City of Omaha
Jean Stothert, Mayor

RECEIVED
2014 NOV -7 PM 2:36
CITY CLERK
OMAHA, NEBRASKA

Planning Department
Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140
James R. Thele
Director

November 18, 2014

Honorable President

and Members of the City Council,

The attached Resolution transmits the 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan, which is located at 5018 Underwood Avenue. While parts of Dundee's business district have seen revitalization, there are still opportunities for redevelopment on the north side of Underwood Avenue.

The redevelopment project plan contemplates demolishing the existing structure, and constructing a new three-story, mixed-use structure. The new development would include ground floor commercial retail space, medical office on the second floor, and six (6) market rate apartments on the third floor. There will be 15 stalls of parking developed behind the building, accessible via the alley. The Planning Board recommended the approval of this redevelopment project plan at the October 1, 2014 public hearing.

The Redevelopment Project Plan recommends the City's participation in the redevelopment of this project site through the allocation of TIF in an amount up to $650,000.00 to offset TIF eligible costs such as acquisition, demolition, site preparation, environmental, architectural and engineering fees, and any public improvements as required. The total estimated project costs are $4,394,568.00, but are subject to change as final costs come in.

Your favorable consideration of this Resolution will be appreciated.

Respectfully submitted,

James R. Thele 10/22/14
James R. Thele Date
Planning Director BRA

Referred to City Council for Consideration:

Jean Stothert 11/4/14
Mayor's Office Date

Approved:

Stephen B. Curtiss 10/30/14
Stephen B. Curtiss Date
Finance Director vgl

Robert G. Stubbe 11/3/14
Robert G. Stubbe, P.E. Date
Public Works Director

2094 dlh

Notice of Publication and Public Hearing: November 20, 2014 and November 27, 2014

Public Hearing: December 9, 2014

C-25A

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

WHEREAS, the primary objectives of the City of Omaha's Master Plan and Community Development Program are to encourage additional private investment and infill development within inner-city neighborhoods; and to eliminate conditions which are detrimental to public health, safety and welfare, by developing vacant, underutilized property within these neighborhoods; and,

WHEREAS, the redevelopment project site located at 5018 Underwood Avenue is within a designated community redevelopment area, as the area meets the definition of blight and substandard per the Community Development Law and is in need of redevelopment; and,

WHEREAS, this 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan for the redevelopment project site was approved by the TIF Committee and subsequently by the City of Omaha Planning Board at their October 1, 2014 meeting; and,

WHEREAS, the project site for the 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan is located at 5018 Underwood Avenue and is legally described in Exhibit "A" which is attached hereto and herein incorporated by reference; and,

WHEREAS, the 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan which contemplates demolishing the existing structure, and constructing a new three-story, mixed-use structure consisting of ground floor commercial retail space, medical office on the second floor, market rate apartments on the third floor, and 15 parking stalls behind the building accessible via the alley as described in Exhibit "B", attached hereto and herein incorporated by reference; and,

WHEREAS, this Resolution seeks approval of 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan, which recommends the City's participation through the allocation of TIF in an amount up to $650,000.00 to offset TIF eligible costs such as acquisition, demolition, site preparation, environmental, architectural and engineering fees, and any public improvements as required, for a project with total estimated costs of $4,394,568.00; and,

By.....
Councilmember

Adopted.....

.....
City Clerk

Approved.....
Mayor

CITY OF OMAHA

LEGISLATIVE CHAMBER

Omaha, Nebraska

WHEREAS, the Plan presents a project based on estimated figures and projections that are subject to change as project costs are finalized, and is required to comply with all Planning Department requirements and Planning Board recommendations; and,

WHEREAS, Section 18-2108 of the Nebraska Revised Statutes requires the City of Omaha to adopt a redevelopment plan before taking an active part in a redevelopment project; including the division of ad valorem taxes for a period not to exceed fifteen years under Sections 18-2147 through 18-2150, Revised Statutes of Nebraska; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

THAT, the attached 5018 Underwood Tax Increment Financing (TIF) Redevelopment Project Plan located at 5018 Underwood Avenue, which contemplates demolishing the existing structure, and constructing a new three-story, mixed-use structure consisting of ground floor commercial retail space, medical office on the second floor, market rate apartments on the third floor, and 15 parking stalls behind the building accessible via the alley, recommends the City's participation through the allocation of TIF in an amount up to $650,000.00 to offset TIF eligible costs such as acquisition, demolition, site preparation, environmental, architectural and engineering fees, and any public improvements as required; containing a provision for the division of ad valorem taxes under Section 18-2147 through 18-2150, Revised Statutes of Nebraska, as recommended by the City Planning Department, be and hereby is approved.

APPROVED AS TO FORM:

Asst. ASSISTANT CITY ATTORNEY 10/24/14 DATE

2094 dlh

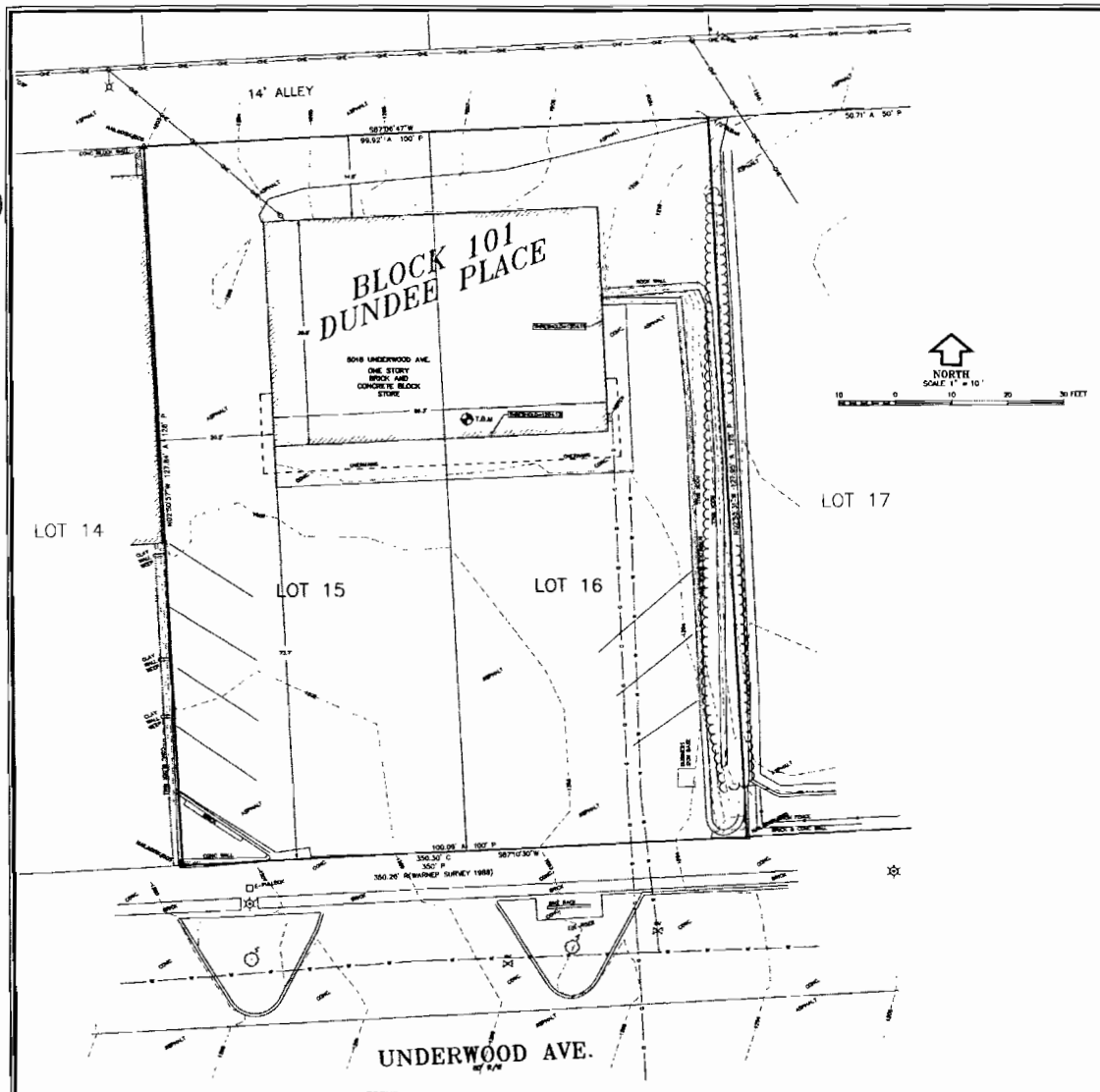
By.....
Councilmember

Adopted.....

.....
City Clerk

Approved.....
Mayor

EXHIBIT "A"



TITLE COMMITMENT INFORMATION

COMMITMENT FOR TITLE INSURANCE WAS ISSUED BY AMERICAN LAND TITLE COMPANY d/b/a/ MISSOURI RIVER TITLE, FILE NO. 20140837 DATED MAY 20, 2014 AT 8:00 a.m.

LEGAL DESCRIPTION

LOTS 15 AND 16 , BLOCK 101, DUNDEE PLACE, AN ADDITION TO THE CITY OF OMAHA, AS SURVEYED, PLATTED AND RECORDED IN DOUGLAS COUNTY, NEBRASKA.

