

**AMENDMENT TO THE REDEVELOPMENT PLAN  
FOR THE FOUNTAIN POINT REDEVELOPMENT AREA  
OF THE CITY OF NORFOLK, NEBRASKA**

**NORFOLK, NEBRASKA**

**PREPARED OCTOBER, 2020**

## **1. Introduction**

The Mayor and City Council for the City of Norfolk, Nebraska (the "**City**"), previously approved and adopted a redevelopment plan entitled "Redevelopment Plan for Fountain Point Redevelopment Area of the City of Norfolk, Nebraska" for redevelopment in a blighted and substandard area in the City (the "**Redevelopment Plan**"). A copy of the Redevelopment Plan is attached hereto and incorporated herein as **Exhibit "3"**.

This amendment to the Redevelopment Plan ("**Amendment**") submits certain changes to the Redevelopment Plan, as highlighted below. This Amendment applies to redevelopment of the Fountain Point North Project Site under Article II of the Redevelopment Plan (and related exhibits), and does not seek to change or amend any other articles or provisions of the Redevelopment Plan. This Amendment incorporates the terms of the Redevelopment Plan as if fully set forth herein; provided, however, that if the terms of this Amendment conflict with the Redevelopment Plan, this Amendment shall control. Any capitalized terms not otherwise defined herein shall have the meaning set forth in the Redevelopment Plan.

## **2. Purpose and Necessity of Amendment**

The City and Community Development Agency of the City of Norfolk, Nebraska (the "**Agency**") recognize the need to amend the Redevelopment Plan to include and contemplate an expansion to the medical facility on the Fountain Point North Project Site, consisting of approximately 8,428 square feet of additional medical clinic space (the "**Additional Improvements**"). Accordingly, the City and Agency wish to increase the amount of TIF indebtedness to provide for further reimbursement of eligible costs incurred by Redeveloper. It is the intent of this Amendment that such eligible costs incurred by Redeveloper are limited to those originally contemplated by and included within the Redevelopment Plan prior to this Amendment, and any costs of the Additional Improvements shall not be included as part of the eligible costs that are reimbursable by tax increment financing. No further substantive changes to the Redevelopment Plan are necessary, except those provided below. As such, in compliance with section 18-2117 of the Act, this Amendment to the Redevelopment Plan is necessary to ensure that the Redevelopment Plan reflects the updated phased construction and financing plan for the Project.

## **3. Incorporation of Additional Improvements**

The Redevelopment Plan shall be amended to include the Additional Improvements, consisting of the construction of an approximately 8,428 square foot medical office building expansion for additional medical clinic space on a portion of Lot 1 of the Phase I Project Site of the Fountain Point North Project Site. The Additional Improvements shall be included as part of

Phase I of the Project. With respect to such portion of Exhibit “E” of the Redevelopment Plan detailing the plans for redevelopment of Lot 1, Exhibit “E” shall be partially amended and supplemented by Exhibit “1”, attached hereto and incorporated herein. Exhibit “1” shall not amend or replace Exhibit “E” with respect to any area of Fountain Point North Project Site other than Lot 1.

#### **4. Phase I Street Improvements**

The “installation of streets and sidewalks” contemplated as part of the public improvements for Phase I under Article II(B), Article II(D), Section D of Exhibit “G”, and Exhibit “F” of the Redevelopment Plan shall specifically include the construction and extension of 40th Street (and adjacent sidewalks) to provide additional public access to the Fountain Point North Project Site. This Section 4 is included in this Amendment for the purpose of clarification only and does not represent a substantive change or addition to the Redevelopment Plan.

#### **5. Issuance of Additional Indebtedness**

Any additional tax-increment financing indebtedness for Phase I issued in relation to the increase of available incremental ad valorem real estate taxes resulting from the Additional Improvements (the “**Additional TIF Indebtedness**”) shall not exceed \$479,000 (in principal). The Additional TIF Indebtedness shall be allocated for reimbursement of costs incurred by the Redeveloper that were originally contemplated and included within the Redevelopment Plan prior to this Amendment. Such eligible costs shall specifically include the costs incurred to construct and extend 40th Street, landscaping costs, and sidewalk construction costs. The Additional TIF Indebtedness shall not reimburse any of the costs associated with the construction of the Additional Improvements. The parameters of the Additional TIF Indebtedness shall be further detailed in a redevelopment contract, or amendment thereof, for Phase I. Notwithstanding the foregoing, the Additional TIF Indebtedness shall mature in accordance with and in the same manner as any prior tax-increment financing indebtedness issued by the City that is serviced by the incremental ad valorem real estate taxes generated by Lot 1 of the Phase I Project Site of the Fountain Point North Project Site, and such incremental ad valorem real estate taxes shall not be available for debt service on the Additional TIF Indebtedness beyond the statutory period set forth in Section 18-2147 of the Act, beginning the year real estate taxes were first divided on Lot 1 of the Phase I Project Site in conjunction with the Project. In accordance therewith, the “effective date” (as defined in the Act) as pertaining to the Additional TIF Indebtedness shall be January 1, 2018.

#### **6. Necessity of TIF**

The Redeveloper has incurred substantial eligible expenditures in preparing the Phase I Project Site for development. These costs for eligible public improvements greatly exceed the

amount of TIF authorized for Phase I via the Redevelopment Plan. Without the use of TIF to recoup some of the Redeveloper's additional expenditures for the eligible public improvements identified, it is not economically feasible for the Redeveloper to construct the remaining phases of the Project.

In particular, but without limitation, it was anticipated that the Redeveloper would incur the cost of constructing 40th Street during a later phase of the Project. However, certain factors necessitated its construction during Phase I. This, along with the costs associated with the Additional Improvements, drove up costs by a substantial amount for Phase I. Accordingly, other than the inclusion of the Additional Improvements as part of Phase I and utilizing the additional incremental ad valorem real estate taxes generated therefrom, there is no source of funding identified as part of Phase I for this substantial additional cost. As such, the Project as a whole is not feasible without the Additional TIF Indebtedness.

#### **7. Amendment to Exhibit "F" of Redevelopment Plan**

The Cost Benefit Analysis for the Redevelopment Plan, attached thereto as Exhibit "F", shall be supplemented with the Cost Benefit Analysis of the Additional Improvements, which is attached hereto and incorporated herein as Exhibit "2". The information and figures set forth in Exhibit "2" shall be incorporated as part of Exhibit "F" of the Redevelopment Plan, and shall not otherwise amend or replace Exhibit "F".

#### **8. Headings**

Headings of sections of this Amendment and the exhibits attached hereto are for convenience of reference only and do not form a part of the Redevelopment Plan and do not in any way modify the Redevelopment Plan except as otherwise provided in this Amendment.

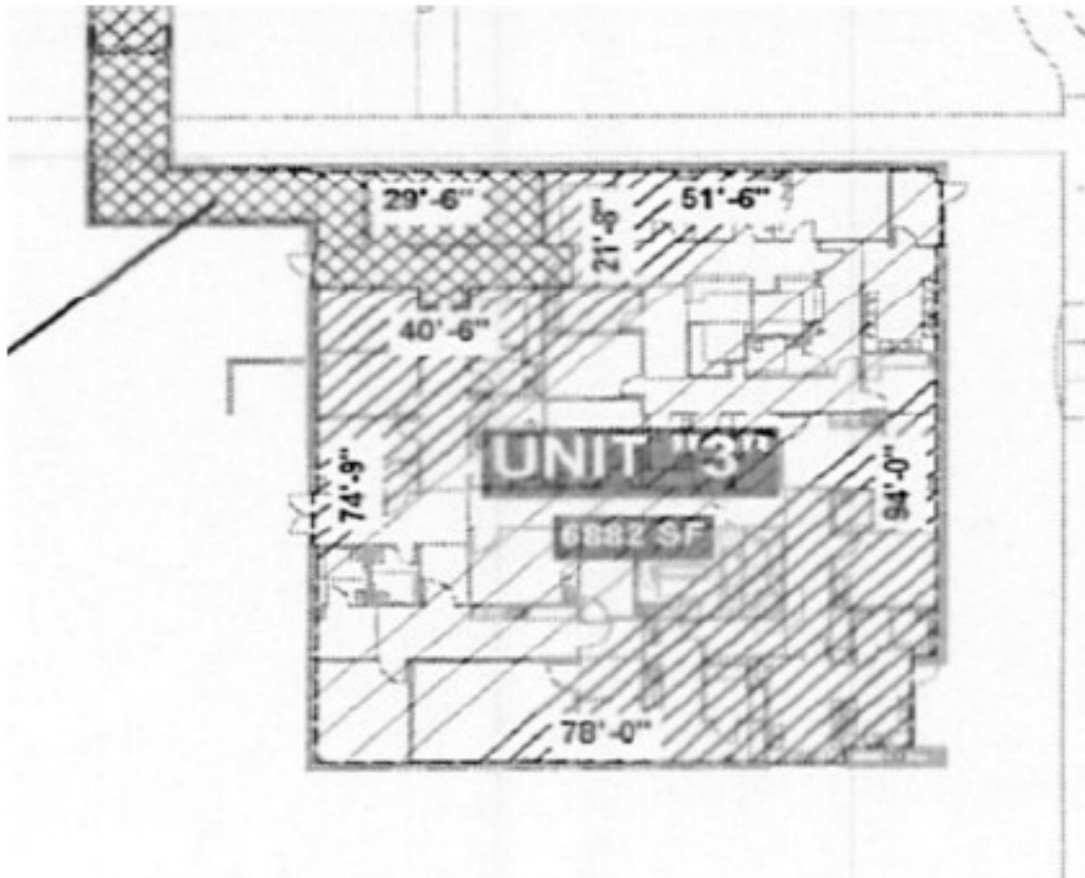
**Exhibit "1"**

**Amendment and Supplement to Exhibit "E"**

(See attached)



