (8) Mass retail services.
- (9) Personal services.
- (10) Theaters, motels, hotels.
- (11) Frozen food lockers for individual or family use.
- (12) Gymnasiums.
- (13) Motor vehicle and boat sales and services.
- (14) Soil extraction for public road purposes when meeting the requirements set forth in Section 27-293.
- (15) Automobile and other motor vehicle repair services including engine overhaul, major repair, bodywork and limited truck repair services so long as any area being utilized for truck repair services does not constitute more than one-third (1/3) of the total area being utilized for automobile services described herein.

Source: Ord. No. 4603, § 1, 9-16-02; Ord. 4679, § 13, 8-18-03; Ord. No. 5087, § 1, 9-8-

Sec. 27-183. Conditional uses - District C-3.

In District C-3, the following conditional uses, as well as those provided for in Sec. 27-401, may be allowed. Any conditional use permit shall include as minimal conditions those conditions specifically set forth in this section for each conditional use listed. In the event a conditional use in this district abuts upon residentially zoned property, a solid or semi-solid fence or wall at least six (6) feet but not more than eight (8) feet high, finished on both sides, shall be provided; or a ten (10) foot landscape buffer consisting of shrubs (3 to 4 feet apart) and evergreens (6 to 14 feet apart) planted to provide an effective visible screen, may be provided along the property line and maintained by the owner or owners of property. Additional conditions, stipulations, or restrictions may also be required as is deemed necessary for the protection of the public interest.

- (1) Miniature golf courses.

All lighting shall be directed away from adjoining or adjacent residential districts.

- (2) Mini-storage or self-storage.

All material or property shall be maintained in a completely enclosed building that is partitioned into units. Each unit within the storage area shall be designed to be leased to the general public for storage but not for the conducting of business.

- a. The depth of the rear yard shall not be less than twenty-five (25) feet or twenty percent (20%) of the lot depth, whichever is less, for all one (1) to two and one-half (2½) story buildings.
- b. The depth of the rear yard shall not be less than thirty (30) feet for all three (3) or more story buildings.

- (3) Mobile and mobile home sales including use of either for office.

- (4) One single-family residential dwelling unit for watchman or caretaker of facility operating as a permitted use in this district.

Source: Ord. No. 4603, § 1, 9-16-02; Ord. No. 5192, § 1, 1-17-12

Sec. 27-184. Height and area regulations - District C-3.

In District C-3, unless otherwise specified, the maximum height and minimum lot requirements shall be as follows:

	Max Height	Front Yard	Side Yard	Rear Yard	Lot Width	Lot Area	Max Building Coverage	Max Impervious Coverage	Max Floor Area Ratio
Permitted Uses (3)	45' See (5) below	40'	0' (1)	See (2) below	100'	20,000 sq. ft.	50%	80%	1.0
Conditional Uses (3) (4)	45' See (5) below	40'	0' (1)	30'	100'	20,000 sq. ft.	50%	80%	1.0

- (1) No side yards shall be required unless adjacent to a residentially zoned (R) district, then the required side yard is seven (7) feet on the contiguous side(s). A side yard of twenty-five (25) feet shall be provided on the street sides of a corner lot. However, a side yard setback of fifteen (15) feet shall be provided for an attached canopy on a corner lot fronting on an arterial street so long as the canopy complies with the sight triangle provision set forth in section 27-290 of this code.
- (2) All structures shall provide a rear yard as follows:
- The depth of the rear yard shall not be less than twenty-five (25) feet or twenty percent (20%) of the lot depth, whichever is less, for all one (1) story to two and one-half (2½) story buildings.
 - The depth of the rear yard shall be not less than thirty (30) feet for all three (3) story or more buildings.
- (3) All uses subject to buffering requirements set forth in Sec. 27-306 and Sec. 27-307.
- (4) Unless modified as a part of a site plan or conditional use approval.
- (5) With a conditional use permit, height may be increased except that in all instances must comply with airport zoning.