NOTES CORRESPONDING TO SCHEDULE B ITEMS

8. PLAT AND DEDICATION IN BOOK 110 AT PAGE 572, FILED JUNE 26, 1888.
SURVEYOR'S NOTE: DEDICATION OF STREETS AND ALLEYS TO THE PUBLIC
NO EASEMENTS WERE DEDICATED

MISCELLANEOUS NOTES:

1) THE CURRENT ZONING FOR THE SUBJECT PROPERTY (PER PUBLIC RECORD) IS:
NBD-MOE-C

NBD – NEIGHBORHOOD BUSINESS DISTRICT

REGULATION	REQUIREMENT
LOT AREA	NO MINIMUM
LOT WIDTH	NO MINIMUM
FRONT YARD SETBACK	20 FEET OR AVERAGE OF BLOCK
REAR YARD	20 FEET
SIDE YARD	NO MINIMUM
HEIGHT	45 FEET
FLOOR AREA RATIO	NO MAXIMUM
OFF-STREET PARKING	NO REQUIREMENT
LOADING	NO REQUIREMENT
BUILDING COVERAGE	60% MAXIMUM PERMITTED
IMPERVIOUS COVERAGE	90% MAXIMUM PERMITTED

NBD – NEIGHBORHOOD BUSINESS DISTRICT
THE MOE NEIGHBORHOOD CONSERVATION/ENHANCEMENT OVERLAY DISTRICT IS INTENDED TO HELP PRESERVE UNIQUE PEDESTRIAN-ORIENTED LAND USE, URBAN DESIGN, AND OTHER DISTINCTIVE CHARACTERISTICS OF OLDER ESTABLISHED NEIGHBORHOODS AND COMMERCIAL AREAS AS WELL AS TO ENHANCE MORE RECENTLY DEVELOPED NEIGHBORHOODS AND COMMERCIAL AREAS IN ORDER TO IMPLEMENT THE URBAN DESIGN ELEMENT OF THE CITY'S COMPREHENSIVE PLAN. THE MOE DISTRICT, USED IN COMBINATION WITH A BASE DISTRICT, ALLOWS CHANGES IN PERMITTED USES AND ADJUSTMENTS TO SITE DEVELOPMENT STANDARDS IN ORDER TO RESPOND TO THE NEEDS OF A SPECIFIC RESIDENTIAL NEIGHBORHOOD OR NEIGHBORHOOD COMMERCIAL AREA. IN ADDITION, THE MOE DISTRICT MAY INCLUDE SUPPLEMENTARY SITE DEVELOPMENT STANDARDS AND GUIDELINES, BASED UPON A NEIGHBORHOOD CONSERVATION/ENHANCEMENT PLAN ADOPTED BY THE CITY COUNCIL AS PART OF THE CITY'S COMPREHENSIVE PLAN.

SPECIFIC SETBACK DISTANCES SHOULD BE VERIFIED WITH THE CITY OF OMAHA PLANNING DEPARTMENT (PH# 402-444-5150), PARTICULARLY FOR NEW DESIGN/CONSTRUCTION TO ELIMINATE ANY PROBLEMS CAUSED BY "INTERPRETATIONS" OF ZONING LANGUAGE.

2) A COMMITMENT FOR TITLE INSURANCE WAS SUPPLIED TO THE SURVEYOR. THERE WERE NO REFERENCED COVENANTS IN THE RECORDED INSTRUMENTS SUPPLIED AT THE TIME OF SURVEY. THERE MAY BE ADDITIONAL SUPPLEMENTAL SITE RESTRICTIONS, COVENANTS, AGREEMENTS OR ENCUMBRANCES, RECORDED OR NOT RECORDED, THAT APPLY. IF THE OWNER IS AWARE OF ANY ADDITIONAL DOCUMENTATION, IT SHOULD BE FORWARDED TO THE ARCHITECT, ENGINEER AND LAND SURVEYOR FOR REVIEW. THESE RESTRICTIONS MAY SUPERSEDE THE ZONING SET BACK LIMITS AS SHOWN.

3) SUBJECT PROPERTY CONTAINS 12,780 SQUARE FEET OR 0.2936 ACRES, MORE OR LESS.

4) SUBJECT PROPERTY HAS 7 STANDARD PARKING STALLS (MARKED)

5) FLOOD ZONE OF SUBJECT PROPERTY – PER DOUGLAS COUNTY, NEBRASKA FLOOD INSURANCE RATE MAP, COMMUNITY OF THE CITY OF OMAHA (COMMUNITY NUMBER – 315274), MAP NUMBER 31055C0238H, DATED DECEMBER 2, 2005.
THIS TRACT LIES IN AN AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN (PER FLOOD INSURANCE RATE MAP MAP MODY 31055C0060 – PANEL NOT PRINTED).

6) THE UTILITY LOCATIONS ON THIS PLAT ARE THE RESULT OF A COMBINATION OF FIELD LOCATED POSITIONS AND/OR AS-BUILT DRAWINGS PROVIDED BY THE UTILITY COMPANIES AT OUR REQUEST AND ARE THEREFORE SUBJECT TO INTERPRETATION. THE LOCATIONS ARE APPROXIMATE AND NO GUARANTEE IS MADE OR IMPLIED AS TO THEIR ACCURACY. FURTHER VERIFICATION MAY BE REQUIRED TO IDENTIFY UTILITIES NOT SHOWN HEREON. CONTACT DIGGERS HOTLINE OF NEBRASKA AT 1-800-331-5666

7) ELEVATIONS SHOWN HEREON ARE U.S.G.S. NAVD88 DATUM DETERMINED BY RTK GPS OBSERVATION USING NGS GEOID 12A
T.B.M.: SOUTH THRESHOLD ON BUILDING
ELEVATION = 1304.13

8) HORIZONTAL CONTROL IS ON MODIFIED NE SPC USING A COMBINED SCALE FACTOR OF 1.0003628

LEGEND

- △ – SET 5/8" REBAR W/CAP (U.N.O.)
- ● – FOUND SURVEY POINT
- ⚠ – TEMPORARY CONTROL POINT (T.C.P.) (12" LANDSCAPE SPIKE) (U.N.O.)
- C.T.P. – CRIMPED TOP PIPE
- D.T.P. – DPED TOP PIPE
- S.D.H. – STAR DRILL HOLE
- "X" – CHISELED "X" IN CONCRETE
- P – PLAT DISTANCE
- A – ACTUAL DISTANCE
- R – RECORDED DISTANCE
- C – COMPUTED DISTANCE
- U.N.O. – UNLESS NOTED OTHERWISE
- T.B.M. – TEMPORARY PROJECT BENCH MARK
- (1083.3) – SPOT ELEVATION
- F.F.E. – FINISHED FLOOR ELEVATION
- T.E. – THRESHOLD ELEVATION
- – UTILITY LINES OVERHEAD (SOLID)
- – UTILITY LINES BURIED (DASHED)
- □ – UTILITY FEATURE AS NOTED
- – PIPES (TYPE NOTED)
- – SMALL SIGN
- – FENCES (TYPES NOTED)
- L.S. – LANDSCAPING AREA
- – TREE LINE
- – DECIDUOUS TREE
- – CONIFEROUS TREE
- SHRUBS/BUSH
- OHE – OVERHEAD ELECTRIC
- U.E. – UNDERGROUND ELECTRIC
- E.M.H. – ELECTRIC MANHOLE
- P.P. – POWER POLE
- – GUY WIRE
- – LIGHT POLE
- – LAMP POLE
- – SPOT LIGHT
- – TRANSFORMER
- – TRAFFIC SIGNAL
- – PEDESTRIAN WALK SIGNAL
- OHT – OVERHEAD TELEPHONE
- T – UNDERGROUND TELEPHONE
- TMH – TELEPHONE MANHOLE
- FO – FIBER OPTIC CABLE
- CTV – CABLE TELEVISION
- MH – MANHOLE
- SMH – SANITARY MANHOLE
- S – SANITARY SEWER
- DMH – STORM DRAIN MANHOLE
- D – STORM SEWER
- C.E. – CURB ELEVATION (NORTH RIM U.N.O.)
- I.E. – INVERT ELEVATION
- F.F. – FLOOR LINE (BASEMENT INVERT)
- WMH – WATER MANHOLE
- W – WATER
- – WATER VALVE
- – FIRE HYDRANT
- WSO – WATER SHUTOFF
- – POST INDICATOR VALVE
- G – GAS
- – GAS VALVE
- GMH – GAS MANHOLE

Diggers Hotline of Nebraska 1-800-331-5666 – NEBRASKA UTILITIES INFO. OMAHA PUBLIC POWER DIST., CITY OF OMAHA, U.S.-WEST COMMUNICATIONS, COX CABLE OF OMAHA, PEOPLES NATURAL GAS, METROPOLITAN UTILITIES DIST., LIMITED CABLE TELEVISION

NOTE: UNDERGROUND UTILITY LOCATIONS SHOWN ARE FROM INFORMATION PROVIDED TO US FROM UTILITY COMPANIES. UTILITY COMPANIES MAKE NO WARRANTIES OR GUARANTEES REGARDING THE ACCURACY OF THE INFORMATION CONTAINED IN THEIR DOCUMENTS AND PROVIDED IT ONLY AS GENERAL INFORMATION TO THE RECEIVER. FOR SPECIFIC LOCATIONS ALONG CONSTRUCTION CALL "DIGGERS HOTLINE" (402) 344-0999 (METRO OMAHA) 1-800-331-5666 (STATEWIDE) PRIOR TO EXCAVATION.

LAND SURVEYOR'S CERTIFICATE

TO: RED BRICK DEVELOPMENT, LLC, A NEBRASKA LIMITED LIABILITY COMPANY
AMERICAN LAND TITLE COMPANY d/b/a/ MISSOURI RIVER TITLE
DUNDEE BANK, BRANCH OF SECURITY STATE BANK

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 5, 6(B), 7(A), 8, 9 AND 11(B) OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON 7/16/14.