Preliminary Plan for Unit 3



**Exhibit "2"**

**Amendment to Exhibit "F"**

(See attached)

**FOUNTAIN POINT REDEVELOPMENT PROJECT**  
**COST-BENEFIT ANALYSIS**  
**(Pursuant to Neb. Rev. Stat. § 18-2113)**  
**Supplemented October, 2020**

The cost-benefit analysis for the above referenced project, as described in the attached Redevelopment Plan, 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 Additional Improvements of the Fountain Point North Redevelopment Project will consist of the construction of an approximately 8,428 square foot medical office building expansion providing additional clinic space. This cost-benefit analysis for the Additional Improvements, which will utilize funds authorized by Neb. Rev. Stat. § 18-2147, can be summarized as follows:

a.	Estimated Base Value of Additional Improvements Site:	\$12,782,308
b.	Estimated Completed Additional Improvements Assessed Valuation:	\$15,481,982
c.	Estimated Increase in Valuation	\$2,699,674
d.	Estimated Annual Projected Tax Increment:	\$53,832

*Notes:*

- 1. The Estimated Completed Project Assessed Valuation is the estimated completed assessed value of all of the private improvements that the redeveloper anticipates will be constructed as part of the Additional Improvements.*
- 2. The Estimated Annual 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 increment may vary materially from the projected amount. The estimated tax levy for this analysis is 2.014163, which is the 2019 Madison County tax levy, and is subject to change.*
- 3. The projected valuations and the tax increment set forth above are subject to change before the Redevelopment Agreement for the Additional Improvements. However, these figures present an estimate for the purpose of weighing the overall costs and benefits of the Additional Improvements.*

While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Additional Improvements, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other local taxing jurisdictions. The Agency does not anticipate any further tax shift resulting from the approval of the use of funds pursuant to section 18-2147.

**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:

It is not anticipated that the Additional Improvements will have a material adverse impact on existing public infrastructure. The Additional Improvements will not require substantial infrastructure improvements, due to the prior infrastructure installation during Phase I of the Project. Overall, the Additional Improvements will have a substantial positive impact on the City's public infrastructure by attracting new businesses who will pay for City services, generating revenue to support such services.

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

The Additional Improvements will create material tax and other public revenue for the City and other local taxing jurisdictions. It is important to acknowledge that the City historically has not relied on tax revenue from the site of the Additional Improvements, since such site was not within the corporate limits of the City until the construction of Phase I improvements. The site would not likely have been annexed without the proposed improvements of Phase I and the Project because the Project and the use of TIF for public infrastructure improvements is essential for the City's plan to furnish city services to the area. Further, the City would be unlikely to realize additional ad valorem taxes in the near future without the Project because other redevelopers are unlikely to locate on the site without the utility and infrastructure improvements that are being constructed as a part of the Project. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Additional Improvements, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other local taxing jurisdictions.

The Additional Improvements should also generate immediate tax growth for the City. The Additional Improvements will involve the construction of additional space for medical clinics. The Additional Improvements should include a significant amount of personal property that will be on the property tax rolls upon its acquisition and installation in each such facility. The City should also realize revenue from sales tax paid by patients and family members of patients travelling from outside the City to obtain care in the medical clinics constructed as part of the Additional Improvements, and who are likely to seek other goods and services, including hospitality services, while within the City.

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

It is anticipated that the Additional Improvements will have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The public and private improvements are expected to attract businesses to the site. The Additional improvements will enhance

health care options in the City of Norfolk, which should help businesses attract and retain employees.

It is not anticipated that the Additional Improvements will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project. The Additional Improvements includes construction of an approximately 8,427 square foot of medical clinic space, which will likely result in job creation. However, the Additional Improvements are not anticipated to put stress on existing employers as a result of employees taken away from current employment to fill new positions, because the utility and infrastructure improvements constructed as a part of the Additional Improvements are likely to attract residential development on parcels adjacent to the site of the Additional Improvements, creating a new pool of employees.

**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 Additional Improvements should have a material positive impact on private sector businesses in and around the area outside the boundaries of the Project. The Additional Improvements and Project will involve extension and installation of public utilities to the newly annexed Phase I Project Site, and the use of tax increment financing will reduce the costs of these and other public improvements which would otherwise be fully paid through tax revenue or special assessments that would burden adjacent property owners. The medical office clinic space constructed as part of the Additional Improvements should increase the need for services and products from existing businesses, such as janitorial services, office and hardware supplies, hospitality, food and beverage, household products and general consumer services, and similar products and services. The Additional Improvements will also act as a catalyst for further development of the redevelopment area identified in the Redevelopment Plan.

The Additional Improvements are not anticipated to impose a burden or have a negative impact on other local area employers. The enhanced health care options generated by the medical office building expansion should attract residents creating a pool of additional employees to support the jobs created by the Additional Improvements.

**5. Impacts on student populations for school districts within the boundaries of the area of the redevelopment project:**

The Additional Improvements will not impact student populations or school districts.

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

The Phase I Project Site is blighted and contains substandard conditions that are a detriment to the City as a whole. The Additional Improvements will provide needed

medical facilities and encourage further redevelopment of the surrounding area. There are no other material impacts determined by the agency relevant to the consideration of the cost or benefits arising from the Additional Improvements.

**Exhibit "3"**

**Redevelopment Plan**

(See attached)

**REDEVELOPMENT PLAN  
FOR FOUNTAIN POINT REDEVELOPMENT AREA  
OF THE CITY OF NORFOLK, NEBRASKA**

**I. GENERAL REDEVELOPMENT PLAN**

A. Introduction

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

This Redevelopment Plan has been established in accordance with the requirements of the Nebraska Community Development Law, Neb. Rev. Stat. §§ 18-2101 through 18-2154, as amended (the "Act") and the Comprehensive Plan of the City. This Redevelopment Plan, as amended from time to time, shall indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area, as required by the Act. Future amendments to this Redevelopment Plan shall identify specific redevelopment projects that will use tax increment financing pursuant to Section 18-2147 of the Act.

B. Statutory Requirements

The Act defines a "redevelopment plan" as "a plan, as it exists from time to time for one or more community redevelopment areas, or for a redevelopment project, which (a) conforms to the general plan for the municipality as a whole and (b) is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area, zoning and planning changes, if any, land uses, maximum densities, and building requirements." Neb. Rev. Stat. §18-2103(13).

The Act further defines the required contents of a redevelopment plan: "A redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements, and the proposed land uses and building requirements in the redevelopment project area, and shall include without being limited to: (1) The boundaries of the redevelopment project area, with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities

which will be required to support the new land uses in the area after redevelopment. Any redevelopment plan may include a proposal for the designation of an enhanced employment area.” Neb. Rev. Stat. §18-2111.

The Act also states that a redevelopment plan may contain a provision authorizing tax increment financing. Neb. Rev. Stat. §18-2147.

C. Redevelopment Area

The real property included in the redevelopment area and the boundaries of the redevelopment area subject to this Redevelopment Plan are generally described as follows:

37<sup>th</sup> Street on the East; U.S. Highway 275 on the North; and 40<sup>th</sup> Avenue on the West.

The Redevelopment Area is a part of the West Highway 275 Redevelopment Area, which was declared blighted and substandard by the City Council by Resolution No. 2016-52, dated October 17, 2016, and based upon, inter alia, a Blight and Substandard Determination Study prepared by Northeast Nebraska Economic Development District dated September 28, 2016. The legal description of the Redevelopment Area is attached hereto as Exhibit “A” and incorporated by this reference.

D. Land Use Plan

This Redevelopment Plan adopts and incorporates the Comprehensive Plan of the City as it relates to the Redevelopment Area, including, in particular, the “Development Area Guidelines” for the Highway 275 Corridor, in which the Redevelopment Area is located. The “Development Area Guidelines” indicate that the Highway 275 Corridor is intended to provide a mix of development patterns, and provides a framework for residential and commercial development in the area. This Redevelopment Plan is consistent with the Comprehensive Plan in that it promotes development of mixed commercial and residential uses in the Highway 275 Corridor.

A map showing the existing uses of the real property in and around the City, including the Fountain Point Redevelopment Area, is attached hereto as Exhibit “B” and incorporated by this reference. A map showing the future uses of the real property in and around the City, including the Fountain Point Redevelopment Area, is attached hereto as Exhibit “C” and incorporated by this reference. This Future Land Use Map contained in the City’s Comprehensive Plan reflects that the Fountain Point Redevelopment Area should be developed for commercial use and mixed commerce reserve.

E. Project Specific Requirements

This Redevelopment Plan envisions the phased implementation of redevelopment projects that will occur in the Fountain Point Redevelopment Area in order to optimize the tax increment financing resources available for construction of

eligible public improvements. As each phase of a redevelopment project is identified, or as new redevelopment projects are identified, this Redevelopment Plan shall be amended to include, at a minimum, the following information for each such, as required by the Act: (1) The boundaries of the redevelopment project area, with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment if relevant; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

This Redevelopment Plan identifies two redevelopment projects that will occur in the Fountain Point Redevelopment Area, and describes the first phase of each such redevelopment project. As stated above, subsequent phases of each such redevelopment project shall be identified in amendments to this Redevelopment Plan; provided, however, that to the extent that the phase-specific information required by the Act has been included in this Redevelopment Plan, such phase may be considered a minor modification to this Redevelopment Plan.