Source: Ord. No. 4603, § 1, 9-16-02; Ord. No. 4796, § 2, 5-2-05; Ord. No. 5015, § 1, 7-7-08; Ord. No. 5413, § 13, 7-5-16

Exhibit D
Existing Gas and Sewer Improvements

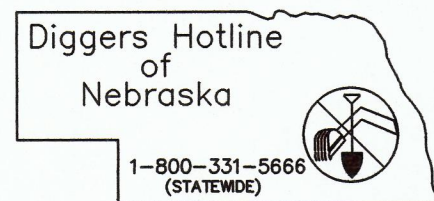
Exhibit D

4/3/2017

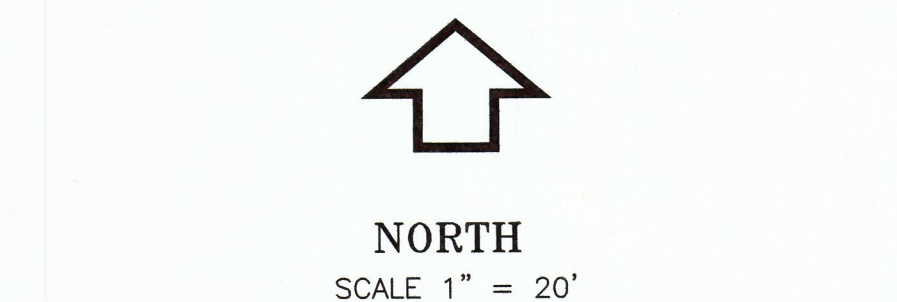
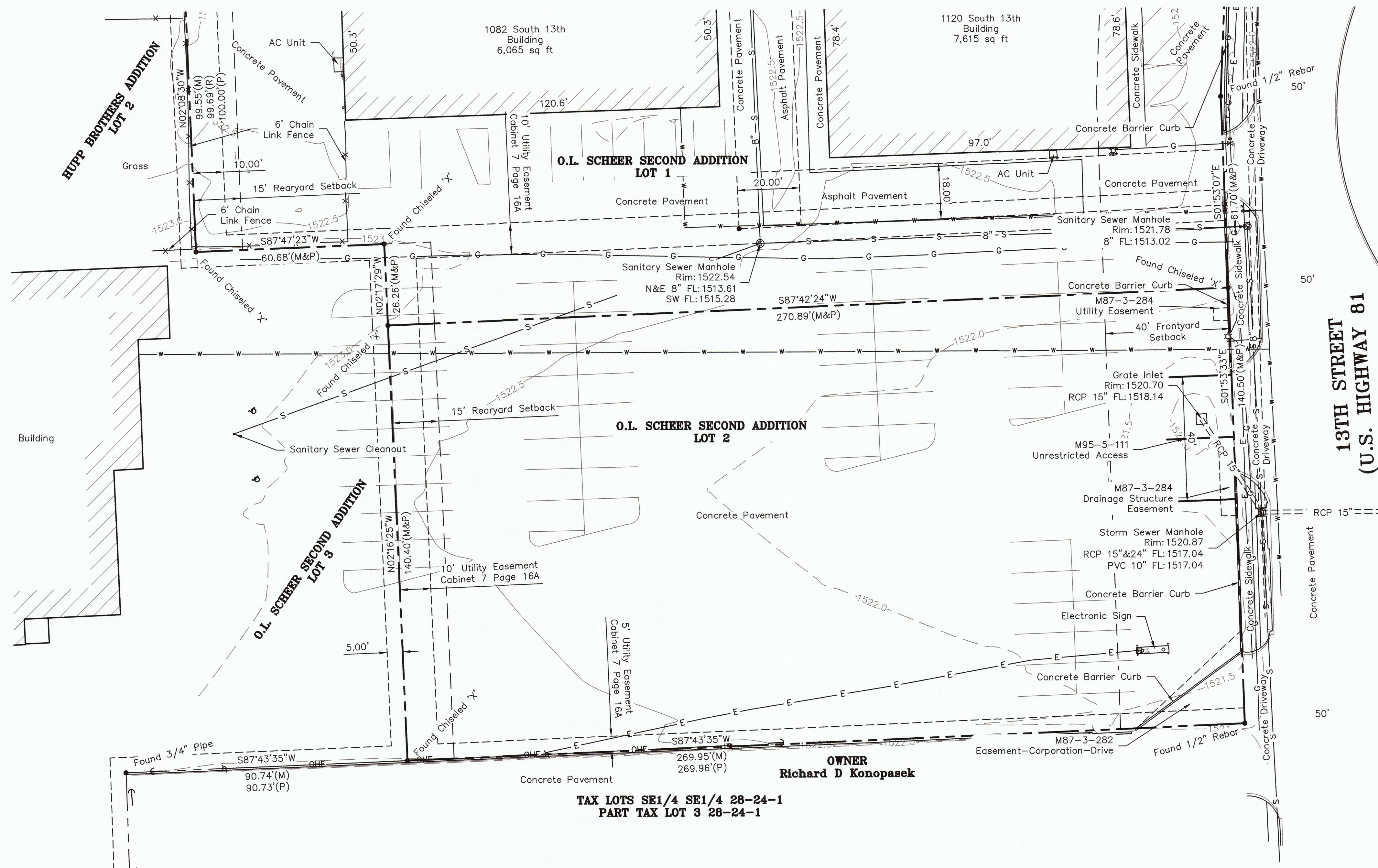
Enclosure 6
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Retain the Location Request Number for YOUR Own Protection!