7-24-2014
DATE

LARRY A. HAHN (FLEET) LS – 505

PROJECT NO.
EGA141095

REVISIONS

NO.	DESCRIPTION	DATE	BY

EHRHART GRIFFIN & ASSOCIATES
3552 Farnam Street
Omaha, Nebraska 68131
402 / 551-0631
• ENGINEERING
• PLANNING
• LAND SURVEYING

5018 UNDERWOOD AVE.
ALTA/ACSM LAND TITLE SURVEY
OMAHA, NEBRASKA

DATE: 7/24/2014
DESIGNED BY:
DRAWN BY: WAW
CHECKED BY: LVF
CREW:

NEBRASKA LS-505 LARRY A. VAN FLEET LAND SURVEYOR

SHEET NO.
1 OF 1

EXHIBIT "B"

5018 UNDERWOOD AVENUE TIF REDEVELOPMENT PROJECT PLAN

5018 UNDERWOOD AVENUE

DECEMBER 2014

Jean Stothert, Mayor City of Omaha

James Thele, Director
Planning Department
Omaha/Douglas Civic Center
1819 Farnam Street, Ste. 1111
Omaha, Nebraska 68183

INTER-OFFICE COMMUNICATION
City of Omaha, Nebraska
Planning Department

TO: Chairman and Members of the Planning Board

FROM: James Thele, Planning Director

DATE: September 24, 2014

SUBJECT: 5018 Underwood TIF REDEVELOPMENT PROJECT PLAN
5018 Underwood Avenue
Case #C3-14-182

Project Summary

This redevelopment project site is located in the Dundee Neighborhood on the north side of Underwood Avenue between 50th & 51st Streets and consists of approximately 2,400 square feet of building area and a parking lot. It was last occupied by Grandpa's C-Mart, a convenient store and market. The building has been vacant over three (3) years and is in a deteriorating condition. The site and adjacent parcels are characterized by surface lots and buildings that were built in the 1960s and 1970s. While parts of Dundee's business district have seen revitalization, other parts have struggled, particularly the north side of Underwood Avenue at this site. This redevelopment plan will substantially improve the area by replacing a property that is in disrepair. The owner and developer, Red Brick Development, LLC, proposes a mixed-use development in place of Grandpa's C-Mart.

Project Description

The project plan contemplates demolishing the existing structure, and constructing a new three-story, mixed-use structure. The new development would include ground floor commercial retail space, office on the second floor, and market rate apartments on the third floor. The apartments will consist of six (6) total units: three (3) studio units, one (1) one bedroom unit, and two (2) two bedroom units. A parking lot with 15 stalls will be developed behind the building (on the north of the building) accessible via the alley.

The retail space on the ground floor is currently being negotiated for a new restaurant concept. The restaurant will provide up to fifty (50) part-time and full-time positions such as servers, bartenders and cooks. The second floor will be occupied by a new pediatric medical clinic. The remainder of the second floor will be marketed to other office users. The office space is expected to create an estimated twenty five (25) additional jobs as Red Brick Development, LLC is targeting businesses looking to expand their operations in the Dundee market.

According to Red Brick Development, LLC , the six market rate apartments should lease with relative ease as the majority of the rental offerings in this market are very outdated and in need of renovation. New rental product offerings are in demand by young professionals and empty nesters generally who want to live in this market. The residential nature of the surrounding neighborhood also makes it difficult to add multi-family housing stock putting upward pressure on occupancy rates.

The apartments will range from approximately 600 square feet to 988 square feet. Rent will range from $850 per month to $1375 per month depending on the location and size of unit.

Construction is planned to begin late 2014 with occupancy beginning in summer 2015.

BH

No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

The project site is located within a Community Redevelopment Area, meets the requirements of Nebraska Community Development Law and qualifies for the submission of an application for the utilization of Tax Increment Financing to cover costs associated with project development as submitted for approval through the Tax Increment Financing process. The project is or will be in compliance with the Master Plan, appropriate Ordinances and development regulations of the City.

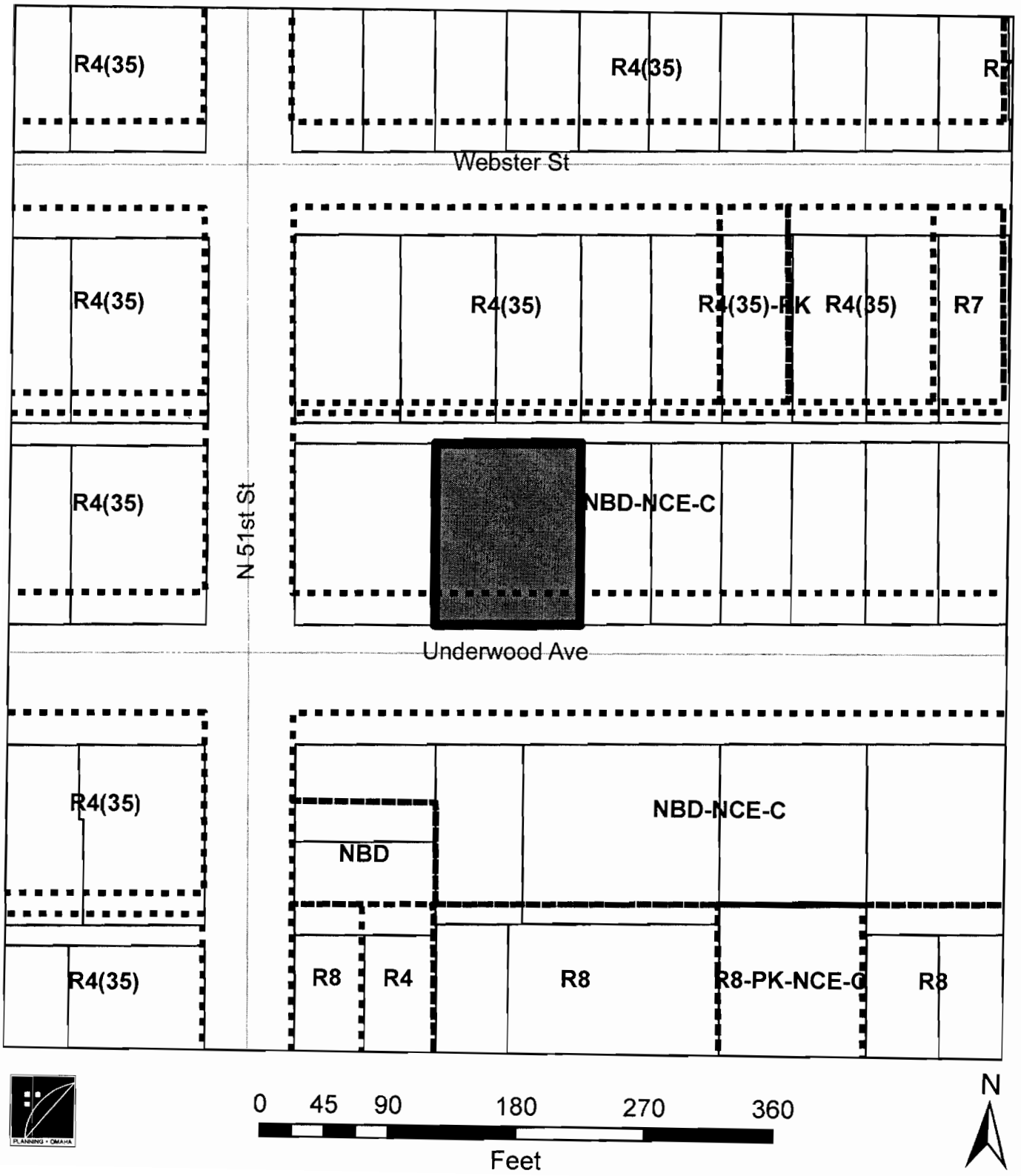
DEPARTMENT RECOMMENDATION: Approval.

ATTACHMENTS
General Vicinity Map
Project Plan

BH

CASE: C3-14-182
APPLICANT: City of Omaha
REQUEST: Approval of the 5018 Underwood Ave TIF Revedelopment Plan.
LOCATION: 5018 Underwood Avenue

SUBJECT AREA IS SHADED - OCTOBER 2014



Layers
DCGIS
5018 UNDERWOOD AV
N 51st St
Underwood Ave
N 50th St
Basemaps
esri

AUGUST 2013 DOUGLAS COUNTY ASSESSOR

INTER-OFFICE COMMUNICATION

Date:	September 19, 2014
To:	TIF Committee: James Thele, Stephen Curtiss, AL Herink, Paul Kratz, Robert Stubbe, Todd Pfitzer, Cassie Seagren, Gail Braun
From:	Bridget A. Hadley - City Planning
Applicant:	City of Omaha Planning Department
Project Name:	5018 Underwood TIF Redevelopment Project Plan
Location:	5018 Underwood Avenue

Project Summary

This redevelopment project site is located in the Dundee Neighborhood on the north side of Underwood Avenue between 50th & 51st Streets and consists of approximately 2,400 square feet of building area and a parking lot. It was last occupied by Grandpa's C-Mart, a convenient store and market. The building has been vacant over three (3) years and is in a deteriorating condition. The site and adjacent parcels are characterized by surface lots and buildings that were built in the 1960s and 1970s. While parts of Dundee's business district have seen revitalization, other parts have struggled, particularly the north side of Underwood Avenue at this site. This redevelopment plan will substantially improve the area by replacing a property that is in disrepair. The owner and developer, Red Brick Development, LLC, proposes a mixed-use development in place of Grandpa's C-Mart.

Project Description

The project plan contemplates demolishing the existing structure, and constructing a new three-story, mixed-use structure. The new development would include ground floor commercial retail space, office on the second floor, and market rate apartments on the third floor. The apartments will consist of six (6) total units: three (3) studio units, one (1) one bedroom unit, and two (2) two bedroom units. A parking lot with 15 stalls will be developed behind the building (on the north of the building) accessible via the alley.