#### F. Tax Increment Financing

The City and the CDA contemplate the use of tax increment financing ("TIF") for redevelopment projects identified in this Redevelopment Plan, as amended from time to time. TIF is authorized under section 18-2147 of the Act, which states that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the project redevelopment contract or in the resolution of the authority authorizing the issuance of bonds pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax which is produced by the 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 are all other taxes collected by or for the body ("Base Tax Amount"); and
- (b) That portion of the ad valorem tax on real property, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, if any, (referred to as the "Incremental Tax Amount") shall be allocated to and, when collected, paid into a special fund of the authority 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, such authority for financing or refinancing, in whole or in part, the redevelopment project.

For any redevelopment project or phase thereof in the Fountain Point Redevelopment Area that will utilize TIF, this Redevelopment Plan shall be amended to identify the TIF project or phase and shall provide sufficient information to support a determination that: (i) the redevelopment project as designed would not be economically feasible without the use of TIF; (ii) the redevelopment project as designed would not occur in the Fountain Point Redevelopment Area without the use of TIF; and (iii) the costs and benefits of the redevelopment project are in the long-term best interest of the City.

G. Conclusion

The Fountain Point Redevelopment Area is in need of redevelopment to remove blight and substandard conditions in order to promote orderly and planned growth of the community. This Redevelopment Plan, as amended from time to time, shall guide and assist the Community Development Agency of the City of Norfolk and the City itself in their efforts to foster and facilitate redevelopment activities pursuant to the Nebraska Community Development Law.

**II. FOUNTAIN POINT NORTH REDEVELOPMENT PROJECT**

A. The Project Site

The purpose of this Article II of the Redevelopment Plan is to identify a specific project within the Fountain Point Redevelopment Area that will cause the removal of blight and substandard conditions on the sites located in the City of Norfolk, Nebraska, and described on the attached and incorporated Exhibit "D" (the "Fountain Point North Project Site").

The Fountain Point North Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Fountain Point North Project Site, and specifically, the Fountain Point North Redevelopment Project (the "Project"), will conform to the General Redevelopment Plan set forth in Article I, and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such redevelopment of the 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 Fountain Point North Project Site generally consists of vacant, underdeveloped land located in the Fountain Point Redevelopment Area. The blighted condition of the Fountain Point North Project Site and the lack of adequate utilities and infrastructure to serve the Fountain Point North Project Site contribute to its inability to attract development. The location of the Fountain Point North Project Site along Highway 275, a principle roadway in the City of Norfolk, makes it an ideal site for commercial development, but the initial upfront costs associated with necessary infrastructure makes development of the Fountain Point North

Project Site not feasible. The redevelopment of the Fountain Point North Project Site pursuant to this Article II of the Redevelopment Plan will include eligible expenditures under the Act and will further the purposes of the Act in conformance with the Redevelopment Plan.

B. Description of Project

Fountain Point, LLC (the “Redeveloper”) proposes to redevelop the Fountain Point North Project Site into commercial and residential uses, as depicted on the proposed site plan for the Project attached hereto as Exhibit “E”. The proposed site plan is conceptual in nature and is subject to revision based on changes in community needs, budgetary constraints, physical conditions, and other factors, but the site plan presents the Redeveloper’s overall vision for the Project.

As reflected on the site plan, the Redeveloper intends to subdivide the Fountain Point North Project Site into 4 separate lots ranging in size from approximately 3.6 acres to approximately 9.4 acres. The Redeveloper anticipates that the private improvements constructed as part of the Project will consist of: (a) the construction of an approximately 70,000 to 80,000 square foot office building and associated improvements on the approximately 9.4 acre lot identified on the site plan as Lot 1; (b) construction of an approximately 87 unit senior living facility and associated improvements on the approximately 5 acre lot identified on the site plan as Lot 3; and (c) redevelopment of the remaining lots, which are identified on the site plan as Lots 2 and 4, into commercial and residential uses which will be more particularly defined in an amendment to this Redevelopment Plan. The Redeveloper intends to complete the Project in phases over multiple years, as described in greater detail below.

The Redeveloper will pay the costs of the private improvements, including the construction of the commercial and residential buildings and associated improvements. As part of the Project, the CDA will capture the available tax increment revenues generated by the redevelopment of the Fountain Point North Project Site to assist in paying for public improvements listed as eligible expenditures under the Act in the Fountain Point Redevelopment Area, including, but not limited to: site preparation, installation and extension of public utilities, installation of streets and sidewalks, landscaping, hardscaping and streetscaping, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. It is anticipated that the public improvements will include improvements to Highway 275 and 37<sup>th</sup> Street to address any traffic issues generated by the Project. 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 Agreement for each phase of the Project.

The redevelopment of the Fountain Point North Project Site pursuant to this Article II of the Redevelopment Plan will eliminate the blight and substandard conditions on the Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan.

### C. Implementation of Project

As described above, the Redeveloper will complete the Project in phases over multiple years, the timing of which will be tied to construction of the buildings and other factors. The phased approach to construction of the Project will allow the Redeveloper to optimize the tax increment financing resources available to put toward construction of eligible public improvements, and to construct the private improvements at a rate the market can support. The Fountain Point North Project Site will be replatted to identify the specific property that will be included in each phase, and each phase of the Project is intended to include all public rights of way and public areas contained within the Fountain Point North Project Site.

The first phase of the Project is identified below. This Redevelopment Plan shall be amended to identify each subsequent phase of the Project. Further, each phase of the Project will be governed by a separate Redevelopment Agreement between the Redeveloper and the CDA which will describe the private improvements and the public improvements to be constructed by the Redeveloper as a part of such phase.

### D. Phase I

The first phase of the Project ("Phase I") shall include the lots identified on the site plan for the Project as Lot 1 and Lot 3 (the "Phase I Project Site"). The Phase I Project Site is located in the Fountain Point Redevelopment Area and within the Fountain Point North Project Site. The Redeveloper private improvements for Phase I will consist of construction of an approximately 70,000 to 80,000 square foot office building, a parking lot, and associated improvements on Lot 1, and construction of an approximately 87 unit senior living facility, a parking lot, and associated improvements on Lot 3. The public improvements to be constructed as part of Phase I will include installation of streets and sidewalks, landscaping, hardscaping and streetscaping, improvements to Highway 275 and 37<sup>th</sup> Street, and extension of public utilities, all as necessary to serve the private improvements to be constructed during Phase I and the Project. The private improvements and public improvements to be developed in Phase I shall be described in more detail in the Redevelopment Agreement for Phase I of the Project. The Cost-Benefit Analysis for Phase I of the Project shall be attached to this Redevelopment Plan as Exhibit "F" prior to consideration by the Community Development Agency and recommendation of the plan to the City Council of the City of Norfolk.

The redevelopment of the Phase I Project Site pursuant to Phase I of the Project will eliminate the current blight and substandard conditions on the Fountain Point North Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan. The Project is not feasible without the use of TIF to assist with the costs of the public improvements. Due to the scope of the Project and the costs of the public improvements included in Phase I, it is expressly acknowledged that the Redeveloper would not undertake Phase I without the anticipated use of tax increment financing for subsequent phases of the Project.

E. Statutory Elements

As described above, the Project envisions the capture of the incremental taxes generated by the Project on the Project Site to pay for eligible expenditures under the Act. Attached as Exhibit “G” and incorporated herein by this reference is a consideration of the statutory elements under the Act.

**III. FOUNTAIN POINT SOUTH REDEVELOPMENT PROJECT**

A. The Project Site

The purpose of this Article III of the Redevelopment Plan is to identify a specific project within the Fountain Point Redevelopment Area that will cause the removal of blight and substandard conditions on the sites located in the City of Norfolk, Nebraska, and described on the attached and incorporated Exhibit “H” (the “Fountain Point South Project Site”).

The Fountain Point South Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Fountain Point South Project Site, and specifically, the Fountain Point South Redevelopment Project (the “Project”), will conform to the General Redevelopment Plan set forth in Article I, and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such redevelopment of the 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 Fountain Point South Project Site generally consists of vacant, underdeveloped land located in the Fountain Point Redevelopment Area. The blighted condition of the Fountain Point South Project Site and the lack of adequate utilities and infrastructure to serve the Fountain Point South Project Site contribute to its inability to attract development. The location of the Fountain Point South Project Site within the Highway 275 Corridor, with access to principle and major collector roadways, makes it a prime site for high or medium density residential development, but the initial upfront costs associated with necessary infrastructure makes development of the Fountain Point South Project Site not feasible. The redevelopment of the Fountain Point South Project Site pursuant to this Article III of the Redevelopment Plan will include eligible expenditures under the Act and will further the purposes of the Act in conformance with the Redevelopment Plan.

B. Description of Project

Fountain Point II, LLC (the “Redeveloper”) has submitted a proposal for redevelopment of the Fountain Point South Project Site. The Redeveloper anticipates that the Project will consist of the construction of commercial and high and medium

density residential uses, and that the Project will be implemented in multiple phases. Additional or different uses may be incorporated into the Project in subsequent phases, which will be identified in an amendment to this Redevelopment Plan.

In order to implement the Project in multiple phases, the Redeveloper intends to replat the Fountain Point South Project Site into approximately 6 separate lots, and one outlot, as shown on the proposed site plan for the Project attached hereto as Exhibit "I". The proposed site plan is conceptual in nature and is subject to revision based on changes in community needs, budgetary constraints, physical conditions, and other factors, but the site plan presents the Redeveloper's overall vision for the Project.

