

Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

**Tuesday, July 6, 2021
5:15 p.m.**

Created 7/1/2021 9:19 AM

Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Tuesday, July 6, 2021 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.

Brianna Duerst
Norfolk City Clerk &
CDA Secretary

Publish (June 30, 2021)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

July 06, 2021

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 June 7, 2021 Agency meeting. | Motion |
| 6. Consideration of Resolution No. 2021-3 recommending approval of the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of Legacy Bend Redevelopment Project) and authorization to forward to the City Council. | Resolution 2021-3 |

STAFF MEMORANDUM
COMMUNITY DEVELOPMENT AGENCY
July 06, 2021

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Action Items/Discussion Items

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| 4. Approve Agenda | Motion |
| 5. Approve the minutes of the June 7, 2021 Agency meeting. | Motion |

See Enclosure 5.

- | | |
|--|--------------------------|
| 6. Consideration of Resolution No. 2021-3 recommending approval of the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of Legacy Bend Redevelopment Project) and authorization to forward to the City Council. | Resolution 2021-3 |
|--|--------------------------|

On June 7, 2021 the Agency accepted the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of Legacy Bend Redevelopment Project) and authorized forwarding to the Planning Commission for recommendation. On June 22, the Planning Commission held a public hearing on the proposed Plan Amendment and voted 7-0 to recommend approval. The Planning Commission letter recommending approval is included in the agenda packet.

The Redevelopment Plan for the Legacy Bend Redevelopment Area approved by the City Council on January 16, 2018 provided for redevelopment of the Legacy Bend Area in multiple phases, with each phase requiring an amendment to the Plan. On October 15, 2018 the City Council approved the Phase II Plan Amendment.

Phase III will consist of approximately 64 multifamily dwelling and townhome units. Total cost of developing Phase III is almost \$7.6 million. The project is expected to generate over \$2.2 million of tax increment supporting \$1,736,058 of tax increment financing.

See Enclosure 6.

COMMUNITY DEVELOPMENT AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, met in the Council Chambers Conference Room, 309 N 5th Street, Norfolk, Nebraska, on Monday, June 7, 2021, year beginning at 5:15 p.m.

Chairman Moenning called the meeting to order.

Roll call found the following Agency members present: Shane Clausen, Corey Granquist, Gary L. Jackson, Frank Arens, Rob Merrill, Thad Murren, Kory Hildebrand, Fred Wiebelhaus and Josh Moenning. Absent: None.

City staff members present were City Administrator Andy Colvin, City Clerk Brianna Duerst, City Attorney Danielle Myers-Noelle, Finance Officer Randy Gates, Public Works Director Steve Rames and Public Safety Director Shane Weidner.

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 Chairman and all members of the Agency prior to the meeting.

The Chairman presided and the Secretary recorded the proceedings.

The Chairman 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.

Agenda

Wiebelhaus moved, seconded by Murren, to approve the agenda as printed. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand Jackson, Merrill, Murren, Wiebelhaus and Moenning. Nays: None. Absent: None. Motion carried.

Minutes

(February 1, 2021)

Granquist moved, seconded by Merrill to approve the minutes of the February 1, 2021, Agency meeting as printed. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand Jackson, Merrill, Murren, Wiebelhaus and Moenning. Nays: None. Absent: None. Motion carried.

Legacy Bend Redevelopment Plan Amendment

(Legacy Bend Phase III)

Granquist moved, seconded by Jackson, to approve and accept the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of Legacy Bend Redevelopment Project) and authorization to forward to the Planning Commission for recommendation.

Finance Officer Randy Gates provided information to elected officials. Phase III will consist of approximately 64 multifamily dwelling and townhome units. Total cost of developing Phase III is almost \$7.6 million comprised of over \$2.2 million of tax increment financing leveraging more than \$5.3 million of private funds.

Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand Jackson, Merrill, Murren, Wiebelhaus and Moenning. Nays: None. Absent: None. Motion carried.

There being no further business the Mayor adjourned the meeting at 5:18 p.m.

ATTEST:

Josh Moenning, Chairman

Brianna Duerst, Secretary

(S E A L)

June 22, 2021

Dear Members of the Community Development Agency:

The Norfolk Planning Commission held a public hearing to hear comments on and review an Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of the Legacy Bend Redevelopment Project) on June 22, 2021, as it pertains to the City of Norfolk zoning code and Comprehensive Plan.