The retail space on the ground floor is currently being negotiated for a new restaurant concept. The restaurant will provide up to fifty (50) part-time and full-time positions such as servers, bartenders and cooks. The second floor will be occupied by a new pediatric medical clinic. The remainder of the second floor will be marketed to other office users. The office space is expected to create an estimated twenty five (25) additional jobs as Red Brick Development, LLC is targeting businesses looking to expand their operations in the Dundee market.

According to Red Brick Development, LLC , the six market rate apartments should lease with relative ease as the majority of the rental offerings in this market are very outdated and in need of

renovation. New rental product offerings are in demand by young professionals and empty nesters generally who want to live in this market. The residential nature of the surrounding neighborhood also makes it difficult to add multi-family housing stock putting upward pressure on occupancy rates. The apartments will range from approximately 600 square feet to 988 square feet. Rent will range from $850 per month to $1375 per month depending on the location and size of unit.

Construction is planned to begin late 2014 with occupancy beginning in summer 2015.

Project Finance Summary - Sources & Uses

Sources of Funds	
Owner Equity	$ 650,000.00
Other Financing – Dundee Bank	$3,094,578.00
Tax Increment Financing – Dundee Bank	$650,000.00
Total Sources of Funds	**$4,394,568.00**
Uses of Funds	
Property Acquisition	$650,000.000
Construction Costs	$2,480,000.00
Leasing & Soft Costs	$706,368.00
Tenant Improvements	$558,200.00
Total Uses of Funds	**$4,394,568.00**

Land Use and Zoning

The current property use consists of a one-story 2,400 square foot retail store and the remaining of portion of the property consists of a parking lot. The dimensions of the parcel are 100' x 128' totaling 12,800 square feet of area. The proposed use is a 3-story mixed-use structure.

Property is currently zoned NBD. No zoning changes.

Utilities and Public Improvements

Basic utilities (electrical, water, sewer) exist at the site.

Developer intends to improve the sidewalk right of way with landscaping and add diagonal parking along Underwood Avenue.

Transportation

No transportation issues.

Cost Benefit Analysis (from the TIF Application)

1. Tax shifts resulting from the granting of tax incentives.

The use of Tax Increment Financing will not result in tax shifts. The Tax Increment Finance request only involves the increase in taxes resulting from the improvements to the building. Previous tax revenues totaling $4,256.88 will continue to be paid as they have in the past.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives.

   No infrastructure or community public service needs will be generated resulting from the project. The development will provide new housing opportunities in an area of high demand.

3. Impacts on employers and employees of firms receiving tax incentives.

   The development will not significantly impact other businesses in the area. The success of this development will provide more housing options for employees in the area and will become a contributing structure to the downtown area which will be a positive to the surrounding business community. The commercial spaces and the development will create an estimated seventy five (75) local jobs and provide disposable income for employees to patronize other local businesses and service providers. Such employees are more likely to patronize such establishments due to the downtown location of their employer.

4. Impacts on those Nebraska employers and employees not receiving direct incentives or benefits.

   The development will not significantly impact other businesses in the area. The success of this development will provide more housing options for employees in the area and will become a contributing structure to the Dundee area which will be a positive to the surrounding business community. An estimated seventy five (75) jobs created by the commercial spaces and the development will provide disposable income to employees who in turn will patronize area businesses and generate sales and income taxes to state and local governments.

5. Any other impacts relevant to the consideration of costs and benefits arising from the tax incentive program.

   The elimination of the substandard and blight conditions to the building will further enhance the area. There is also a high demand for quality rental residential units which this project will deliver. An increase in residents to the area will create a further need for retail options and other service related businesses.

TIF Justification

The project site is located within a Community Redevelopment Area, meets the requirements of Nebraska Community Development Law and qualifies for the submission of an application for the utilization of Tax Increment Financing to cover costs associated with project development as

submitted for approval through the Tax Increment Financing process. The project is/or will be in compliance with the Master Plan, appropriate Ordinances and development regulations of the City.

This redevelopment project plan takes a site that is in need of redevelopment and will substantially improve the area by replacing a property that displays blighted conditions – vacancy and disrepair, with new construction. It will revive an under-utilized parcel in the Dundee area and increase economic activity by bringing more professional jobs, and additional commercial and retail services to the area. Ultimately, this project plan will enhance the tax base for various taxing jurisdictions.

TIF will be used to offset the costs of acquisition which allows this site to be redeveloped. This redevelopment was initially part of a larger redevelopment plan; however, not all parcels were able to be negotiated in order to make the deal work. The owner of the Grandpa's Food Mart and Deli has been the main willing seller of other owners along this section of the block. To begin some development toward a potential, future, larger redevelopment project, investors required TIF to make the redevelopment at 5018 Underwood Avenue work. The total estimated project costs are $4,394,568.00. Additional TIF eligible costs are as follows:

Acquisition (Building and Land)	$ 650,000.00
Architecture & Engineering Fees	$ 221,293.00
Total	$ 871,293.00
TIF Fees	$ 5,750.00
Total TIF Eligible	$4,394,568.00

Note: Demolition, site preparation, and environmental were not itemized, but are TIF eligible costs.

The TIF is 15.0% of the total project costs.

Request: The TIF request is for $650,000.00. Using the interest rate of 4.5%, the current levy rate of 2.19974% and other assumptions of the TIF calculation spreadsheet supports the TIF request. See attached TIF calculation spreadsheet(s).

TIF Fee Schedule: $500.00 application fee and the processing fee of $3,000.00 were paid; $2,250.00 in administrative fees will be billed. Total fees will be $5,750.00.

Recommendation: Approval

ATTACHMENTS
TIF Application
TIF Calculation Spreadsheet

Applicant: 5018 Underwood Avenue

PRO FORMA

DATE	Total Taxable Valuation	Less Pre-Development Base	TIF Taxable Valuation	Tax Levy	Tax Revenues	Treasurer's 1% Collection Fee	**Revenues Available For TIF Loan**	**Debt Service Payments** Principal	Interest at 4.50%	Total	Loan Balance	Capitalized Interest	Interest at 4.50%
0											$605,000		
0.5	$ -	0	$ -	2.19974	$ -	$ -	$ -	$0	$0	$0	$618,613	13613	13613
1	$ -	0	$ -	2.19974	$ -	$ -	$ -	$0	$0	$0	$632,532	13919	13919
1.5	$ -	0	$ -	2.19974	$ -	$ -	$ -	$0	$0	$0	$646,764	14232	14232
2	$ -	0	$ -	2.19974	$ -	$ -	$ -	$0	$0	$0	$661,316	14552	14552
2.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$19,175	$14,880	$34,055	$642,141	0	14880
3	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$19,607	$14,448	$34,055	$622,534	0	14448
3.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$20,048	$14,007	$34,055	$602,486	0	14007
4	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$20,499	$13,556	$34,055	$581,987	0	13556
4.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$20,960	$13,095	$34,055	$561,027	0	13095
5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$21,432	$12,623	$34,055	$539,595	0	12623
5.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$21,914	$12,141	$34,055	$517,681	0	12141
6	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$22,407	$11,648	$34,055	$495,274	0	11648
6.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$22,911	$11,144	$34,055	$472,363	0	11144
7	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$23,427	$10,628	$34,055	$448,936	0	10628
7.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$23,954	$10,101	$34,055	$424,982	0	10101
8	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$24,493	$9,562	$34,055	$400,489	0	9562
8.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$25,044	$9,011	$34,055	$375,445	0	9011
9	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$25,607	$8,448	$34,055	$349,838	0	8448
9.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$26,184	$7,871	$34,055	$323,654	0	7871
10	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$26,773	$7,282	$34,055	$296,881	0	7282
10.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$27,375	$6,680	$34,055	$269,506	0	6680
11	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$27,991	$6,064	$34,055	$241,515	0	6064
11.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$28,621	$5,434	$34,055	$212,894	0	5434
12	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$29,265	$4,790	$34,055	$183,629	0	4790
12.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$29,923	$4,132	$34,055	$153,706	0	4132
13	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$30,597	$3,458	$34,055	$123,109	0	3458
13.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$31,285	$2,770	$34,055	$91,824	0	2770
14	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$31,989	$2,066	$34,055	$59,835	0	2066
14.5	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$32,709	$1,346	$34,055	$27,126	0	1346
15	$ 3,127,594	0	$ 3,127,594	2.19974	$ 34,399	$ 344	$ 34,055	$33,445	$610	$34,055	$0	0	610
					$894,374	$8,944	$885,430	$667,635	$217,795	$885,430		$56,316	

NOTE: This information is provided to assist in analyzing the specific request to the TIF committee. This information is subject to change based on actual tax assessments. This schedule assumes a 80% real estate valuation and a 1.0 debt coverage ratio. The actual TIF amount available to fund site specific project cost will change based on the cost of public improvements.