The private improvements constructed as part of the first phase of the Project are expected to consist of approximately 4 multi-family residential buildings, aggregating approximately 100 dwelling units, a clubhouse and associated improvements on the approximately 3.7 acre lot identified on the site plan as Lot 1. Subsequent phases of the Project are anticipated to include construction of additional multi-family buildings on the lots identified on the site plan as Lots 2 through 4, and construction of townhomes on the lot identified on the site plan as Lot 6. Redevelopment of the remaining lot shall be identified in a subsequent amendment to this Redevelopment Plan.

The Redeveloper intends to complete the Project in several phases over multiple years, which will allow the Redeveloper to optimize the tax increment financing resources available for public improvements, including, but not limited to right-of-way improvements, in the Fountain Point Redevelopment Area. Further, the phased approach will allow the Redeveloper to construct the private improvements at a rate that the market can support based on construction of the buildings and lease-up of residential units. The implementation of the Project in multiple phases is described in greater detail below.

The Redeveloper will pay the costs of the private improvements, including but not limited to, the construction of residential buildings and associated improvements. As part of the Project, the CDA will capture the available tax increment revenues generated by the redevelopment of the Fountain Point South Project Site to assist in paying for public improvements listed as eligible expenditures under the Act in the Fountain Point Redevelopment Area, including, but not limited to: site preparation, installation and extension of public utilities, installation of streets and sidewalks, landscaping, hardscaping and streetscaping, façade and energy enhancements, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. It is anticipated that the public improvements will include improvements to Highway 275 and 37<sup>th</sup> Street to address any traffic issues generated by the Project. 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 Agreement for each phase of the Project.

The redevelopment of the Project Site pursuant to this Article III of the Redevelopment Plan will eliminate the blight and substandard conditions on the Fountain Point South Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan.

C. Implementation of Project

As described above, the Redeveloper will complete the Project in multiple phases, the timing of which shall be tied to the construction of the multi-family buildings, lease-up of the units, and other factors. The phased approach to construction of the Project will allow the Redeveloper to optimize the tax increment financing resources available to put toward construction of eligible public improvements, and to construct the private improvements at a rate that the market can support. The Project Site shall be replatted to identify the specific property that will be included in each phase, and each phase of the Project shall include all public rights of way and public areas contained within the Fountain Point South Project Site.

The first phase of the Project is identified below. This Redevelopment Plan shall be amended to identify each subsequent phase of the Project. Further, each phase of the Project will be governed by a separate Redevelopment Agreement between the Redeveloper and the CDA, which will describe the private improvements and the public improvements to be constructed by the Redeveloper as a part of such phase.

D. Phase I

The first phase of the Project ("Phase I") shall include the property identified on the site plan for the Project as Lot 1 (the "Phase I Project Site"). The Phase I Project Site is located in the Fountain Point Redevelopment Area and within the Fountain Point South Project Site. The Redeveloper private improvements for Phase I will consist of construction of 3-4 multi-family residential buildings, consisting of approximately 25 units each for an aggregate of approximately 100 units, a clubhouse, a parking lot and associated improvements. The public improvements to be constructed as part of Phase I will include installation of streets and sidewalks, landscaping, hardscaping and streetscaping, improvements to Highway 275 and 37<sup>th</sup> Street, and extension of public utilities, all as necessary to serve the private improvements to be constructed during Phase I and the Project. The private improvements and public improvements to be developed in Phase I shall be described in more detail in the Redevelopment Agreement for Phase I of the Project. The Cost-Benefit Analysis for Phase I of the Project shall be attached to this Redevelopment Plan as Exhibit "J" prior to consideration by the Community Development Agency and recommendation of the plan to the City Council of the City of Norfolk.

The redevelopment of the Phase I Project Site pursuant to Phase I of the Project will eliminate the current blight and substandard conditions on the Fountain Point South Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan. The Project is not feasible without the use of TIF to assist

with the costs of the public improvements. Due to the scope of the Project and the costs of the public improvements included in Phase I, it is expressly acknowledged that the Redeveloper would not undertake Phase I without the anticipated use of tax increment financing for subsequent phases of the Project.

E. Statutory Elements

As described above, the Project envisions the capture of the incremental taxes generated by the Project on the Project Site to pay for eligible expenditures under the Act. Attached as Exhibit “K” and incorporated herein by this reference is a consideration of the statutory elements under the Act.

Exhibits:

- “A” – Fountain Point Redevelopment Area
- “B” – Existing Land Use
- “C” – Future Land Use
- “D” – Fountain Point North Project Site
- “E” – Site Plan – Fountain Point North
- “F” – Cost-Benefit Analysis for Phase I (Fountain Point North Redevelopment Project)
- “G” – Statutory Elements – Fountain Point North Redevelopment Project
- “H” – Fountain Point South Project Site
- “I” – Site Plan – Fountain Point South
- “J” – Cost-Benefit Analysis for Phase I (Fountain Point South Redevelopment Project)
- “K” – Statutory Elements – Fountain Point South Redevelopment Project

**EXHIBIT "A"**  
**FOUNTAIN POINT REDEVELOPMENT AREA**

A TRACT OF LAND LOCATED IN PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER (SE1/4, SE1/4) OF SECTION NINETEEN (19) AND PART OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER (NW1/4, NW1/4) AND PART OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER (N1/2, SW1/4, NW1/4) ALL OF SECTION TWENTY-NINE (29) AND PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4, NE1/4) AND PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (N1/2, SE1/4, NE1/4) ALL OF SECTION THIRTY (30), ALL IN TOWNSHIP TWENTY-FOUR (24) NORTH, RANGE ONE (1) WEST, OF THE 6TH P.M., MADISON COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30-T24N-R1W; THENCE SOUTH ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHEAST 1/4, TO A POINT ON A SOUTH LINE OF ORDINANCE NO. 4799, RECORDED IN 2005-07, PAGE 600-605 INCL., FILED JULY, 8, 2005, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE EAST ALONG A SOUTH LINE OF ORDINANCE NO. 4799, TO A POINT BEING 378.9± FEET EAST OF THE WEST SECTION LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29-T24N-R1W, POINT ALSO BEING DIRECTLY NORTH OF THE NORTHEAST CORNER OF 37TH STREET AS DESCRIBED IN BOOK 2015, PAGE 01075, FILED MARCH 23, 2015; THENCE SOUTH TO SAID NORTHEAST CORNER OF 37TH STREET AS DESCRIBED IN BOOK 2015, PAGE 01075; THENCE SOUTHERLY ALONG 37TH STREET EAST RIGHT-OF-WAY LINE, TO A POINT ON THE SOUTH LINE OF NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29-T24N-R1W; THENCE WEST ALONG SAID SOUTH LINE OF NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29-T24N-R1W TO A POINT BEING THE SOUTHEAST CORNER OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30-T24N-R1W; THENCE WEST ALONG THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 TO A POINT BEING THE SOUTHWEST CORNER OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30-T24N-R1W; THENCE NORTH ALONG THE WEST LINE OF THE EAST 1/2 OF THE NORTHEAST 1/4 TO THE NORTHWEST CORNER OF NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30-T24N-R1W; THENCE CONTINUING NORTH TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF U.S. 275; THENCE EAST ALONG SAID NORTH RIGHT-OF-WAY LINE OF U.S. 275 TO A POINT ON A WEST LINE OF ORDINANCE NO. 4799; THENCE SOUTH ALONG SAID WEST LINE OF ORDINANCE NO. 4799 TO A SOUTHWEST CORNER OF SAID ORDINANCE NO. 4799; THENCE EAST ALONG A SOUTH LINE OF ORDINANCE NO. 4799 TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 2,849,127 SQUARE FEET OR 65.407 ACRES MORE OR LESS.