The Redevelopment Plan Amendment consists of approximately 64 multifamily dwelling and townhome units that will require approximately \$2.2 million in infrastructure and other TIF eligible costs. The redeveloper estimates the post-redevelopment valuation at \$7,580,000 with expected completion date in 2022.

The Planning Commission recommends approval of the Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area, with an 8-0 vote.

Sincerely,



Dirk Waite, Vice-Chair
Norfolk Planning Commission

RESOLUTION NO. 2021-3

BE IT RESOLVED, by the governing body of the Community Development Agency of the City of Norfolk, Nebraska, (the "Agency") as follows:

1. The governing body of the Agency hereby finds and determines that there has been previously prepared and presented the Agency a redevelopment plan amendment entitled "Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area (Phase III of Legacy Bend Redevelopment Project)" (the "Amendment"); that the Amendment has been recommended and approved by the Planning Commission of the City of Norfolk; that all conditions precedent to the recommending of the Amendment to the Mayor and Council of the City of Norfolk for hearing and final approval have occurred.

2. The governing body of the Agency hereby further finds and determines that the proposed land uses and building requirements in the redevelopment project area as described in the Amendment are designed with the general purpose of accomplishing, in conformance with the City's general plan, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with the 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; that under the Amendment adequate provision is made 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 populations, the provision of adequate transportation, water, sewage 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.

3. The governing body of the Agency hereby determines that the Amendment contains a statement of the proposed method and estimated cost of acquisition and preparation for redevelopment of the redevelopment project area; that no public improvements are required to be provided except as set forth in the Amendment; that there are no estimated proceeds or revenue expected to be obtained by the Agency from disposal of property to redevelopers; that the Amendment sets forth the proposed method of financing for the proposed redevelopment project consisting of direct payment for public improvements or grant assistance to the redeveloper for the redevelopment project area, as designated in the Amendment which method of financing is the issuance by the Agency of its tax increment revenue bonds to provide moneys to pay for the costs of certain public improvements directly or of public or private improvements by grant assistance and that there are no families currently living within the redevelopment project area, as set forth in the Amendment, which are currently expected to be displaced from such area. The project area set forth in the Amendment is located within the corporate limits of the City of Norfolk.

4. The Cost Benefit Analysis prepared for the Agency is hereby approved.

5. The governing body of the Agency hereby recommends to the Mayor and Council of the City of Norfolk that the Amendment be approved and, subject to such approval, hereby adopts the Amendment.

PASSED AND APPROVED this 6th day of July, 2021.

Chairman (Mayor)

Secretary (City Clerk)

(SEAL)

Approved as to form: _____
Danielle Myers-Noelle, City Attorney

**AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE LEGACY BEND REDEVELOPMENT AREA OF
THE CITY OF NORFOLK, NEBRASKA**

(PHASE III OF LEGACY BEND REDEVELOPMENT PROJECT)

A. Introduction

This Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Amendment") is a guide for redevelopment activities undertaken in the Legacy Bend Redevelopment Area to remove or eliminate blight and substandard conditions within the City of Norfolk, Nebraska (the "City").

On January 16, 2018, the City approved and adopted the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Redevelopment Plan"). The Redevelopment Plan set forth the first phase of the Project ("Phase I"). The Redevelopment Plan provided that Redeveloper would detail subsequent phases via amendments to the Redevelopment Plan. On October 15, 2018 an Amendment to the Redevelopment Plan was approved for the second phase of the Project ("Phase II"). This Amendment sets forth the third phase of the Project ("Phase III"). Any capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Redevelopment Plan. This Amendment incorporates the terms of the Redevelopment Plan as if they were included herein; provided, however, that if the terms of this Amendment conflict with the Redevelopment Plan, this Amendment shall control.

This Amendment has been established in accordance with the requirements of the Nebraska Community Development Law, **Neb. Rev. Stat.** §§ 18-2101 through 18-2155, as amended (the "Act"), the Redevelopment Plan and the Comprehensive Plan of the City.

A. Incorporation of Redevelopment Plan and Exhibits

As provided above, this Amendment incorporates the Redevelopment Plan. Additionally, the improvements for each phase have changed due to shifting market demands and construction schedules. As such, this Amendment amends and replaces the "Future Land Use Narrative" under Exhibit "C" of the Redevelopment Plan as follows:

"Phase I" – Phase I is under construction with expected completion date in 2023 and will consist of approximately 27 single family homes that will require roughly \$1,000,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase I at

\$7,000,000.