Original Loan Amount	$605,000
Capitalized Interest	$56,316
Loan Balance Remaining	$0
	$661,316 ***MAX POTENTIAL***

Estimated Annual Incremental Tax Payment $ 68,798

ASSUMPTIONS: (F9 = calculate)

1. Assume No Pre-Development Base
2. Loan Amount: $605,000
3. Interest Rate: 4.50%
4. Project Hard Costs: $3,909,493
5. Increment Base: $3,127,594

MAY BE A MORE REALISTIC VALUATION INITIALLY AND ESTIMATED ANNUAL INCREMENTAL TAXES

TAX INCREMENT FINANCING REQUEST

5018 UNDERWOOD AVENUE
OMAHA NEBRASKA 68132

SUBMITTED BY:
RED BRICK DEVELOPMENT, LLC
c/o First Management Inc.
1941 S. 42nd St., Ste. 550
Omaha, Nebraska 68105

I. PROJECT SUMMARY

General Information:

Developer:	Red Brick Development LLC
Current Owner:	Red Brick Development LLC
Project Address:	5018 Underwood Avenue Omaha, Nebraska 68132
Legal Description:	Dundee Place Lot 16 Block 101 Lots 15 & 16 100 x 128, city of Omaha, Douglas County, Nebraska (Property Tax Key No. 4897 0002 09
Estimated Project Cost:	$4,394,568.00
TIF Request:	$650,000.00
Current Use:	Commercial/Retail
Current Zoning:	Neighborhood Business District
Proposed Use:	Mixed Use Retail/Office/Multi-Family
Current Taxes:	$4,256.88 (2013)
Current Assessed Value:	$233,800.00 (2014)

II. NARRATIVE

A. Project Description

Existing Conditions: The project site is located on the North side of Underwood Avenue between 50th & 51st Streets in Omaha, Nebraska and consists of approximately 2,400 square feet of building area and a parking lot. The properties are legally described as Dundee Place Lot 16 Block 101 Lots 15 & 16 100 x 128 and consist of Two Thousand Four Hundred (2,400) total square feet of floor area above grade and are in a blighted and deteriorating condition and have been substantially vacant for years. The most recent occupant of the properties was Grampa's C-Mart, a convenient store and market.

Proposed Project: The developer intends redevelop the buildings with ground floor commercial retail space on the first floor, office on the second floor and market rate apartments on the third floor. The apartments will consist of six (6) total units consisting

of three (3) studio units, one (1) one bedroom unit, and two (2) two bedroom units. The apartments will range from approximately six hundred (600) square feet to nine hundred eighty eight (988) square feet. Rent will range from $850 per month to $1375 per month depending on the location and size of unit. A parking lot with 15 stalls will be developed behind the building accessible via the alley.

The commercial spaces on the first floor are currently being negotiated to a new restaurant concept. The restaurant will provide up to fifty (50) part and full time positions ranging from servers and bartenders to cooks. The second floor will be occupied by a new pediatric medical clinic. The remainder of the second floor will be marketed to other office users. The office space is expected to create an estimated twenty five (25) additional jobs as the developer is targeting businesses looking to expand their operations in the Dundee market.

The above described development will substantially improve the area by replacing a property that is currently blighted and in disrepair.

Market Analysis: The Dundee rental residential market over the last five years has been strong with occupancy rates averaging around 94%. The majority of the rental offerings in this market are very outdated and in need of renovation. New rental product offerings are in the highest demand as young professionals and empty nesters generally want to live in this market but expect a higher level of quality. The residential nature of the surrounding neighborhood also makes it difficult to add multi-family housing stock putting upward pressure on occupancy rates.

B. Ownership Structure

Red Brick Development LLC, a Nebraska Limited Liability Company will act as Developer and Owner of the new mixed use development located at 5018 Underwood Avenue, Omaha, Nebraska 68132.

C. Land Use Plan

The current property consumes the entire land area consisting of a 2,400 square foot building and the remaining of portion of the property consists of a parking lot. The dimensions of the parcel are 100' x 128' totaling 12,800 square feet of area.

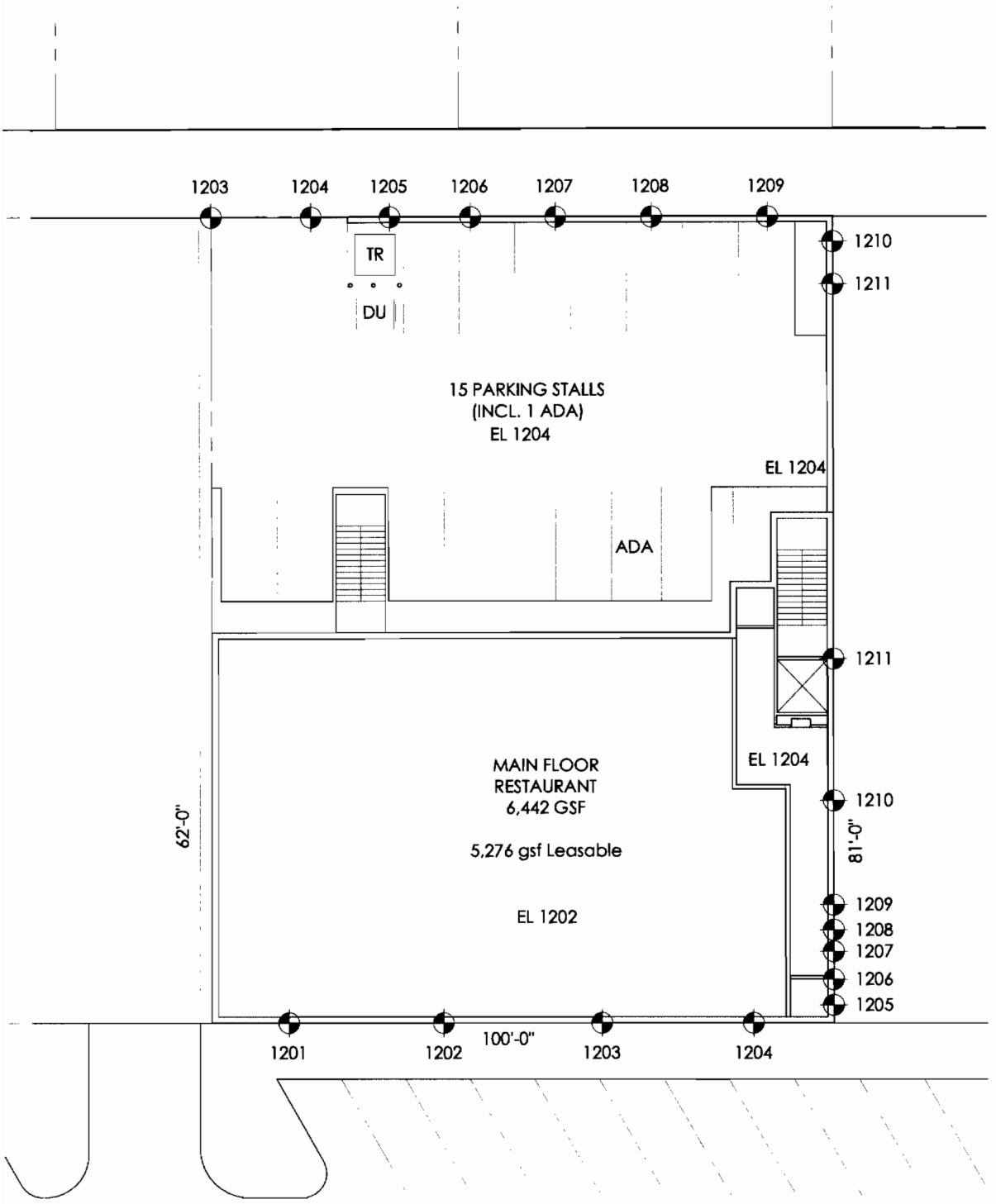
D. Zoning

Property is currently zoned NBD. No zoning changes will be required to complete the proposed mixed use development.

E. Public Improvements

No significant public improvements are necessary for the completion of said development. Developer intends to improve the sidewalk right of way with landscaping that is compliant with all requirements of Urban Design from the City of Omaha.

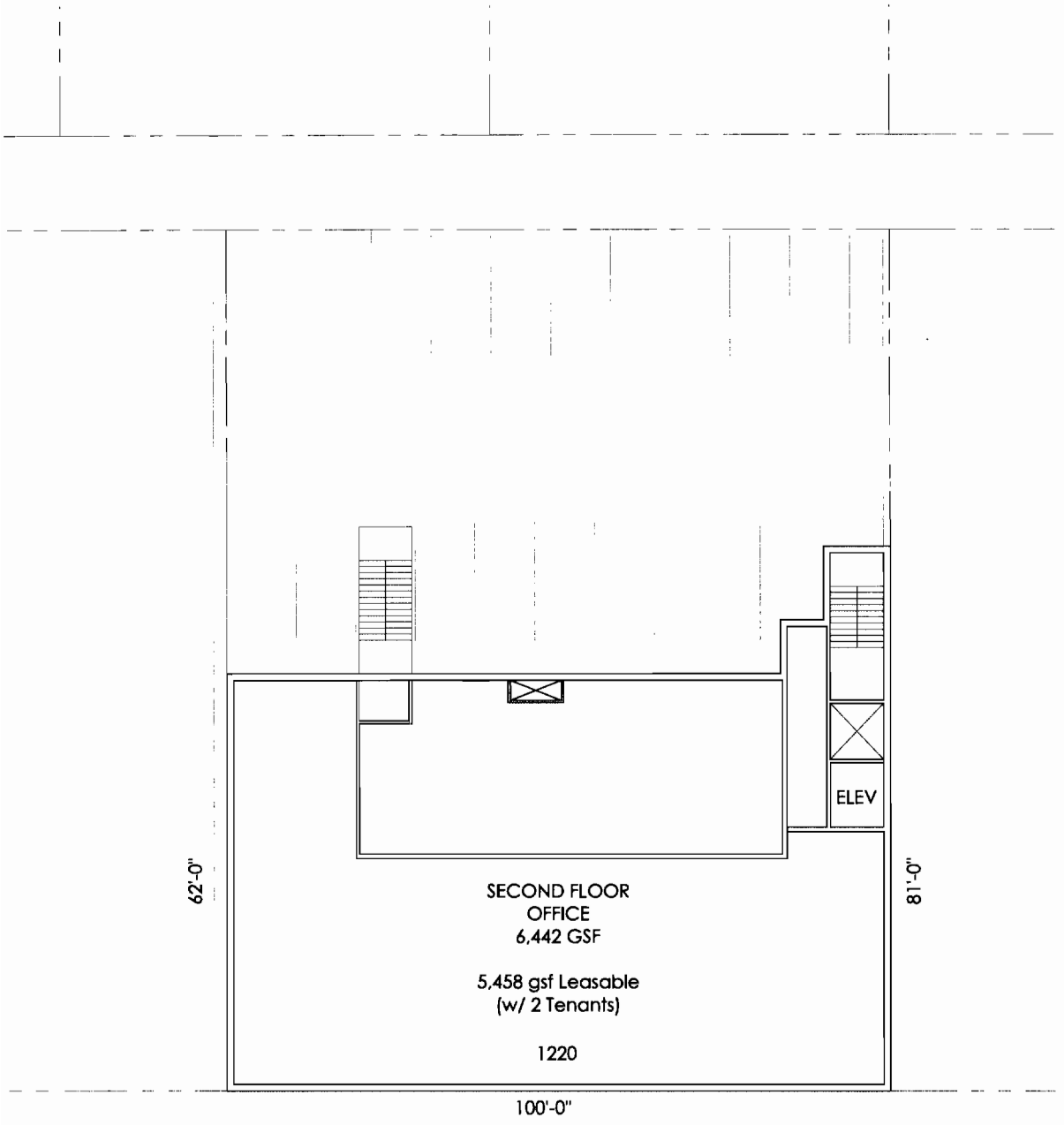
III. PRELIMINARY SITE PLANS
(See Attached)