NOTE:
UNDERGROUND UTILITY LOCATIONS SHOWN ARE FROM INFORMATION PROVIDED TO US FROM UTILITY COMPANIES. UTILITY COMPANIES MAKE NO WARRANTIES OR GUARANTEES REGARDING THE ACCURACY OF THE INFORMATION CONTAINED IN THEIR DOCUMENTS AND PROVIDES IT ONLY AS GENERAL INFORMATION TO THE RECEIVER. FOR SPECIFIC LOCATIONS DURING CONSTRUCTION CALL "DIGGERS HOTLINE" 1-800-331-5666 (STATEWIDE) PRIOR TO DIGGING.



- LEGEND**
- SECTION CORNER
 - SET CAPPED 5/8" REBAR
 - FOUND SURVEY POINT
 - CALCULATED SURVEY POINT
 - TEMPORARY CONTROL POINT (T.C.P.) (12" LANDSCAPE SPIKE TYP.)
 - CRIMPED TOP PIPE
 - OPEN TOP PIPE
 - STAR DRILL HOLE
 - CHISELED "X" IN CONCRETE
 - PLAT DISTANCE
 - ACTUAL DISTANCE
 - RECORDED DISTANCE
 - CALCULATED DISTANCE
 - RADIUS OF CURVE
 - TEMPORARY PROJECT BENCH MARK
 - SANITARY MANHOLE
 - SANITARY SEWER PIPE
 - COVER ELEVATION
 - INVERT ELEVATION
 - STORM DRAIN MANHOLE
 - STORM DRAIN SEWER PIPE
 - OVERHEAD ELECTRIC
 - ELECTRIC MANHOLE
 - UNDERGROUND ELECTRIC
 - POWER POLE
 - GUY WIRE
 - LIGHT POLE
 - STREET LAMP
 - SPOT LIGHT
 - OVERHEAD TELEPHONE
 - TRANSFORMER
 - UNDERGROUND TELEPHONE
 - TELEPHONE CONDUIT
 - TELEPHONE MANHOLE
 - WATER MANHOLE
 - WATER
 - WATER VALVE
 - FIRE HYDRANT
 - POST INDICATOR VALVE
 - GAS
 - GAS VALVE
 - GAS MANHOLE
 - CABLE TELEVISION
 - SIGN
 - TRAFFIC SIGNAL
 - SPOT ELEVATION
 - FINISHED FLOOR ELEVATION
 - FENCE (CHAIN LINK OR WIRE)
 - FENCE (WOODEN OR WROUGHT IRON)
 - LANDSCAPING
 - TREE LINE
 - DECIDUOUS TREE
 - CONIFEROUS TREE
 - BUSH
 - MAJOR CONTOUR
 - MINOR CONTOUR

PROJECT	
161194	
REVISIONS	NO.
DESCRIPTION	DATE
BY	

REGA
ENGINEERING
GROUP, INC.
601 OLD CHENEY ROAD, SUITE A
LINCOLN, NEBRASKA 68512
(402) 484-7342
● ENGINEERING
● PLANNING
● SURVEYING

RASING CANES
1150 SOUTH 13TH STREET
NORFOLK, NEBRASKA

DATE: 03/08/2017
DESIGNED BY: REGA
DRAWN BY: REGA
CHECKED BY: REGA
CREW: REGA



SHEET NO.
1 of 2

Exhibit E
Site Plan

Exhibit E

4/3/2017

Enclosure 6
Page 25 of 33

NORFOLK, NE
Hwy 81 & Hwy 275

SITE PLAN:
Building Size: 10,050 sf
Parking Ratio: 9.5:1 (95 stalls)