"Phase II" – Phase II is under construction. The multi-family portion will be completed in 2021 and the balance of Phase II is expected to be completed in 2025. Phase II will consist of approximately 41 single family homes, 8 townhomes and 105 multi-family dwelling units that will require approximately \$2,183,783 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase II at \$20,695,041.

"Phase III" – Phase III will consist of 64 multifamily dwelling and townhome units that will require roughly \$2,203,275 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase III at \$7,580,000 with expected completion date in 2022.

"Phase IV" – Phase IV will consist of approximately 26 single family homes and 32 multi-family dwelling units that will require roughly \$1,000,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase IV at \$9,000,000.

"Phase V" – Phase V will consist of approximately 17 single family homes and 55 multi-family dwelling units that will require roughly \$800,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase V at \$9,600,000.

"Phase VI" – Phase VI will consist of approximately 11 single family homes that will require roughly \$200,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase VI at \$3,400,000.

"Phase VII" – Phase VII will consist of approximately 13 single family homes and 43 townhomes that will require roughly \$1,100,000 in infrastructure costs. Redeveloper estimates the post-redevelopment valuation for Phase VII at \$10,600,000.

B. Phase III Project Site

Exhibit "1", attached hereto and incorporated herein, sets forth the revised boundaries for Phase III. Phase III encompasses lots that Redeveloper intends to develop as multi-family units and townhomes.

The Phase III Project Site is in need of redevelopment. The Community Development Agency for the City ("CDA") has considered whether redevelopment of the Phase III Project Site will conform to the General Redevelopment Plan set forth in Article I of the Redevelopment Plan, and the coordinated, adjusted, and harmonious development of the City and its environs. The CDA finds that such redevelopment of the Phase III Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from

fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight.

The Phase III Project Site generally consists of vacant, undeveloped land located in the Legacy Bend Redevelopment Area. The blighted condition of the Phase III Project Site and the lack of adequate utilities and infrastructure to serve the Phase III Project Site contribute to its inability to attract development. The Location of the Phase III Project Site is attractive for multiple dwelling units. However, the initial upfront costs associated with necessary infrastructure makes development of the Phase III Project Site not feasible without the assistance of tax-increment financing ("TIF"). As such, Redeveloper would not undertake construction of Phase III without the assistance of TIF. Redevelopment of the Phase III Project Site pursuant to this Amendment will include eligible expenditures under the Act and will further the purposes of the Act in conformance with the Redevelopment Plan.

C. Description and Implementation of Phase III

Redeveloper proposes to redevelop the Phase III Project Site into residential uses, as depicted on the preliminary site plan for the Project attached hereto and incorporated herein as Exhibit "2".

As reflected on the site plan, Redeveloper intends to subdivide the Phase III Project Site. Phase III will consist of approximately 64 Multifamily and Townhome units. Redeveloper will construct the Phase III improvements in sub-phases based upon the rate of construction, such that the "effective date" (as provided under section 18-2147 of the Act) for purposes of TIF will be determined on a lot by lot basis in order to maximize the TIF proceeds available to help finance the public improvements. Redeveloper anticipates two sub-phases within Phase III; however, because the market will determine the actual completion schedule for each sub-phase, Phase III requires flexibility and may have more or less sub-phases.

Subsequent to the approval of this Amendment, Redeveloper and the CDA will enter into a redevelopment contract (as defined in the Act) with respect to Phase III of the Project. Upon the completion of each sub-phase thereof, Redeveloper will submit to the CDA an amendment to the redevelopment contract on a form prescribed by the CDA. Each amendment to the redevelopment contract shall set forth the "effective date" for the pertinent sub-phase and must be submitted to the CDA on or before June 30 of the year in which taxes are to be divided for such sub-phase.

Redeveloper will pay the costs of the private improvements for Phase III, including

the construction of the residential buildings and associated improvements. Redeveloper will incur the costs for public infrastructure for the Phase III (multi-family and townhome units) including, but not limited to: paving, sanitary sewer, storm sewer and water. Redeveloper will capture available TIF revenues generated by the redevelopment of the Phase III Project Site to assist in paying for eligible improvements, fees, land acquisition and other expenses that are listed as eligible expenditures under the Act. The specific public improvements for which the available tax increment revenues generated by the Project will be used will be described in more detail in the redevelopment contract, or amendment thereof, for Phase III. The public infrastructure improvements for Phase III will meet the increased need for public infrastructure and utilities resulting from Phase III.