ALLEY·POYNER
MACCHIETTO
ARCHITECTURE

Red Brick LLC
Dundee Mixed-Use
scale: 1/16" = 1'-0"
2014.08.08

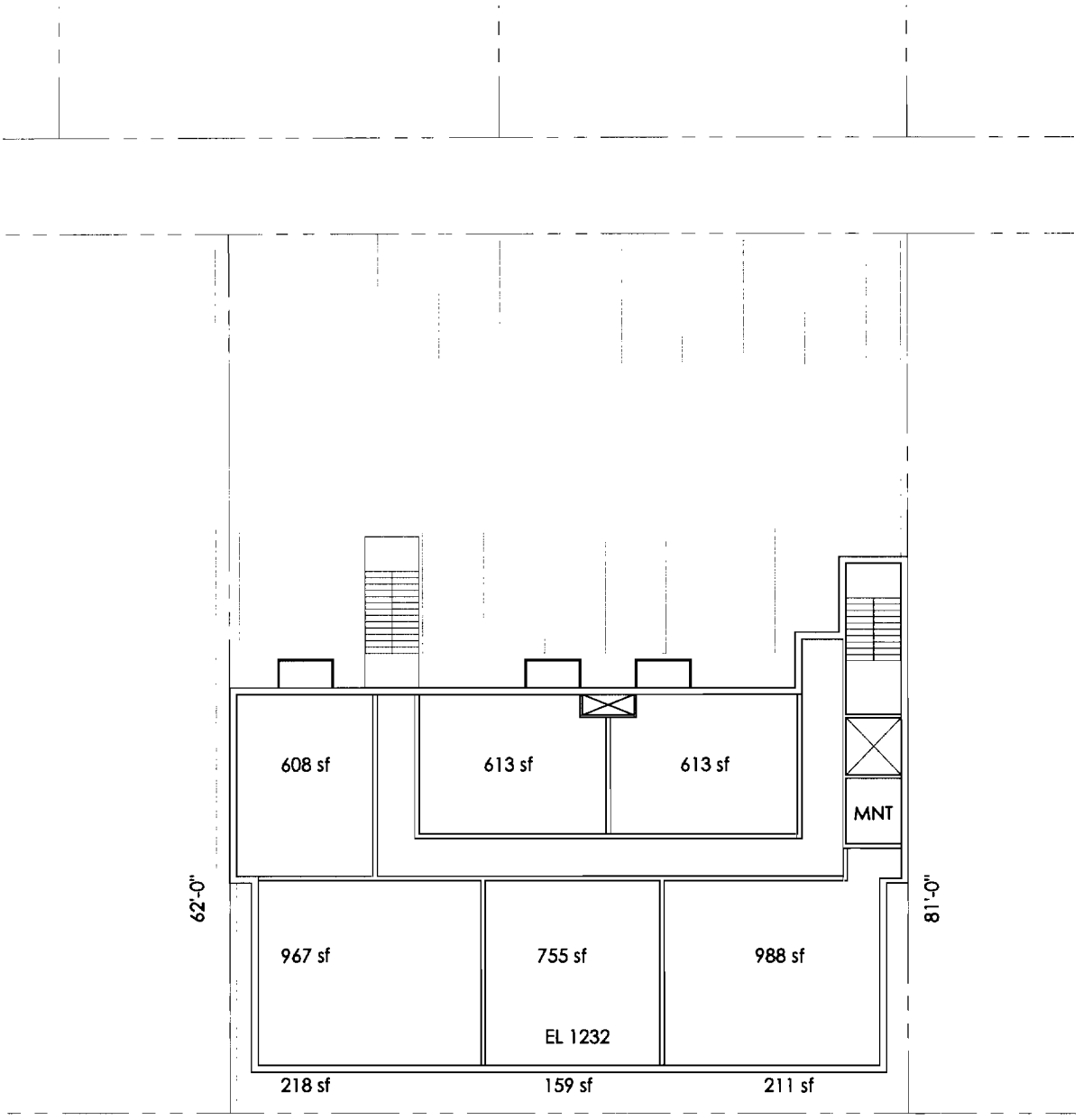
MAIN FLOOR



ALLEY·POYNER
MACCHIETTO
ARCHITECTURE

Red Brick LLC
Dundee Mixed-Use
scale: 1/16" = 1'-0"
2014.08.08

SECOND FLOOR



THIRD FLOOR
APARTMENTS
5,667 GSF

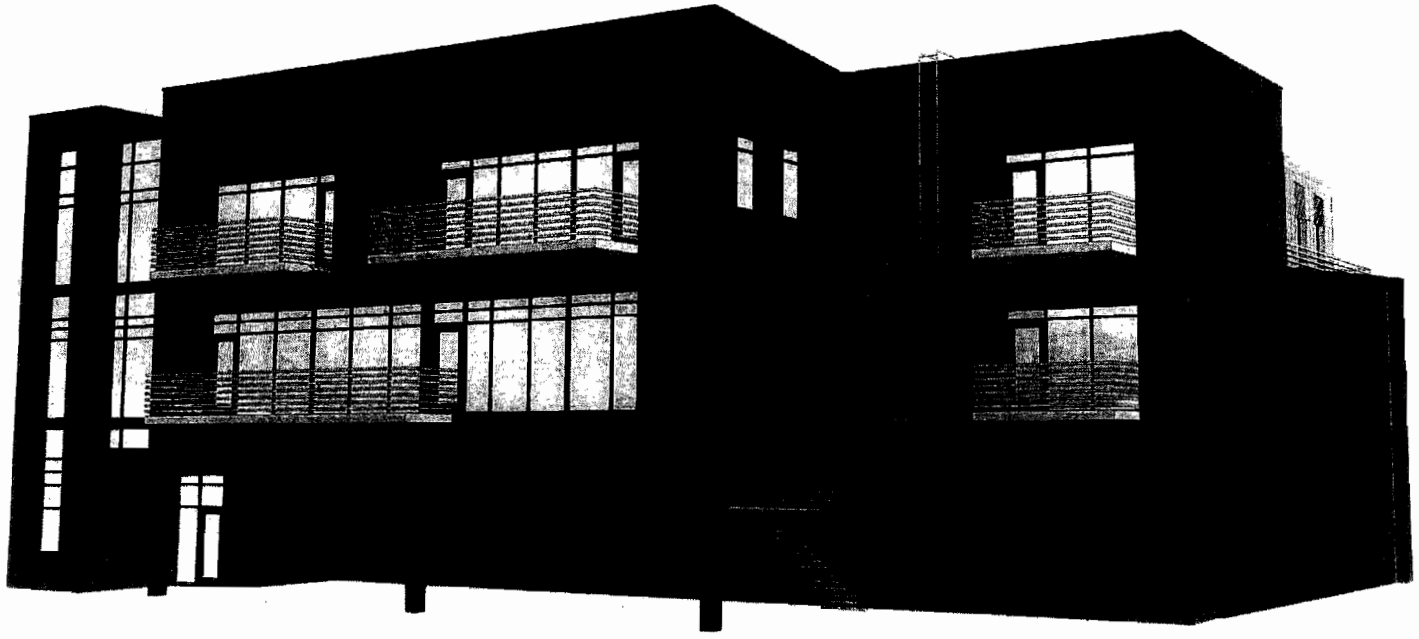
5,132 Leasable
(incl. Underwood-Side Patios)

