

Exhibit "4"
Statutory Cost-Benefit Analysis

As under section 18-2147 of the Act, the Agency has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Redevelopment Project Sources and Uses. Approximately \$3,700,000 in property tax receipts from TIF provided by the Agency is required to complete the proposed redevelopment. Such a TIF grant by the Agency will leverage an estimated \$ 22,261,077 (Phase One and Phase Two) in other investment and financing; an investment of \$6.02 for every dollar of tax increment financing.

Use of Funds. A full schedule of proposed sources and uses of funds is attached as Exhibit "5" to the Redevelopment Plan.

Tax Shifts. The property to be redeveloped is anticipated to have a January 1, 2019, valuation of approximately \$104,000. Based on the 2017 levy this would result in a real property tax of approximately \$2,026. It is anticipated that the assessed value will increase by a minimum of \$20,485,600 when the Redevelopment Project is completed. This will result in an overall tax of approximately \$400,771 annually based on the 2017 levy rate of 1.968713% for property inside the city limits. Of this increased annual amount, approximately \$399,269 represents the estimated tax increment that could be used to pay the TIF Bond issue. The tax increment gained from the Redevelopment Project would not be available for use by the taxing entities as general tax revenues, but would be used to pay the TIF Bond issued to pay for eligible improvements to enable this Redevelopment Project to be realized. To the extent a Redevelopment Project phase has not reached full value at the time taxes are divided, the amount of the annual tax increment will be less.

Estimated 2018 assessed value:	\$ 104,000
Estimated 2019 assessed value:	\$ 4,496,400
Estimated 2020 & after assessed value	\$ 20,589,600
Increment value	\$ 20,485,600
Annual Increment	
2019 increment	\$ 85,609
2020 & after increment	\$ 399,269
Total Increment	\$ 5,675,384
TIF Bond issue	\$ 3,700,000

Public Infrastructure and Community Public Service Impacts. The Redevelopment Project requires extensive public infrastructure installation. Onsite infrastructure totals an estimated \$3,540,000 in addition to required site preparation. Sewer and water extension to the site will be installed by the city pursuant to a special improvement district. Costs allocated to the Redeveloper through the special assessment levy are estimated to exceed \$250,000. Fire and

police protection are considered adequate and no additional personnel or equipment is contemplated.

Employment Within the Project Area. Employment within the Project Area is expected to increase during infrastructure installation and apartment construction. These jobs will be temporary. After completion of the Redevelopment Project, at least three full time employees will be employed at the Phase One portion of the project. As to Phase Two, the number of employees will depend on the facility constructed, but it should result in increased employment within the area.

Employment in the City Outside the Project Area. The construction of 160 apartments over the build-out period will provide incremental local sales to support construction workers during that time. This will result in modest upward pressure for jobs in the service and retail sector. The latest census data shows that the City's population per household is 2.35 persons. At this rate, the population could expand by 376 persons as a result of the full implementation of the project. Many of the current residents travel outside of the community for employment. However, the added population could increase demand for local retail and service jobs.

Local Tax Impacts. This Project will require substantial purchases of materials during home construction. With respect to Phase I, assuming that actual apartment construction cost is \$15,539,000, approximately 40 percent of the cost will be allocated toward materials. Construction materials delivered to the construction site in the City is subject to local sales tax of 1.5%. At 40 percent for materials, local tax could be as high as \$93,000 to the general fund of the City. With respect to Phase II, assuming that commercial construction costs are \$2,500,000, approximately 40 percent of the cost will be allocated toward materials. Construction materials delivered to the construction site in the City is subject to local sales tax of 1.5%. At 40 percent for materials, local tax could be as high as \$15,000 to the general fund of the City.

Impacts on student populations. The addition of school age children as a result of this redevelopment project will have an impact on the Norfolk School District. Assuming each apartment will result in 2.35 persons and there is a traditional family in each apartment, a student population increase of .35 children per apartment is possible for a total of 56 new students. Single parents with multiple school age children will skew this number higher. The district will not receive taxes from the apartments and commercial structure 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. Taxes on any increase in the base value of the land will benefit the school district. 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.

Other Impacts. The Redevelopment Area is blighted and contains substandard conditions that are a detriment to the City as a whole. The Redevelopment Project will revitalize and occupy a vacant space without negatively impacting the surrounding businesses or straining the public infrastructure. There are no other material impacts determined by the Agency relevant to the

consideration of the cost or benefits arising from the Redevelopment Project. As such, the costs of the Redevelopment Project are outweighed by its benefits.