The redevelopment of the Phase III Project Site pursuant to this Amendment will eliminate the blight and substandard conditions on the Phase III Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan and Comprehensive Plan of the City.

Phase III is not feasible without the use of TIF to assist with the costs of the public improvements. Due to the scope of the Phase III and the costs of the public improvements related thereto, it is expressly acknowledged that the Redeveloper would not undertake Phase III without the anticipated use of TIF for subsequent phases of the Project. As such, Redeveloper may apply the TIF proceeds generated from each phase of the Project toward the payment of the eligible expenses of the entire Project, if necessary.

C. Subsequent Phases

Subsequent phases of the Project constituting a substantial modification of the Redevelopment Plan (as provided in the Act) will require an amendment to the Redevelopment Plan. Further, each phase of the Project will be governed by a separate redevelopment contract between the Redeveloper and the CDA which will describe the private improvements and the public improvements to be constructed in each phase.

D. Cost-Benefit Analysis

As set forth in the Redevelopment Plan, Redeveloper and the CDA contemplate the use of TIF to assist with the cost of eligible improvements for Phase III of the Project. Accordingly, a statutory cost-benefit analysis is attached hereto as Exhibit "3" and incorporated herein by this reference.

E. Statutory Elements

Attached as Exhibit "4" and incorporated herein by this reference is a consideration of the statutory elements under the Act related to Phase III.

Exhibits:

Exhibit "1" – Phase III Project Site

Exhibit "2" – Phase III Site Plan

Exhibit "3" – Phase III Cost-Benefit Analysis

Exhibit "4" – Phase III Statutory Elements

Exhibit "1"
Phase III Project Site

Legal Description for Phase III Project Site:

TRACT DESCRIPTION

A TRACT OF LAND CONSISTING IN PART OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW1/4 NE1/4) IN SECTION TWENTY-THREE (23), TOWNSHIP TWENTY-FOUR (24) NORTH, RANGE ONE (1) WEST OF THE 6TH P.M., AND MORE PARTICULARLY AS FOLLOWS:

COMMENCING AT THE WESTERLY CORNER OF LOT 2, BLOCK 1, LEGACY BEND FOURTH ADDITION, SAID POINT BEING ON THE FLOOD CONTROL CHANNEL AND ALSO BEING THE POINT OF BEGINNING; THENCE N43°41'07"W, ALONG SAID FLOOD CONTROL CHANNEL, A DISTANCE OF 552.00 FEET; THENCE N46°18'53"E A DISTANCE OF 355.00 FEET; THENCE S43°40'46"E A DISTANCE OF 575.81 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SUNRISE DRIVE; THENCE S46°52'22"W A DISTANCE OF 60.00 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID SUNRISE DRIVE AND ALSO BEING A POINT ON THE NORTHEASTERLY LINE OF LOT 2, BLOCK 1, LEGACY BEND FOURTH ADDITION; THENCE N43°07'38"W, ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NORTHEASTERLY LINE OF LOT 2, BLOCK 1, A DISTANCE OF 5.96 FEET; THENCE N43°41'07"W, ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY LINE AND SAID NORTHEASTERLY LINE OF LOT 2, BLOCK 1, A DISTANCE OF 14.39 FEET TO A NORTHERLY CORNER OF SAID LOT 2, BLOCK 1; THENCE S46°52'22"W, ALONG THE NORTHWESTERLY LINE OF SAID LOT 2, BLOCK 1, A DISTANCE OF 295.01 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 197777.46 SQUARE FEET OR 4.540 ACRES MORE OR LESS.

* Subsequent to the approval of this Amendment, Redeveloper intends to subdivide the Phase III Project Site as shown on Exhibit "2". Subsequent to said subdivision, the above legal description shall be replaced with the legal description provided in the replat of the Phase III Project Site approved by the City. Such replatting may occur by sub-phase. Any discrepancy between the legal description and below depiction of the Phase III Project Site should be decided in favor of the legal description.