## EXHIBIT "B" EXISTING LAND USE

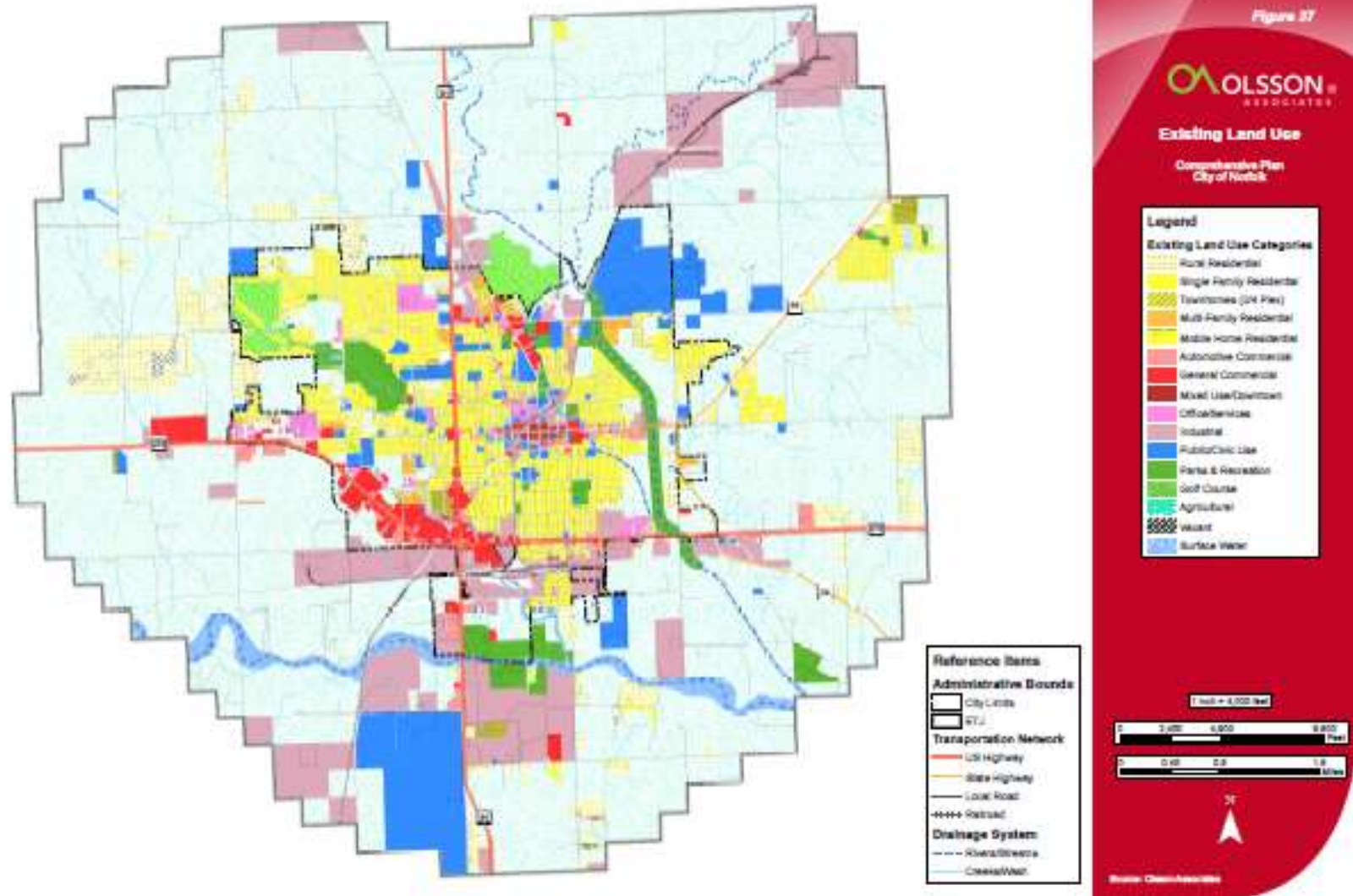


Exhibit "B"

## EXHIBIT "C" FUTURE LAND USE

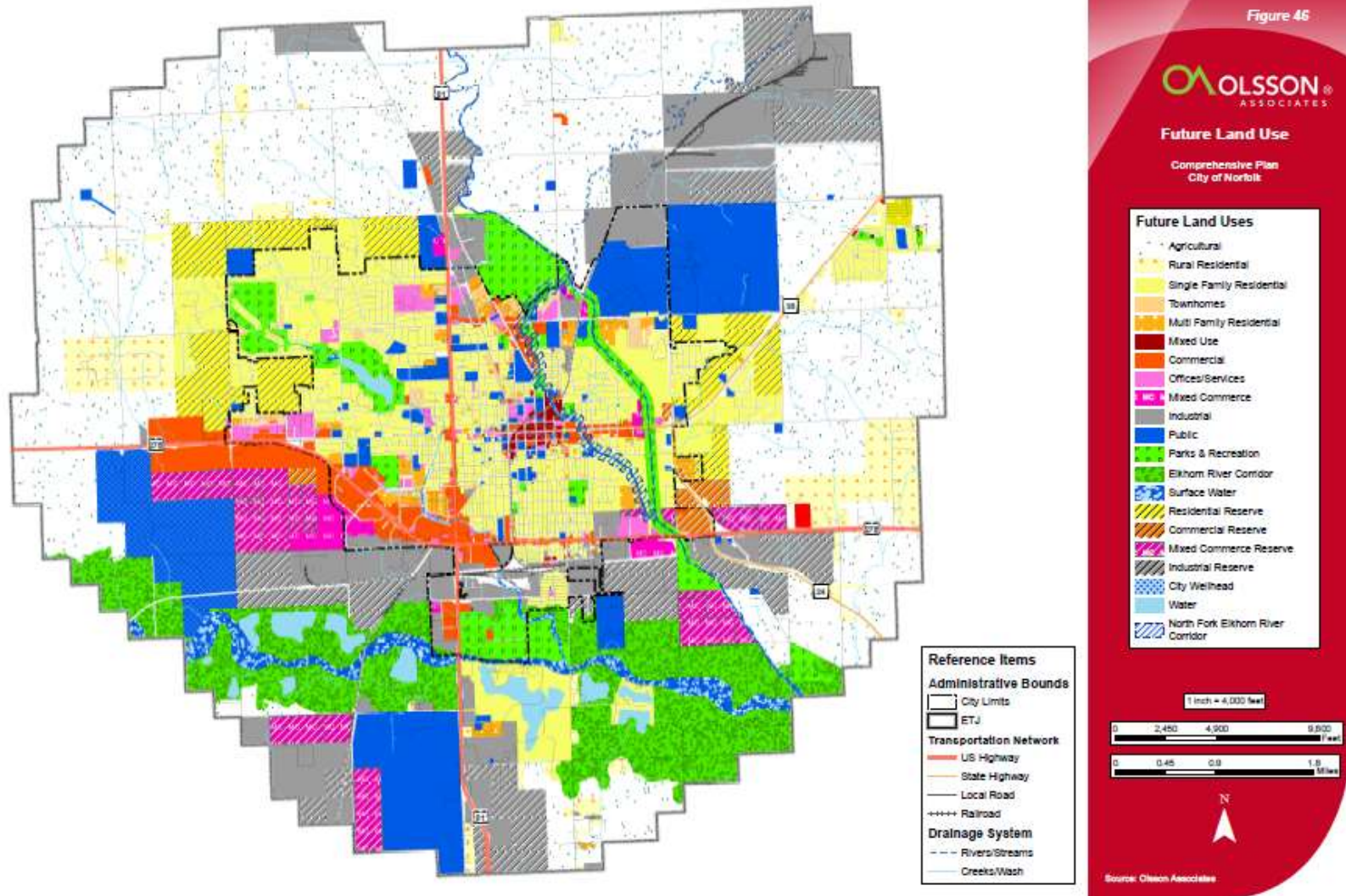


Exhibit "C"

**EXHIBIT "D"**  
**FOUNTAIN POINT NORTH PROJECT SITE**

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4, NE1/4) OF SECTION 30, TOWNSHIP 24 NORTH, RANGE 1 WEST OF THE 6<sup>TH</sup> P.M., MADISON COUNTY, NEBRASKA EXCEPT EAST ONE ROD FOR ROAD PURPOSES AS RECORDED IN MISCELLANEOUS VOLUME 22, PAGE 320, FILED JANUARY 2, 1945; AND EXCEPT THOSE TRACTS OF LAND TO THE STATE OF NEBRASKA IN WARRANTY DEED IN BOOK 131, PAGE 283, RETURN OF APPRAISERS IN BOOK M95-5, PAGE 421, WARRANTY DEED IN BOOK M94-11, PAGE 583, WARRANTY DEED IN BOOK 2005-02, PAGE 0084, WARRANTY DEED IN BOOK 2005-03, PAGE 2288 AND WARRANTY DEED IN BOOK 2015, PAGE 01785; AND EXCEPT A TRACT OF LAND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID NE1/4, NE1/4; THENCE ON AN ASSUMED BEARING OF S87°14'27"W ALONG THE SOUTH LINE OF SAID NE1/4, NE1/4 A DISTANCE OF 16.50 FEET TO THE POINT OF INTERSECTION OF SAID SOUTH LINE AND THE WEST LINE OF 37TH STREET RIGHT-OF-WAY (R.O.W.) AS DESCRIBED IN MISCELLANEOUS VOLUME 22, PAGE 320 FILED JANUARY 2, 1945, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE ALONG AND UPON SAID SOUTH LINE OF THE NE1/4, NE1/4 S87°14'27"W A DISTANCE OF 16.43 FEET; THENCE S87°27'18"W A DISTANCE OF 629.70 FEET; THENCE S87°27'37"W A DISTANCE OF 662.77 FEET TO THE SOUTHWEST CORNER OF SAID NE1/4, NE1/4; THENCE N01°52'39"W ALONG THE WEST LINE OF SAID NE1/4, NE1/4 A DISTANCE OF 263.13 FEET; THENCE N88°01'02"E A DISTANCE OF 1308.67 FEET TO A POINT ON THE WEST LINE OF 37TH STREET R.O.W. AS DESCRIBED IN MISCELLANEOUS VOLUME 22, PAGE 320 FILED JANUARY 2, 1945; THENCE S01°54'37"E ALONG SAID WEST R.O.W. A DISTANCE OF 250.29 FEET TO THE POINT OF BEGINNING.

REMAINING PORTION OF SAID NE1/4, NE1/4 CONTAINS 27.68 ACRES MORE OR LESS.