6 UNITS TOTAL
3 STUDIOS/ONE-BED +
1 ONE-BED
2 TWO-BED

ALLEY·POYNER
MACCHIETTO
ARCHITECTURE

Red Brick LLC
Dundee Mixed-Use
scale: 1/16" = 1'-0"
2014.08.08

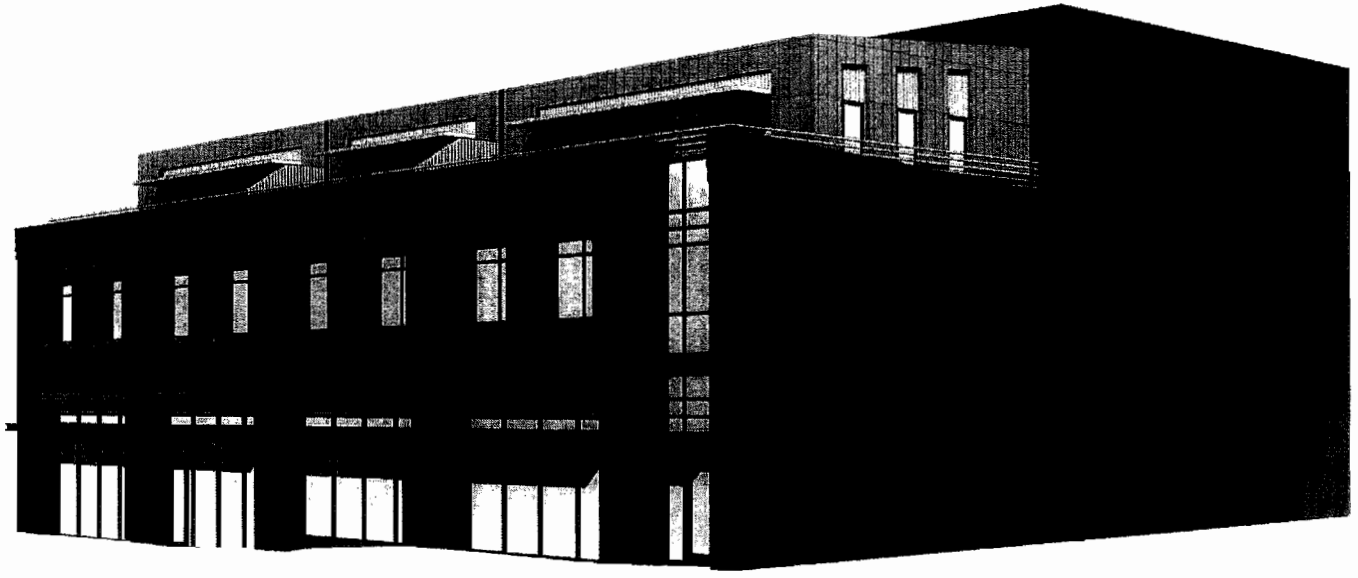
THIRD FLOOR
6-UNIT OPTION



View from North West
(looking from the alley)

ALLEY POYNER
MACCHIETTO
ARCHITECTURE

Red Brick
Mixed-Use
2014.09.12
conceptual design
sketches



View from South East
(looking from the Dell)

ALLEY POYNER
MACCHIETTO
ARCHITECTURE

Red Brick
Mixed-Use
2014.09.12
conceptual design
sketches

IV. LEGAL DESCRIPTION

Legal Description:	Dundee Place Lot 16 Block 101 Lots 15 & 16 100 x 128, city of Omaha, Douglas County, Nebraska (Property Tax Key No. 4897 0002 09

V. SOURCES AND USES

Cost estimates for the project are estimated to be equal to Four Million Seven Hundred Thousand Dollars ($4,394,568.00). Exhibit B shows a preliminary letter for financing from Dundee Bank.

Use of Funds	
Property Costs	$650,000.00
Construction Costs	$2,480,000.00
Leasing & Soft Costs (See Below)	$706,368.00
Tenant Improvements	$558,200.00
Total	**$4,394,568.00**

Sources of Funds	
Dundee Bank Loan	$3,094,578.00
Owner Cash	$650,000.00
Tax Increment Financing	$650,000.00
Total	**$4,394,568.00**

VI. CONSTRUCTION BUDGET AND TIMELINE

Construction is planned to begin late 2014 with occupancy beginning in summer 2015. Construction costs are estimated to total Four Million Seven Hundred Fifty Thousand Dollars ($4,394,568.00) as described above.

Soft Cost Breakdown	
Loan Costs and Fees	$24,000.00
Architect and Engineering	$221,293.00
Leasing Fees	$88,000.00
Construction Interest	$86,000.00
Development Fees	$287,075.00
Total	**$706,368.00**

Estimation of Taxable Valuation	
Property Costs (Acquisition)	$650,000.00
Construction Costs	$2,480,000.00
Leasing & Soft Costs	$706,368.00
Tenant Improvements	$558,200.00
Total	$4,394,568.00
Taxable Valuation (90%)	**$3,955,111.20**

Boyd Jones
CONSTRUCTION

DUNDEE MIXED-USE

July 16, 2014

We are pleased to provide the following pricing for the new Dundee Red Brick Mixed-Use. The site is located on Underwood Ave in Dundee next to KFAB. This proposal is based on a 100'x 62' footprint and a new three story (plus basement) mixed-use building. We have attempted to clarify our scope and assumptions below.

Preliminary Budget Cost (with basement):

- **$2,875,121**
- **$115 per square foot**

Preliminary Budget Cost (without basement):

- **$2,475,121**
- **$130 per square foot**

This price includes:

General Conditions

- Full-time superintendent and associated truck and equipment.
- Dumpsters
- Building permit
- Safety barriers, temporary fence, and screening
- Testing and inspections

Demolition/Sitework

- Demolition of existing building, paving, retaining wall and sidewalks
- Excavation and backfill building
- Erosion control
- Pavement striping, sealants, and handicap signage
- Segmental retaining wall at east and partial north sides of the parking lot.
- Excludes shoring along east property line. No shoring included for east foundation / retaining wall therefore will require partial pavement removal on neighbor's property. Agreement with adjacent property owner will be required.
- **If sheet piling required on existing east parking, add $125,000.** Sheet piling would minimize the size of the excavation but will still require vacating the first row of parking on the adjacent property.

Concrete

- Footings and foundations
- 12" thick foundation walls
- 4" concrete slab on grade
- Miscellaneous structural grouting
- 4" concrete slab on deck
- ¾" gypcrete at apartment level

Masonry

- Brick veneer - main floor 30% and second level 60%

Metals

- Miscellaneous steel, and steel frame/deck on main and second levels

Wood

- Miscellaneous rough carpentry

- Roof decking
- Wood stairs and metal railings figured at all stairs
- Framing for second level, third level, and the roof

Thermal and Moisture Protection
- Foundation waterproofing system
- TPO Roofing
- Metal wall panels on third level ($15/sf allowance)

Doors & Windows
- Aluminum doors on main level
- Storefront – Main level 70%, second level 40%, and third level 30%
- Doors, frames and hardware

Finishes
- 4 finished apartments
- Finished bathrooms on main and second level
- Carpet and acoustic tile (minimal)
- Painting in common spaces

Special Construction
- Wet fire suppression system throughout

Conveying Systems
- 4 stop Hydraulic elevator with standard finishes

Mechanical
- Site utilities
- Plumbing, minimal water and sewer
- HVAC, minimal heating and cooling

Electrical
- Electrical Service
- Electrical on 4 levels, minimal lighting
- Site electrical

Exclusions:
- Performance bond.
- Builder's risk
- Hazardous material abatement.

Thank you for your consideration and let me know what questions you have about this budget proposal.

Sincerely,

Brad Govig
Vice President
Boyd Jones Construction

PRELIMINARY LETTER FOR FINANCING
(See Attached)

dundee bank
A BRANCH OF SECURITY STATE BANK MEMBER FDIC

5015 Underwood Ave
Omaha NE 68132
Phone 402.504.4000
Fax 402.504.1900
dundeebanking.com

August 22, 2014

Red Brick Development, LLC
18018 Burke Street
Omaha, NE 68022

RE: Tax Increment Financing for the porposed Multi-Family Project at 5018 Underwood Avenue Omaha, NE 68132.

Dear Red Brick Development, LLC:

Dundee Bank, a branch of Security State Bank, would have an interest partnering with your group for the financing of the proposed Multi-Family Project to be located near 5018 Underwood Avenue Omaha, NE 68132. The financing package would include the Tax Increment Financing ("TIF") with an acmount to be determined. To that end, this letter is an expression of interest only, and it is not a contract, commitment nor intent to be bound. Lender does not intend that this letter or discussions relative to the terms of this letter create any legal rights or obligations, implicit or explicit, in favor of or against the other part.

Amount:	To Be Determined; however, Loan amount shall be no more than 85% of the Tax Increment Financing Note with the City of Omaha
Term:	Up to 15 Years
Rate:	Federal Home Loan Bank 5 Year Advance plus 2.95 Margin. Rate would be set once TIF Note is approved by City of Omaha. The note would be re-priced every five years.
Loan Repayment:	Semi-Annual principal and interest payments to closely correspond with the payments made on the City of Omaha Redevelopment Promissory Note in an amount necessary to fully amortize the loan over the stated term of the note

We appreciate the opportunity to assist you with your financial needs. Please contact me with any questions you have about the terms or conditions of this letter.

Respectfully,

Adam Mroczek
Loan Officer

EQUAL HOUSING LENDER

dundee bank

Phone
Fax

August 21, 2014

Bridget Hadley
~~Economic Development Manger~~ BaH
Planning Department
1819 Farnam Street, Suite 110
Omaha, NE 68183

RE: Tax Increment Financing Loan – 5018 Underwood Avenue Project
Red Brick Development, LLC

Dear Ms. Hadley:

Dundee Bank, a branch of Security State Bank, is pleased to have presented a tax increment financing loan to Red Brick Development, LLC as well as a construction/mini-permanent financing loan for the development project located at 5018 Underwood Avenue, Omaha, NE 68132. Specific terms and conditions of each loan package are provided under separate letters. Please let me know if you have any questions.