Depiction of Phase III Project Site:

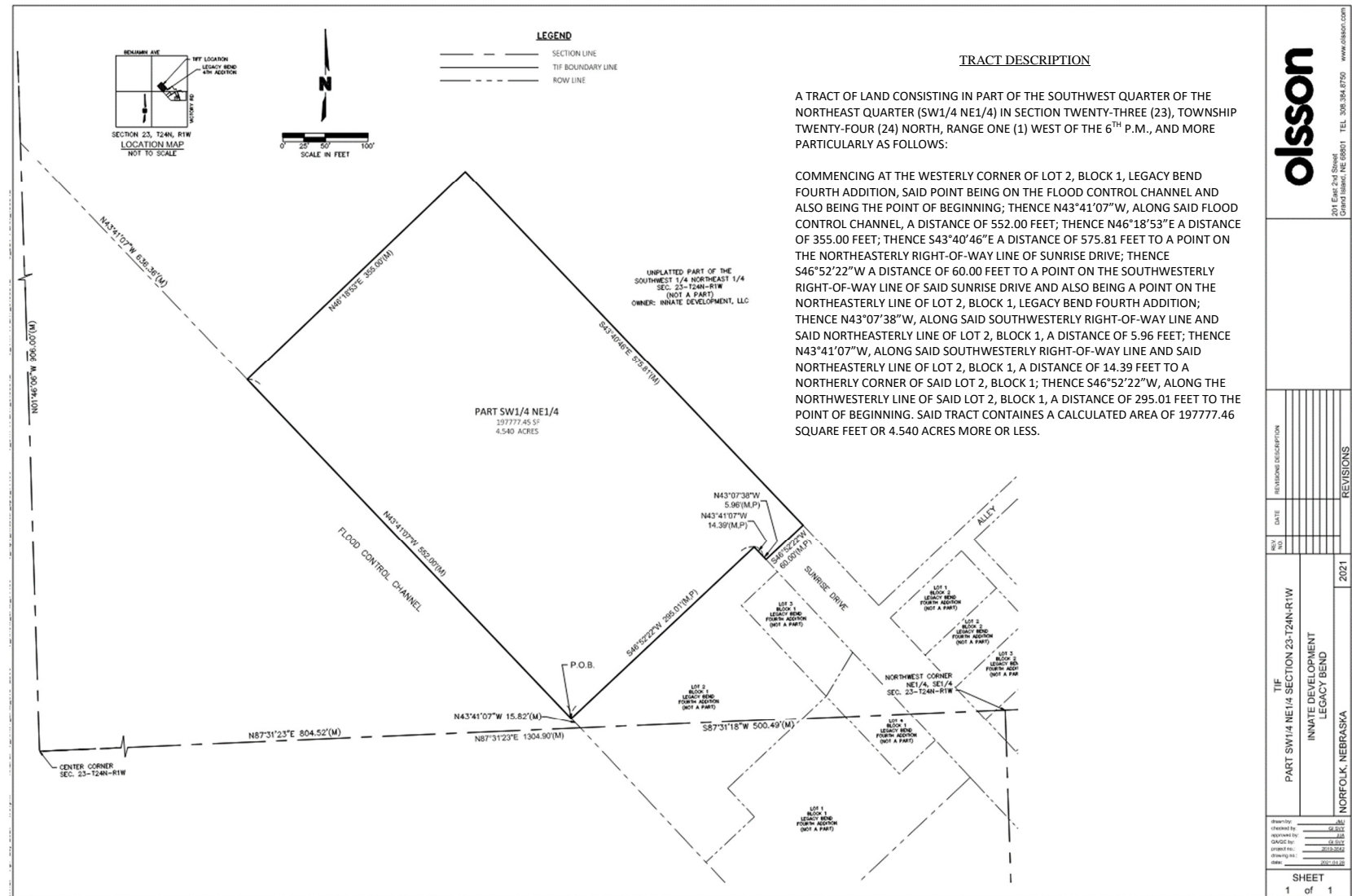
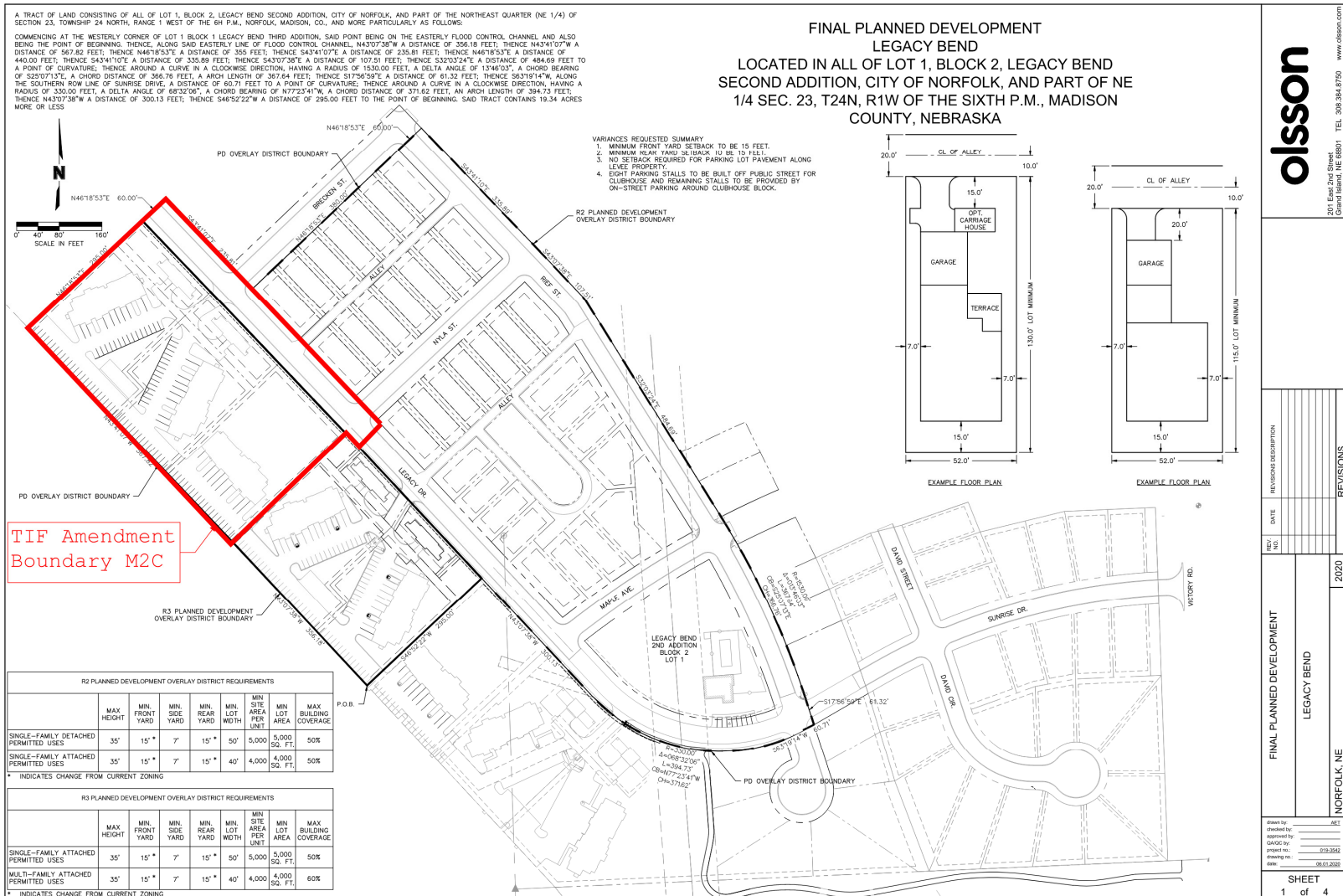