**EXHIBIT "E"**  
**SITE PLAN - FOUNTAIN POINT NORTH REDEVELOPMENT PROJECT**

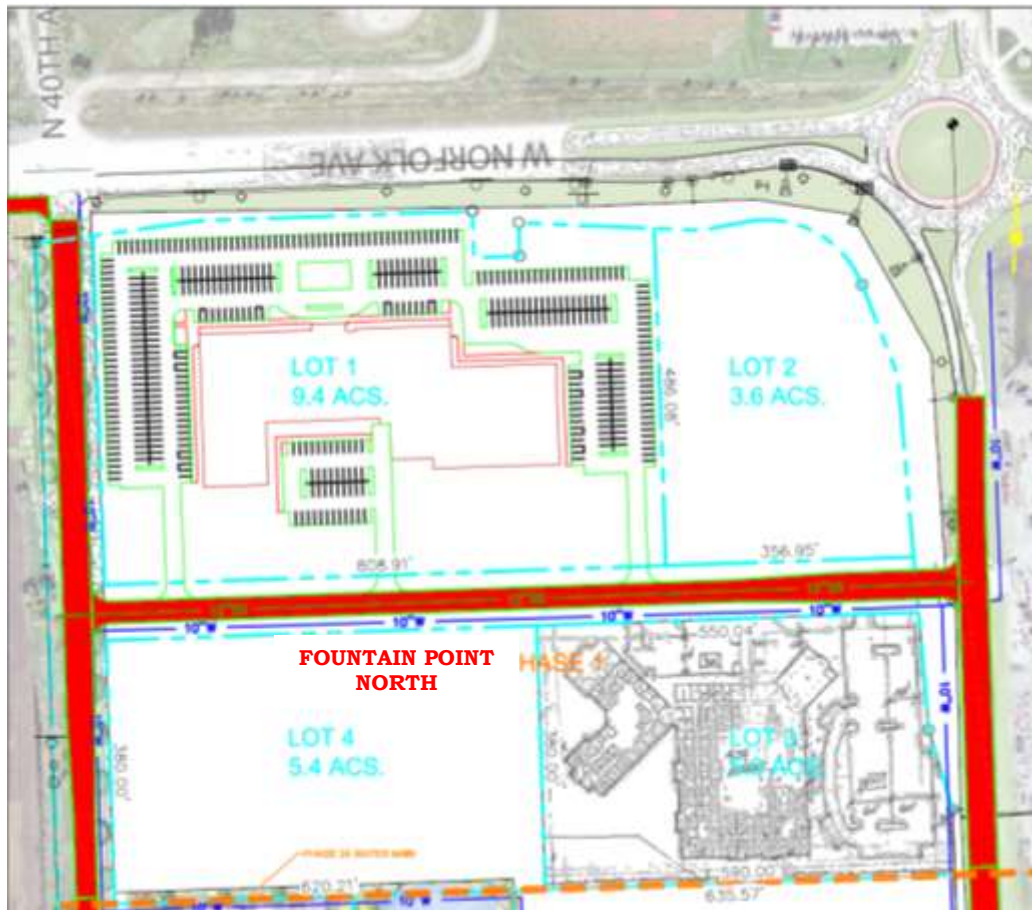


Exhibit "E"

**EXHIBIT “F”**  
**COST-BENEFIT ANALYSIS**  
**PHASE I – FOUNTAIN POINT NORTH REDEVELOPMENT PROJECT**  
**(Pursuant to Neb. Rev. Stat. § 18-2113)**

Phase I of the Fountain Point North Redevelopment Project will consist of the construction of an approximately 70,000 to 80,000 square foot medical office building, an approximately 87 unit senior living facility, parking lots, and associated improvements on the Phase I Project Site. The location of the Phase I Project Site, and the public and private improvements to be constructed as part of Phase I of the Fountain Point North Redevelopment Project are more particularly described on the attached Exhibit “A”. For purposes of this cost-benefit analysis, Phase I of the Fountain Point North Redevelopment Project shall be referred to herein as the “Project”. A separate cost benefit analysis shall be undertaken for each subsequent phase of the Fountain Point North Redevelopment Project. The cost-benefit analysis for the Project, which will utilize funds authorized by Neb. Rev. Stat. § 18-2147, can be summarized as follows:

a.	Estimated Base Phase I Project Site Valuation:	\$28,000
b.	Estimated Completed Project Assessed Valuation:	\$20,169,000
c.	Estimated Increase in Valuation	\$20,141,000
d.	Estimated Annual Projected Tax Increment:	\$398,000

*Notes:*

- 1. The Estimated Completed Project Assessed Valuation is the estimated completed assessed value of all of the private improvements that the redeveloper anticipates will be constructed as part of Phase I of the Fountain Point North Redevelopment Project. It is anticipated that Phase I may be completed in sub-phases and that each such sub-phase may have a different effective date for the division of the ad valorem tax. As a result, the Estimated Annual Projected Tax Shift could vary during Phase I of the Fountain Point North Redevelopment Project.*
- 2. The Estimated Annual 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 increment may vary materially from the projected amount. The estimated tax levy for this analysis is 1.97406, which is the 2016 Madison County tax levy, and is subject to change.*
- 3. The projected valuations and the tax increment set forth above are subject to change before the Redevelopment Agreement for Phase I of the Fountain Point North Redevelopment Agreement is signed. However, these figures present an estimate for the purpose of weighing the overall costs and benefits of Phase I of the Fountain Point North Redevelopment Project.*

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

The City historically has not relied on tax revenue from the Phase I Project Site. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create long-term benefit and a substantial increase in property taxes to the City

and other local taxing jurisdictions. The authority does not anticipate any tax shift resulting from the approval of the use of funds pursuant to section 18-2147.

**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 Redeveloper anticipates expenditures in excess of \$46,000,000 for the acquisition of the Phase I Project Site and construction of an approximately 70,000 to 80,000 square foot medical office building, an approximately 87 unit senior living facility, parking lots, and related improvements, including expenditures for eligible public improvements. It is proposed that approximately \$4,000,000 of these expenditures will be financed with the proceeds of tax increment financing indebtedness, with the remaining balance to be paid by the Redeveloper. The sources and uses of the TIF indebtedness will be more particularly set forth in the Redevelopment Agreement for this Project. It is anticipated that eligible uses of the TIF indebtedness may include the following: utility extension and installation, street paving and other infrastructure improvements, public sidewalk improvements, site preparation and grading, site acquisition, streetscape and landscape improvements, architectural and engineering fees, legal fees, and other improvements deemed feasible and necessary in support of the public health, safety and welfare of the community. All expenditures financed by tax increment financing indebtedness shall be eligible public expenditures under the Act.

It is not anticipated that the Project will have a material adverse impact on existing public infrastructure. The Project will require substantial infrastructure improvements, including extension and installation of sanitary sewer, public water, electrical service, gas and storm sewer lines. In addition, the Project, at full buildout, will require extension of existing streets and construction of new internal streets, including the extension of 37<sup>th</sup> Street south of Highway 275, installation of a street connecting 37<sup>th</sup> Street to 40<sup>th</sup> Street, and the construction of 40<sup>th</sup> Street with such infrastructure being phased in accordance with the phasing of the Project. The required public infrastructure improvements shall be constructed and installed as part of the Project, and paid for in part utilizing tax increment financing. The infrastructure constructed as part of the Project will materially benefit and serve the newly annexed Phase I Project Site, as well as other property in and around the City. Overall, the Project will have a substantial positive impact on the City's public infrastructure by facilitating the construction and installation of needed new and additional public infrastructure improvements. The senior living units and medical office building constructed as a part of the Project will attract new residents and medical providers who will pay for City services, generating revenue to support such services.

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. It is important to acknowledge that the City historically has not relied on tax revenue from the Phase I Project Site, since the Phase I Project Site was not until recently within the corporate limits of the City. The Phase I Project Site would not likely have been annexed without the proposed Project because the Project and the use of TIF for public infrastructure

improvements is essential for the City's plan to furnish city services to the area. Further, the City would be unlikely to realize additional ad valorem taxes in the near future without the Project because other redevelopers are unlikely to locate on the Phase I Project Site without the utility and infrastructure improvements that are being constructed as a part of the Project. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other local taxing jurisdictions.

The Project should also generate immediate tax growth for the City. The Project will involve the construction of a medical office building and senior living facility. The Project should include a significant amount of personal property that will be on the property tax rolls upon its acquisition and installation in each such facility. Additionally, the City should realize revenue from sales tax paid by new residents of the senior living units constructed on the Phase I Project Site. The City should also realize revenue from sales tax paid by patients and family members of patients travelling from outside the City to obtain care in the medical office building constructed on the Phase I Project Site, and who are likely to seek other goods and services, including hospitality services, while within the City of Norfolk.

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

It is anticipated that the Project will have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The public and private improvements are expected to attract businesses and residents to property adjacent to the Phase I Project Site. The Project will provide additional senior living units in the City, which should create additional housing opportunities for employees of firms locating or expanding in the area, resulting from seniors currently residing in the City relocating to the new senior living facility located on the Phase I Project Site. The Project will also enhance health care options in the City of Norfolk, which should help businesses attract and retain employees.

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project includes construction of an approximately 70,000 to 80,000 square foot of medical office space and approximately 87 senior living units, which will likely result in job creation. However, the Project is not anticipated to put stress on existing employers as a result of employees taken away from current employment to fill new positions, because the utility and infrastructure improvements constructed as a part of the Project are likely to attract residential development on parcels adjacent to the Phase I Project Site, creating a new pool of employees.

**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 will involve extension and installation of public utilities to the newly annexed Phase I Project Site, and the use of tax increment financing will reduce the costs of these and other public improvements which would otherwise be fully paid through tax revenue or special assessments that would burden adjacent property owners. The Project will provide additional senior living units that are needed in the City, enhance health care options within the City, and benefit employers, employees, and the City in general. The medical office building and senior living facility constructed as part of the Project should increase the need for services and products from existing businesses, such as janitorial services, office and hardware supplies, household products and general consumer services, and similar products and services. The Project will also act as a catalyst for further development of the redevelopment area identified in the Fountain Point Redevelopment Plan. The Project is the first phase of the larger Fountain Point North Redevelopment Project, and the success of Phase I will result in continued development in Phase II.