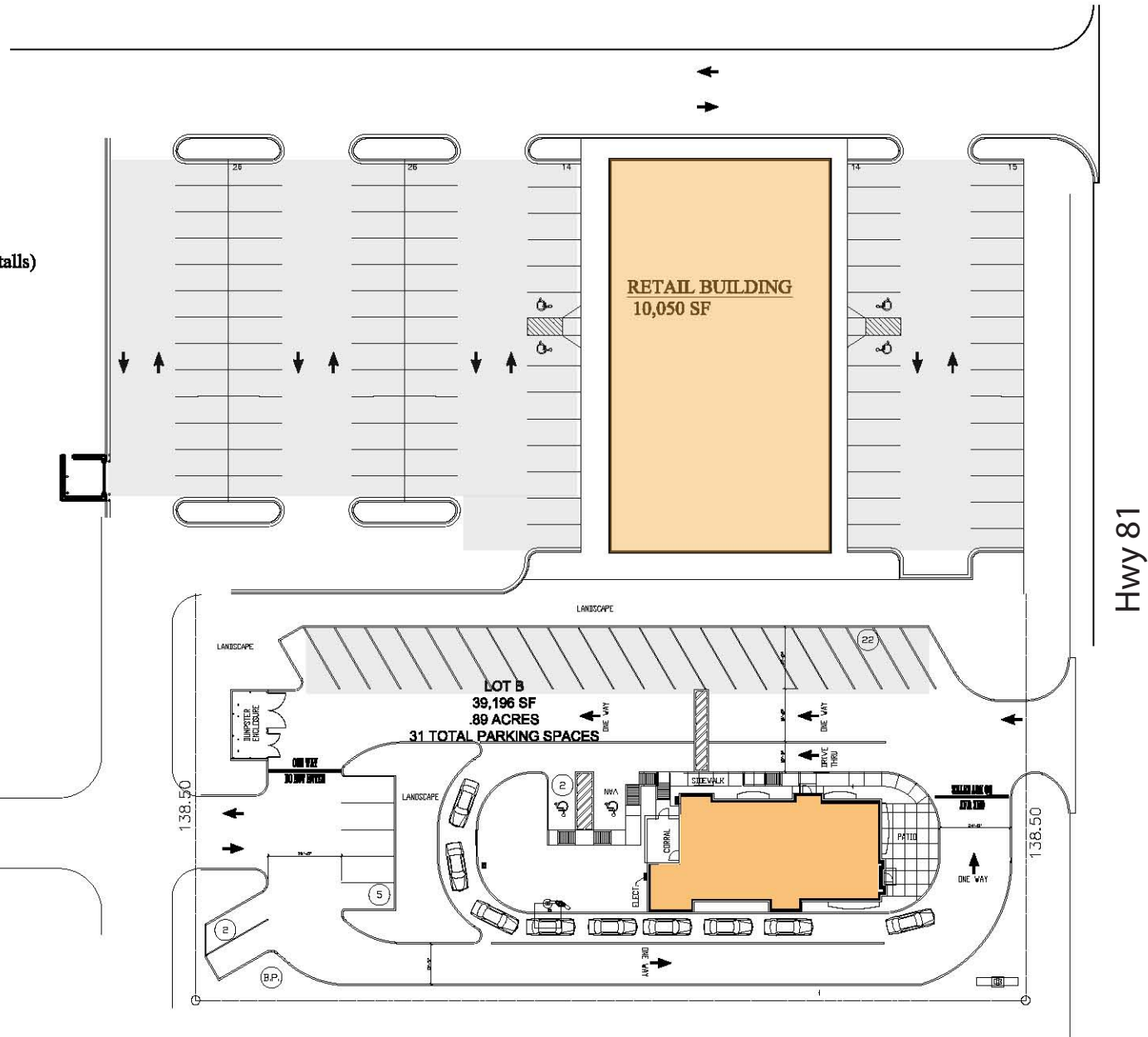


Exhibit F
Estimated Construction Cost of the Redevelopment Project

Sources of Funds	
Owner Equity	\$ 1,248,986.00
Construction Loan	\$ 3,300,000.00
TIF Financing	\$ 450,000.00
Total	\$ 4,998,986.00
Use of Funds	
Property Acquisition	\$ 1,400,000.00
Site Work	\$ 461,800.00
Vertical Construction Costs	\$ 2,450,000.00
Financing Fees, Int. Cary, Soft Costs, & Contingencies	\$ 687,186.00
Total	\$ 4,998,986.00

Project Location: Omaha Ave and 13th Norfolk, NE
 Project Name:
 GLA: 12,724
 Lots:

Date: 3/2/2017

Project Development Budget - Site Plan #

HARD COSTS:				Extended Value
Land Cost				\$ 1,400,000
Site Work/ Infrastructure:				
Site Asbestos Remediation, Demolition, & Earthwork				\$ 76,000
Site Infrastructure				\$ 348,300
Civil Engineering				\$ 37,500
Building Costs:				
Multi Tenant Building Including Tenant Improvement Allowance	10,000	PSF:	\$120.00	\$ 1,200,000
Restaurant Allowance			Fixed	\$ 1,250,000
Architectural Fees:				
	Preliminary GMP			\$1,500.00
	Design & C.A.	SF @	\$65,000.00	
	Tenant Finish	SF @	\$1,500.00	
Subtotal				\$ 4,311,800
FINANCING COSTS				
First Mortgage	\$3,300,000			
TIF Proceeds	\$450,000			
Total Financing	\$3,750,000			
LTC	75%			
Loan Fee	0.25%			\$ 9,375
Interest Rate	4.50%			
Constuction Interest	Rate x use x schedule			\$ 118,125
Subtotal				\$ 127,500
SOFT COSTS:				
Leasing Fees				\$ 192,580
Legal Fees				\$ 50,000
Taxes and Insurance During Construction				\$ 25,000
Appraisal Fee				\$ 5,000
Geotech and Enviromental				\$ 16,000
Survey and Platting Costs				\$ 7,500
Testing				\$ 10,000
Construction Admin				\$ 66,134
Misc. (Title Ins., Closing, Etc.)				\$ 15,000
Subtotal				\$ 387,214
Contingency @ % of Hard Costs				
	% @	4.0%		\$ 172,472
Total Project Development Costs				\$4,998,986
Pro Forma Schedule of Net Operating Income				
Project Location: Omaha Ave and 13th Norfolk, NE				
Date: 3/2/2017				
Unit	Name	SF	PSF	Annual
Leases	Retail	10,000	\$22.00	\$220,000
Lease	Restaurant	2,724	\$ 38.00	\$103,512
Less	Structural Reserve		0.20	-\$2,544.80
	TOTAL	12,724		\$320,967.20
PROJECTED NET OPERATING INCOME				\$ 320,967

Exhibit G
Estimated Employment and Payroll

Position	Employees	Salary	Subtotal
<i>Medical User</i>			
dentists	2	125,000	250,000
hygienists	4	60,000	240,000
dental assistants	4	35,000	140,000
Admin	2	35,000	70,000
<i>Medical User</i>			
MD	1	150,000	150,000
PA	2	100,000	200,000
Nurse	2	60,000	120,000
Tech	2	40,000	80,000
admin	2	35,000	70,000
<i>Retail User</i>			
Manager	1	30,000	30,000
Asst. Manager	1	25,000	25,000
Tech	4	20,000	80,000
<i>Restaurant User</i>			
Manager	1	35,000	35,000
Asst. Manager	2	30,000	60,000
Cooks	4	25,000	100,000
Cashiers	4	20,000	80,000
Totals	38		\$1,730,000

Exhibit H
Pro Forma with TIF and without TIF
(attached)

Exhibit H

4/3/2017

Enclosure 6
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Financials - Five-Year Leveraged IRR Analysis
Omaha Ave and 13th Norfolk, NE
With TIF

Sources and Uses of Funds

Acquisition	\$ 1,400,000	Financing	66%	\$ 3,300,000
Renovations	\$ 3,598,986	Equity	25%	\$ 1,248,986
		TIF	9%	\$ 450,000
Total use of funds	\$ 4,998,986	Total Source of Funds	100.00%	\$ 4,998,986

First Mortgage

Mortgage Amount	\$ 3,300,000	Monthly Payment	\$18,342.47	Interest	4.5000%
Interest Rate	4.50%	Annual Payment	\$220,109.66	Principal	2.1700%
Amortization Period	25			Constant	6.6700%

	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Balance	\$ 3,300,000	\$ 3,226,895	\$ 3,150,431	\$ 3,070,455	\$ 2,986,804
Annual Payments	\$ 220,110	\$ 220,110	\$ 220,110	\$ 220,110	\$ 220,110
Portion to Interest	\$ 147,004	\$ 143,646	\$ 140,133	\$ 136,459	\$ 132,616
Portion to Principal	\$ 73,105	\$ 76,464	\$ 79,976	\$ 83,650	\$ 87,493
Ending Balance	\$ 3,226,895	\$ 3,150,431	\$ 3,070,455	\$ 2,986,804	\$ 2,899,311