Exhibit "1"

Phase III Site Plan and Future Land Use



* The above site plan is preliminary in nature and subject to change.

Exhibit "3"
Cost-Benefit Analysis for Phase III

Section 18-2113 of the Act requires the CDA conduct a cost-benefit analysis for each redevelopment project for which TIF will be used. This analysis addresses the following statutory issues pertaining to Phase III of the Project:

Phase III Sources and Uses. Approximately \$2,203,275 in public funds from tax increment financing provided by the CDA will be required to complete Phase III. This investment by the CDA will leverage \$5,376,725 in private sector financing; a private investment of approximately \$2.44 for every TIF dollar.

Use of Funds			
Description	TIF Funds	Private Funds	Total
Site Acquisition	113,690	0	113,690
Site Preparation/Infrastructure – paving, sanitary sewer, storm sewer and water	1,229,124	0	1,229,124
Street Trees/ Street Lights /Neighborhood Park Equipment	125,000	75,000	200,000
Legal/Accounting, Finance	25,000	45,450	70,450
Building Costs	0	5,186,275	5,186,275
Architecture Engineering	232,912	35,000	267,912
Planning, Development and Permitting	260,000	0	260,000
Contingencies	252,549	0	252,549
TOTALS	2,238,275	5,341,725	7,580,000

Tax Revenue. The Phase III Project Site is anticipated to have a January 1, 2021, valuation of approximately \$34,107. Based on the 2020 levy this would result in a real property tax of approximately \$664. It is anticipated that the assessed value will increase by \$7,545,893 upon full completion as a result of redevelopment. This redevelopment will result in an estimated

tax increase of approximately \$145,424 annually. The tax increment gained from Phase III would not be available for use as City general tax revenues for the lesser of 15 years from the effective date (as defined in the Act) or the time as may be required to amortize the TIF bond, but would be used for eligible redevelopment costs to enable Phase III to be realized.