The Project is not anticipated to impose a burden or have a negative impact on other local area employers. As indicated in the previous section, the Project includes construction of new senior living units which should create additional housing opportunities in the City of Norfolk as a result of senior relocating from their current residences to the facility. These additional housing opportunities, as well as the enhanced health care options generated by the medical office building, should attract residents creating a pool of additional employees to support the jobs created by the medical office building and senior living facility.

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

The Project will provide much needed additional senior living units in the City of Norfolk, and should enhance the health care options available in the City of Norfolk. Further, construction of both the senior living facility and the medical office building will create jobs, and each will have additional positive secondary employment effects.

The public improvements that will be constructed in the redevelopment area, including sanitary sewer, public water, electrical service, gas and storm sewer lines, as well as street and other improvements, in connection with the Project will provide infrastructure necessary for the development of adjacent property, which should have the effect of generating additional ad valorem property taxes. The implementation of infrastructure in an underdeveloped, blighted and substandard area will have a positive impact on the community.

The Project is the first phase of the Fountain Point North Redevelopment Project. Upon approval of the Project, subsequent phases and additional development are anticipated. The Redeveloper would not enter into this phase and undertake the cost of the public improvements without the anticipated subsequent phases. This cost benefit analysis only addresses Phase I of the Project but the subsequent phases are a further benefit to the City created by the Project that must be considered in this Cost Benefit Analysis.

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

**6. Cost Benefit Analysis Conclusion:**

Based upon the findings presented in this cost benefit analysis, the benefits outweigh the costs of the proposed Project.

Approved by the Community Development Agency of the City of Norfolk, Nebraska  
this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
\_\_\_\_\_, Chairman

\_\_\_\_\_  
\_\_\_\_\_, Secretary

## **EXHIBIT A**

### **PROJECT INFORMATION**

The Project consists of capturing the incremental tax revenue created on the real estate which shall be legally described as:

Lot 1 and Lot 3, Fountain Point Subdivision, an addition to the City of Norfolk, Madison County, Nebraska

(the "Phase I Project Site"). The Project shall consist of the following Private Improvements and Public Improvements:

(a) **Private Improvements.** The private improvements to be constructed by the redeveloper on the Phase I Project Site are anticipated to include the following:

- (i) Approximately 70,000 to 80,000 square foot medical office building;
- (ii) Approximately 87 unit senior living facility, and associated improvements on the Phase I Project Site.

The size of the medical office building and the quantity of senior living units may vary based on the final design of the Project.

(b) **Public Improvements.** The eligible public improvements shall include: utility extension and installation, street paving and other infrastructure improvements, public sidewalk improvements, site preparation and grading, site acquisition, streetscape and landscape improvements, architectural and engineering fees, legal fees and other eligible public expenditures under the Act as determined in the Redevelopment Agreement; paid for, in part, by the tax increment generated by the private improvements.

**EXHIBIT “G”**  
**STATUTORY ELEMENTS**  
**FOUNTAIN POINT NORTH REDEVELOPMENT PROJECT**

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish the Project. The Redeveloper owns or controls the Fountain Point North Project Site.

B. Population Density

It is anticipated that the proposed Project will include the construction of a 87 unit senior living facility on the Fountain Point North Project Site, which will inherently increase population density in the area. The Project will be properly platted to accommodate the increase in population density.

C. Land Coverage

The Project consists of construction of an approximately 70,000 to 80,000 square foot office building on approximately 9.4 acres of undeveloped land, as well as the construction of an approximately 87 unit senior living facility on approximately 5.0 acres of undeveloped land. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Norfolk.

D. Traffic Flow, Street Layouts and Street Grades

It is anticipated that the Project will produce additional traffic as a result of patients and residents travelling to and from the new office building and senior living facility constructed on the Fountain Point North Project Site. The Redeveloper will construct new streets that will provide access to both the office building and the senior living facility constructed on the Fountain Point North Project Site. Further, the public improvements will include improvements to Highway 275 and 37<sup>th</sup> Street to the extent necessary to alleviate any traffic congestion created by the Project.

E. Parking

Parking lots will be constructed to serve both the office building and the senior living facility constructed as part of the Project. The Project will meet or exceed the parking requirements set forth in the applicable zoning district.

F. Zoning, Building Code and Ordinances

In order for the Redeveloper to implement the Project in phases, the Redeveloper will subdivide the Fountain Point North Project Site. The CDA and the Redeveloper acknowledge that the Fountain Point North Project Site may be subdivided incrementally in connection with construction of each phase. Redeveloper shall be responsible for any zoning, building code, or ordinance changes that are necessary for the Project. The Project will necessitate the change of the zoning classification to multiple family residential and/or commercial zones, such as R-3 and C-3, under the City of Norfolk Zoning Ordinance.

**EXHIBIT "H"**  
**FOUNTAIN POINT SOUTH PROJECT SITE**

A TRACT OF LAND CONSISTING OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER (N1/2, SE1/4, NE1/4) AND PART OF THE NORTHEAST QUARTER OR THE NORTHEAST QUARTER (NE1/4, NE1/4), SECTION 30, TOWNSHIP 24 NORTH, RANGE 1 WEST OF THE 6<sup>TH</sup> P.M., MADISON COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID N1/2, SE1/4, NE 1/4, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE ON AN ASSUMED BEARING OF S87°30'33"W ALONG THE SOUTH LINE OF SAID N1/2, SE1/4, NE 1/4 A DISTANCE OF 1325.82 FEET TO THE SOUTHWEST CORNER OF SAID N1/2, SE1/4, NE1/4; THENCE N01°52'24"W ALONG THE WEST LINE OF SAID N1/2, SE1/4, NE1/4 A DISTANCE OF 664.25 FEET TO THE NORTHWEST CORNER OF SAID N1/2, SE1/4, NE1/4; THENCE N01°52'39"W ALONG THE WEST LINE OF SAID NE1/4, NE1/4 A DISTANCE OF 263.13 FEET; THENCE N88°01'02"E A DISTANCE OF 1308.67 FEET TO A POINT ON THE WEST LINE OF 37TH STREET RIGHT-OF-WAY (R.O.W.) AS DESCRIBED IN MISCELLANEOUS VOLUME 22, PAGE 320 FILED JANUARY 2, 1945; THENCE S01°54'37"E ALONG SAID WEST R.O.W. A DISTANCE OF 250.29 TO THE POINT OF INTERSECTION OF SAID WEST R.O.W. LINE AND THE NORTH LINE OF SAID N1/2, SE1/4; THENCE N87°14'27"E ALONG SAID NORTH LINE A DISTANCE OF 16.50 FEET TO THE NORTHEAST CORNER OF SAID N1/2, SE1/4; THENCE S01°54'37"E ALONG THE EAST LINE OF SAID N1/2, SE1/4 A DISTANCE OF 665.55 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS 27.94 ACRES MORE OR LESS.

[illegible]

**EXHIBIT “J”**  
**COST-BENEFIT ANALYSIS**  
**PHASE I – FOUNTAIN POINT SOUTH REDEVELOPMENT PROJECT**  
**(Pursuant to Neb. Rev. Stat. § 18-2113)**

Phase I of the Fountain Point South Redevelopment Project will consist of the construction of 3 or 4 multi-family residential buildings, consisting of approximately 25 units each for an aggregate of 75 to 100 units, clubhouse, parking lots, and associated improvements on the Phase I Project Site. The location of the Phase I Project Site, and the public and private improvements to be constructed as part of Phase I of the Fountain Point South Redevelopment Project are more particularly described on the attached Exhibit “A”. For purposes of this cost-benefit analysis, Phase I of the Fountain Point South Redevelopment Project shall be referred to herein as the “Project”. A separate cost benefit analysis shall be undertaken for each subsequent phase of the Fountain Point South Redevelopment Project. The cost-benefit analysis for the Project based on 100 dwelling units, which will utilize funds authorized by Neb. Rev. Stat. § 18-2147, can be summarized as follows:

a.	Estimated Base Phase I Project Site Valuation:	\$7,000
b.	Estimated Completed Project Assessed Valuation:	\$6,994,000
c.	Estimated Increase in Valuation	\$6,987,000
d.	Estimated Annual Projected Tax Increment:	\$140,000 to \$150,000

Based on the assumption that the Phase I Project for the Fountain Point South Redevelopment Project will contain approximately 100 dwelling units and a clubhouse, the redeveloper would project an annual incremental tax sum of approximately \$140,000 to \$150,000 which would support a tax increment financing loan of approximately \$1,400,000. The final tax increment sum for the Phase I Fountain Point South Redevelopment Project is interest-rate sensitive and shall be more specifically determined in the Redevelopment Contract to be proposed by the Redeveloper for the project.

*Notes:*

- 1. The Estimated Completed Project Assessed Valuation is the estimated completed assessed value of all of the private improvements that the redeveloper anticipates will be constructed as part of Phase I of the Fountain Point South Redevelopment Project. It is anticipated that Phase I may be completed in sub-phases and that each such sub-phase may have a different effective date for the division of the ad valorem tax. As a result, the Estimated Annual Projected Tax Shift could vary during Phase I of the Fountain Point South Redevelopment Project.*
- 2. The Estimated Annual 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 increment may vary materially from the projected amount. The estimated tax levy for this analysis is 1.97406, which is the 2016 Madison County tax levy, and is subject to change.*
- 3. The projected valuations and the tax increment set forth above are subject to change before the Redevelopment Agreement for Phase I of the Fountain Point South Redevelopment Agreement is signed. However, these figures present an*

*estimate for the purpose of weighing the overall costs and benefits of Phase I of the Fountain Point South Redevelopment Project.*

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

The City historically has not relied on tax real estate revenue from the Phase I Project Site which was recently annexed. While the use of tax increment financing will defer the receipt of the new ad valorem real property taxes generated by the Project, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other taxing jurisdictions. The Authority does not anticipate any tax shift resulting from the approval of the use of funds pursuant to Section 18-2147.