Yearly Cash Flow Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 320,967	\$ 320,967	\$ 320,967	\$ 320,967	\$ 320,967
First Mortgage Annual Payment	\$ 220,110	\$ 220,110	\$ 220,110	\$ 220,110	\$ 220,110
Cash Flow and Debt Service	\$ 100,858	\$ 100,858	\$ 100,858	\$ 100,858	\$ 100,858

Capital Gain Calculation

Reversion Net Operating Income	\$ 320,967
Terminal Cap Rate	7.25%
Gross Sales Price	\$ 4,427,134
Selling Costs	3.00%
Net Sales Price	\$ 4,294,320
Remaining First Mortgage Balance	\$ 2,899,311
Return Of Equity	\$ 1,248,986
Capital Gain	\$ 146,023

Five Year Leveraged IRR Analysis

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Equity	\$ 1,248,986						
Cash Flow after Debt Service		\$ 100,858	\$ 100,858	\$ 100,858	\$ 100,858	\$ 100,858	
Net Sales Price						\$ 4,294,320	
Remaining First Mortgage Balance						\$ (2,899,311)	
Cash Flow after DS & PP	\$ (1,248,986)	\$ 100,858	\$ 100,858	\$ 100,858	\$ 100,858	\$ 1,495,867	
Project Cash on Cash Return		8.08%	8.08%	8.08%	8.08%	19.77%	Avg 10.41%

Five Year Leveraged IRR (H)	9.99%	Year 5 NOI	\$320,967	Year 5 RR		\$0
		Assumed Sales Price	\$4,427,134	Sales Price Year 5		\$0
		Generates current Cap Rate of	7.25%			

Financials - Five-Year Leveraged IRR Analysis
Omaha Ave and 13th Norfolk, NE
Without TIF

Sources and Uses of Funds

Acquisition	\$ 1,400,000	First Mortgage	75%	\$ 3,750,000
Renovations	\$ 3,598,986	Equity	25%	\$ 1,248,986
Total use of funds	\$ 4,998,986	Total Source of Funds	100.00%	\$ 4,998,986

First Mortgage

Mortgage Amount	\$ 3,750,000	Monthly Payment	\$20,843.72	Interest	4.5000%
Interest Rate	4.50%	Annual Payment	\$250,124.62	Principal	2.1700%
Amortization Period	25			Constant	6.6700%
	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Balance	\$ 3,750,000	\$ 3,666,926	\$ 3,580,035	\$ 3,489,153	\$ 3,394,096
Annual Payments	\$ 250,125	\$ 250,125	\$ 250,125	\$ 250,125	\$ 250,125
Portion to Interest	\$ 167,050	\$ 163,234	\$ 159,242	\$ 155,067	\$ 150,700
Portion to Principal	\$ 83,074	\$ 86,891	\$ 90,882	\$ 95,057	\$ 99,424
Ending Balance	\$ 3,666,926	\$ 3,580,035	\$ 3,489,153	\$ 3,394,096	\$ 3,294,671

Yearly Cash Flow Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	\$ 320,967	\$ 320,967	\$ 320,967	\$ 320,967	\$ 320,967
First Mortgage Annual Payment	\$ 250,125	\$ 250,125	\$ 250,125	\$ 250,125	\$ 250,125
Cash Flow and Debt Service	\$ 70,843	\$ 70,843	\$ 70,843	\$ 70,843	\$ 70,843

Capital Gain Calculation

Reversion Net Operating Income	\$ 320,967
Terminal Cap Rate	7.25%
Gross Sales Price	\$ 4,427,134
Selling Costs	3.00%
Net Sales Price	\$ 4,294,320
Remaining First Mortgage Balance	\$ 3,294,671
Return Of Equity	\$ 1,248,986
Capital Gain	\$ (249,338)

Five Year Leveraged IRR Analysis

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Equity	\$ 1,248,986						
Cash Flow after Debt Service		\$ 70,843	\$ 70,843	\$ 70,843	\$ 70,843	\$ 70,843	
Net Sales Price						\$ 4,294,320	
Remaining First Mortgage Balance						\$ (3,294,671)	
Cash Flow after DS & PP	\$ (1,248,986)	\$ 70,843	\$ 70,843	\$ 70,843	\$ 70,843	\$ 1,070,491	
Project Cash on Cash Return		5.67%	5.67%	5.67%	5.67%	-14.29%	Avg 1.68%

Five Year Leveraged IRR (H)	1.82%	Year 5 NOI	\$320,967	Year 5 RR		\$0
		Assumed Sales Price	\$4,427,134	Sales Price Year 5		\$0
		Generates current Cap Rate of	7.25%			