Estimated 2021 assessed value:	\$34,107
Estimated value after completion:	\$7,580,000
Increment value:	\$7,545,893
Annual TIF generated (estimated):	\$145,424
TIF bond issue:	Not to exceed \$1,736,058

** 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 may vary materially from the projected amount. The levy rate is assumed to be the 2020 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

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

The Phase III Project Site currently has an estimated valuation of \$34,107. The proposed redevelopment will create additional valuation of \$7,545,893. As such, redevelopment of the Phase III Project Site will create additional valuation that will support taxing entities long after the taxes are divided. No tax shifts are anticipated from the project.

Additionally, Phase III will require considerable purchases of construction materials, resulting in sales taxes collected by the City.

(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 other than the public infrastructure constructed to serve the Phase III Project Site. Existing water and waste water facilities will not be negatively 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.

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

Phase III will have minimal impact on employers or employees within the Phase III Project Site. However, the development will increase housing availability in northeast Norfolk and

may positively impact recruitment of employees for businesses located in this part of the community.

(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 Phase III:

Phase III should have a positive impact on other employees and employers within the Norfolk area by helping alleviate the existing housing shortage to provide housing for current and future employees of employers within the City and the immediate area.

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

The addition of school age children as a result of this redevelopment project will have an impact on the Norfolk School District. Assuming each dwelling will result in 2.35 persons and there is a traditional family in each dwelling, a student population increase of .35 children per dwelling is possible. Single parents with multiple school age children will skew this number higher. The district will not receive taxes from the apartments and townhomes built during the time the increased taxes are utilized to pay the TIF bond. The district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the district. The valuation that generates the TIF bond payments is not included in the formula and does not count against the state aid that the district would receive. After the TIF bond is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential construction will be available to all taxing entities.

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

Phase III consists of a housing project in northeast Norfolk. It should encourage the development of additional retail in close proximity to the development and will be the catalyst for future phases.

(g) Assessment districts and Infrastructure.

Not applicable.

(h) But-For Determination

With a total build cost of \$7,580,000, Phase III would not be feasible except for the availability of TIF in the amount not to exceed \$1,736,058, which is necessary to offset the base cost of infrastructure and other attached costs that occur early in the Project but cannot be recovered for many years.

Exhibit "4"
Phase III Statutory Elements

Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish Phase III.

Population Density

Phase III will increase population density in the area. However, the City desires an increase in population density in the area to provide additional housing in the City. Phase III will be properly platted to accommodate the increase in population density and adequate public infrastructure improvements to accommodate any increase in population density anticipated as part of Phase III.

Land Coverage

The Phase III Project Site is currently vacant and undeveloped. Post redevelopment, the Phase III Project Site will consist of 4 townhomes and 60 multi-family dwelling units. Phase III will comply with all applicable land coverage ratios required by the City.

Traffic Flow, Street Layouts and Street Grades

The CDA and Redeveloper anticipate that Phase III will increase traffic to and from the Phase III Project Site. There will be additional traffic from residents traveling to and from the apartments and residences.

As part of Phase III, Redeveloper will construct internal roadways to address the increase in traffic and the accessibility of the private improvements. The CDA and Redeveloper do not anticipate that Phase III requires modification of existing public rights-of-way. The improvements for Phase III will address any traffic and street infrastructure concerns that would otherwise be created by Phase III. All streets and other public infrastructure constructed will be subject to review and approval by the City's engineer.

Parking

Phase III will include parking facilities that will meet or exceed the parking requirements set forth in the applicable zoning district for the multi-family units. The design and development of Phase III should increase the efficiencies and

beneficial traffic flow of the parking for all the uses located within the Phase III Project Site.

Zoning, Building Code and Ordinances

The Phase III Project Site is located within an R-3 zoning district which allows townhomes and multi-family dwellings. No zoning, building code or ordinance changes are required to carry out Phase III.