**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 Redeveloper anticipates expenditures for an approximate 100 unit apartment project to be in excess of \$11,000,000 for the acquisition of the Phase I Project Site and construction of 4 multi-family residential buildings, consisting of approximately 25 units each for an aggregate of 100 units, clubhouse, parking lots, and related improvements, including expenditures for eligible public improvements. It is proposed that approximately \$1,400,000 of these expenditures will be financed with the proceeds of tax increment financing indebtedness, with the remaining balance to be paid by the Redeveloper. The sources and uses of the TIF indebtedness will be more particularly set forth in the Redevelopment Agreement for this Project. It is anticipated that eligible uses of the TIF indebtedness may include the following: utility extension and installation, street paving and other infrastructure improvements, public sidewalk improvements, site preparation and grading, site acquisition, streetscape and landscape improvements, architectural and engineering fees, legal fees, and other improvements deemed feasible and necessary in support of the public health, safety and welfare. All expenditures financed by tax increment financing indebtedness shall be eligible public expenditures under the Act.

It is not anticipated that the Project will have a material adverse impact on existing public infrastructure. The Project will require substantial infrastructure improvements, including extension and installation of sanitary sewer, public water, electrical service, gas and storm sewer lines. In addition, the Project will require extension of existing streets and construction of new internal streets, including the extension of 37<sup>th</sup> Street south of Highway 275, and installation of a street providing access to the newly constructed apartment buildings from 37<sup>th</sup> Street. The required public infrastructure improvements shall be constructed and installed as part of the Project, and paid for in part utilizing tax increment financing. The infrastructure constructed as part of the Project will materially benefit and serve the newly annexed Phase I Project Site, as well as other property in and around the City. Overall, the Project will have a substantial positive impact on the City's public infrastructure by facilitating the construction and installation of needed new and additional public infrastructure improvements. The new apartment units constructed as a part of the Project will attract new residents who will pay for City services, generating revenue to support such services.

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

i. Tax Revenue. The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. It is important to acknowledge that the City historically has not relied on tax revenue from the Phase I Project Site, since the Phase I Project Site was not until recently within the corporate limits of the City. The Phase I Project Site would not likely have been annexed without the proposed Project because the Project and the use of TIF for public infrastructure improvements is essential for the City's plan to furnish city services to the area. Further, the City would be unlikely to realize additional ad valorem taxes in the near future without the Project because other redevelopers are unlikely to locate on the Phase I Project Site without the utility and infrastructure improvements that are being constructed as a part of the Project. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, it is intended to create long-term benefit and a substantial increase in property taxes to the City and other local taxing jurisdictions.

The Project should also generate immediate tax growth for the City. The Project will involve the construction of approximately 100 new apartment units. The Project should include a significant amount of personal property that will be on the property tax rolls upon its acquisition and installation in the apartment buildings. Additionally, the City should realize revenue from sales tax paid by new residents of the apartment units constructed on the Phase I Project Site.

ii. School District. The Project should not have a material adverse impact on the Norfolk School District. Based on the assumption that Phase I shall contain 100 dwelling units, the Redeveloper anticipates that the apartment unit mix shall be comprised of 25 units containing 1 bedroom, 55 units containing 2 bedrooms and 20 units containing 3 bedrooms. Historical data reflects such units would have the potential to add approximately 80 students of varying ages to the school population. Based on current school funding formulas, the Norfolk School District should not experience a material adverse effect in its funding of public education due to the approval of the use of funds pursuant to Section 18-2147. The project is not anticipated to put stress on or create any capacity issues for Norfolk schools.

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

It is anticipated that the Project will have a material positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The public and private improvements are expected to attract businesses and residents to property adjacent to the Phase I Project Site. The Project will provide much needed additional apartment units in the City, which will be available to employees of firms locating or expanding in the area.

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project is not anticipated to put stress on existing employers as a result of employees taken away from current employment to fill new positions, because the 100 apartment units constructed as part of the Project are likely to attract new residents to the City of Norfolk, creating a new pool of employees.

**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 will involve extension and installation of public utilities to the newly annexed Phase I Project Site, and the use of tax increment financing will reduce the costs of these and other public improvements which would otherwise be fully paid through tax revenue or special assessments that would burden adjacent property owners. The Project will provide much needed additional apartment units in the City, and benefit employers, employees, and the City in general. The new apartment units constructed as part of the Project should increase the need for services and products from existing businesses, such household products and general consumer services. The Project will also act as a catalyst for further development of the redevelopment area identified in the Fountain Point Redevelopment Plan. The Project is the first phase of the larger Fountain Point South Redevelopment Project, and the success of Phase I will result in continued development in Phase II.

The Project is not anticipated to impose a burden or have a negative impact on other local area employers. As indicated in the previous section, the Project includes construction of additional housing units in the City of Norfolk, which should attract new residents and create a pool of additional employees for employers in the City.

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

The Project will provide much needed additional housing units in the City of Norfolk, attracting residents to the City of Norfolk and creating a new pool of employees. The City is anticipated to realize some immediate revenue from the sales and other taxes paid by these new residents of the City of Norfolk. Further, the pool of employees created should have a positive impact on employers expanding or locating in the City of Norfolk.

The public improvements that will be constructed in the redevelopment area, including sanitary sewer, public water, electrical service, gas and storm sewer lines, as well as street and other improvements, in connection with the Project will provide infrastructure necessary for the development of adjacent property, which should have the effect of generating additional ad valorem property taxes. The implementation of infrastructure in an underdeveloped, blighted and substandard area will have a positive impact on the community.

The Project is the first phase of the Fountain Point South Redevelopment Project. Upon approval of the Project, subsequent phases and additional development are anticipated. The Redeveloper would not enter into this phase and undertake the cost of the public improvements without the anticipated subsequent phases. This cost benefit analysis only addresses Phase I of the Project but the subsequent phases are a further benefit to the City created by the Project that must be considered in this Cost Benefit Analysis.

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

**6. Cost Benefit Analysis Conclusion:**

Based upon the findings presented in this cost benefit analysis, the benefits outweigh the costs of the proposed Project.

Approved by the Community Development Agency of the City of Norfolk, Nebraska  
this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
\_\_\_\_\_, Chairman

\_\_\_\_\_  
\_\_\_\_\_, Secretary

## **EXHIBIT A**

### **PROJECT INFORMATION**

The Project consists of capturing the incremental tax revenue created on the real estate which shall be legally described as:

Lots 7, 8, 9, and 10 Fountain Point Subdivision, an addition to the City of Norfolk, Madison County, Nebraska (Referred to as Lots 1 and 2 in the site plan which is Exhibit "I" to this Redevelopment Plan)

(the "Phase I Project Site"). The Project shall consist of the following Private Improvements and Public Improvements:

(a) **Private Improvements.** The private improvements to be constructed by the redeveloper on the Phase I Project Site are anticipated to include construction of 4 multi-family residential buildings, consisting of approximately 25 units each for an aggregate of 100 units, clubhouse, parking lots, and associated improvements. The quantity of housing units may vary based on the final design of the Project.

(b) **Public Improvements.** The eligible public improvements shall include: utility extension and installation, street paving and other infrastructure improvements, public sidewalk improvements, site preparation and grading, site acquisition, streetscape and landscape improvements, architectural and engineering fees, legal fees and other eligible public expenditures under the Act as determined in the Redevelopment Agreement; paid for, in part, by the tax increment generated by the private improvements.

**EXHIBIT “K”**  
**STATUTORY ELEMENTS**  
**FOUNTAIN POINT SOUTH REDEVELOPMENT PROJECT**

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish the Project. The Redeveloper owns or controls the Fountain Point South Project Site.

B. Population Density

The proposed Project includes the construction of 4 new multi-family buildings, including approximately 100 dwelling units on the Fountain Point South Project Site, which will inherently increase population density in the area. The Project will be properly platted to accommodate the increase in population density.

C. Land Coverage

The Project consists of construction of 4 new multi-family buildings, including approximately 100 dwelling units, on approximately 3.7 acres of undeveloped land. The Project will comply with the applicable land-coverage ratios and zoning requirements of the City of Norfolk.

D. Traffic Flow, Street Layouts and Street Grades

It is anticipated that the Project will produce additional traffic as a result of residents travelling to and from the new multi-family buildings constructed on the Fountain Point South Project Site. The Redeveloper will construct new streets that will provide access to the new multi-family buildings constructed on the Fountain Point North Project Site. In addition, the Redeveloper anticipates that the public improvements will include improvements to Highway 275 and 37<sup>th</sup> Street to the extent necessary to alleviate any traffic congestion created by the Project.

E. Parking

The Redeveloper will construct a parking lot to serve the new multi-family buildings constructed as part of the Project. The Project will meet or exceed the parking requirements set forth in the applicable zoning district.

F. Zoning, Building Code and Ordinances

In order for the Redeveloper to implement the Project in phases, the Redeveloper will subdivide the Fountain Point South Project Site. The Redeveloper and the CDA acknowledge that the Fountain Point South Project Site may be subdivided incrementally in connection with the construction of each phase. Redeveloper shall be responsible for any zoning, building code, or ordinance changes that are necessary for the Project. The Project will necessitate the change of the zoning classification to an urban residential zone, such as R-3 Zoning under the City of Norfolk Zoning Ordinance.