Sincerely

Adrian Hernandez
Vice President

VII. PROFORMA

	2016	2017	2018
Rental Income	$302,467.00	$311,541.00	$320,887.00
Expense Recapture	$82,040.00	$84,502.00	$87,037.00
Vacancy Loss	($15,123.00)	($15,577.00)	($16,044.00)
Total Revenue	$369,384.00	$380,466.00	$391,879.00
CAM	$18,250.00	$18,798.00	$19,362.00
Repairs & Maintenance	$10,815.00	$11,139.00	$11,473.00
Management Fee	$14,367.00	$14,798.00	$15,242.00
Taxes	$69,525.00	$71,611.00	$73,759.00
Insurance	$7,500.00	$7,725.00	$7957.00
Total Expenses	$120,457.00	$124,071.00	$127,793.00
Net Operating Income	$248,927.00	$256,395.00	$264,086.00
WITH TIF			
Debt Service	$201,174.00	$201,174.00	$201,174.00
Debt Coverage Ratio	1.24	1.27	1.31
Cash After Debt Service	$47,753.00	$55,221.00	$62,912.00
Return on Investment	7%	8%	9%
WITHOUT TIF			
Debt Service	$201,174.00	$201,174.00	$201,174.00
Additional Debt Service	$42,255.57	$42,255.57	$42,255.57
Debt Coverage Ratio	1.02	1.05	1.08
Cash After Debt Service	$5,497.43	$12,965.43	$20,656.43
Return on Investment	1%	2%	3%

VIII. ROI ANALYSIS

STATEMENT AND DEMONSTRATION THAT PROJECT WOULD NOT PROCEED WITHOUT THE USE OF TAX INCREMENT FINANCING

The 5018 Underwood Avenue redevelopment project is not economically feasible without the successful implementation of Tax Increment Financing. Without Tax Increment Financing, there will be insufficient cash flow to provide a minimum economic return to the equity investment in the project.

	With TIF	Without TIF
Annual Income	$384,507.00	$384,507.00
Less:		
Vacancy Loss	($15,123.00)	($15,123.00)
Expenses (Not Including RE Taxes)	($50,932.00)	($50,932.00)
Primary Debt Service	($201,174.00)	($201,174.00)
TIF Debt Service (Paid by RE Taxes)	($69,525.00)	
Additional Debt Service		($42,255.57)
Real Estate Taxes		($69,525.00)
Net Projected Cash Flow	$47,753.00	$5,497.43
Investment Return	7%	1%

Summary: Without Tax Increment Financing, the partners have determined that the cash flow and partner return is insufficient to consider the project feasible. Development of the project will not be completed without the aid of Tax Increment Financing.

IX. EVALUATION CRITERIA

Mandatory Criteria – The project meets all of the mandatory criteria set forth in the Tax Increment Financing Guidelines as issued by the City of Omaha.

1. The project must be located within a blighted area or an area eligible for a designation of blight as required and set forth by State Statute.

   – The project is located in a designated blighted area.

2. The project must further the objectives of the City's Comprehensive Plan.

   – The project is located in a prominent part of the Dundee Business District and will result in the development of vacant, unused and deteriorating space on the

Underwood Avenue. The project will improve the tax base of the neighborhood and add to the highly demanded supply of quality rental residential in the Dundee area.

3. The use of Tax Increment Financing for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions.

   - The use of Tax Increment Financing will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions. The request for Tax Increment Financing involves only the increase in tax revenues generated from the improvements of the development.

4. The developer is able to demonstrate that the project would not be economically feasible without the use of Tax Increment Financing. In addition, if the project has site alternatives, the proposal must demonstrate that it would not occur in the area without Tax Increment Financing.

   - The project would not be economically feasible without the use of Tax Increment Financing.

Discretionary Criteria – The project meets four of the discretionary criteria set forth in the Tax Increment Financing Guidelines as issued by the City of Omaha.

1. Benefit to low and moderate income people – The retail portion of said project will benefit low and moderate income people by providing low skill jobs such as restaurant servers and cooks or retail clerks. The rental residential units will be market rate, but will offer apartments starting at $850 per month.

2. Conditions of Blight – The existing building is currently vacant and in a deteriorating condition exhibiting conditions of blight.

3. Start up of Entirely New Business Operation – When completed, a new mixed use residential and commercial development will result from a vacant and deteriorating property which has not been used by its present owner for such purpose. Several new commercial spaces will be marketed to new retail businesses who wish to locate in the area.

4. The project will eliminate an actual or potential hazard to the public - The project involves the redevelopment of a building currently vacant and in a deteriorating condition. This redevelopment will result in six (6) new rental residential units that will contribute to the overall Dundee residential community as well as quality commercial businesses on the first and second floors.

EMPLOYMENT INFORMATION

Permanent Jobs to be CREATED	75 (Please see II A)
Permanent Jobs to be RETAINED	0
Permanent Jobs to be RELOCATED	0
TOTAL	75
Anticipated Annual Payroll	$500,000.00
Estimated number of construction jobs during construction phase:	130

RESIDENTIAL UNIT INFORMATION

The apartments will consist of six (6) total units consisting of three (3) studio units one (1) one bedroom unit and two (2) two bedroom units. The apartments will range from approximately six hundred (600) square feet to nine hundred eighty eight (988) square feet. Rent will range from $850 per month to $1375 per month depending on the location and size of unit. A parking lot with 15 stalls will be developed behind the building accessible via the alley.

X. COST BENEFIT ANALYSIS

The following factors have been considered and analyzed for the project.

1. Tax shifts resulting from the granting of tax incentives.

   - The use of Tax Increment Financing will not result in tax shifts. The Tax Increment Finance request only involves the increase in taxes resulting from the improvements to the building. Previous tax revenues totaling $4,256.88 will continue to be paid as they have in the past.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives.

   - No infrastructure or community public service needs will be generated resulting from the project. The development will provide new housing opportunities in an area of high demand.

3. Impacts on employers and employees of firms receiving tax incentives

   - The development will not significantly impact other businesses in the area. The success of this development will provide more housing options for employees in the area and will become a contributing structure to the downtown area which will be a positive to the surrounding business community. The commercial spaces and

the development will create an estimated seventy five (75) local jobs and provide disposable income for employees to patronize other local businesses and service providers. Such employees are more likely to patronize such establishments due to the downtown location of their employer.

4. Impacts on those Nebraska employers and employees not receiving direct incentives or benefits.

   - The development will not significantly impact other businesses in the area. The success of this development will provide more housing options for employees in the area and will become a contributing structure to the Dundee area which will be a positive to the surrounding business community. An estimated seventy five (75) jobs created by the commercial spaces and the development will provide disposable income to employees who in turn will patronize area businesses and generate sales and income taxes to state and local governments.

5. Any other impacts relevant to the consideration of costs and benefits arising from the tax incentive program.

   - The elimination of the substandard and blight conditions to the building will further enhance the area. There is also a high demand for quality rental residential units which this project will deliver. An increase in residents to the area will create a further need for retail options and other service related businesses.

XI. ORGANIZATION DOCUMENTATION

(See Attached)

OPERATING AGREEMENT
OF
RED BRICK DEVELOPMENT, LLC

This Operating Agreement of Red Brick Development, LLC., is hereby adopted and entered into for good and valuable consideration, by the Company (as defined below) and the Members (as defined below).

ARTICLE I
RULES OF CONSTRUCTION AND DEFINED TERMS

1.1 Rules of Construction.

A. Defined Terms. The words and phrases in quotation marks in Section 1.2 have the meanings therein indicated. Whenever the words and phrases defined in Section 1.2 or elsewhere in this Agreement are intended to have their defined meanings, the first letter of the word or the first letters of all substantive words in the phrase shall be capitalized. Otherwise, any word or phrase that appears in this Agreement shall have the meaning denoted by its context.

B. Case and Gender. When the context permits, a word or phrase used in the singular includes the plural, and when used in any gender, it also includes all genders.

C. Captions. Captions of sections are inserted as a matter of convenience only, and do not define, limit, or extend the scope or intent of this Agreement or any provision hereof.

D. Applicable Law. This Agreement shall be governed by, and construed In accordance with, the laws of the State of Nebraska.

E. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

1.2 Defined Terms.

"Accountant" means an accountant whom the Members shall periodically designate.

"Agreement" means this Amended and Restated Operating Agreement and any amendments hereto made in accordance with Article XI. Words such as "herein," "hereinafter," "hereof," "hereto," "hereby," and "hereunder," when used with refer-

XII. ATTACHMENTS

(Apartment Market Study)

FOR RENT
Media Solutions
ForRent.com

Midtown Market Survey

Compliments of For Rent Media Solutions™

June-14

Average Occupancy= 94.00%

Property	Prices	# of Units	Square Footage	Specials/Traffic Level	Occupancy / # of Employees # of Units
4910 Davenport St Apts	Studio 1/B - $450 2/B - $600 3/B -			None Traffic Slow	100% 0 Employees
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Angela	Studio $400 1/B - $460-510 2/B - 3/B -	2 4	350-400 600	None Traffic Slow	100% 1 Employee 8 Units
Auburn	Studio 1/B- $674 2/B- $799 3/B- $850		501 600-662 736-766	None Traffic Moderate	98% 1 Employee
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Broadmoor at Aksarben Village	Studio $925-985 1/B - $1050-1315 2/B - $1595-1945 2/B TH $1,450	44 124 84	570 892 1283	None Traffic Moderate	96% 5 Employees 298 Units
Camelot Court	Studio 1/B - $520-555 2/B - $610-660 3/B -	8 22	650-725 825-950	None Traffic Moderate	88% 1 Employee 30 Units
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Century House	Studio - N/A 1/B - N/A 2/B - $620-670 3/B -		1050-1200	None Traffic Slow	96.00% 4 Employees
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Crosswinds	Studio 1/B - $584-624 2/B - $724-764 3/B -	109 36	660-720 945-1010	None Traffic Heavy	95% 2 Employees 145 Units
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
El Dorado	Studio 1/B - $495-505 2/B - 3/B -	10	550-600	None Traffic Slow	90% 1 Employee shared 10 Units
Fleetwood	Studio $425 1/B - $500-505 2/B - 3/B -	1 6	500 700-800	None Traffic Slow	78% 1 Employee 9 Units
Four Seasons	Studio 1/B - $590-650 2/B - $690-795 3/B -		750-825 1075-1150	None Traffic Moderate	95.00% 3 Employees

Fox Run	Studio $540-550 1/B - $595-650 2/B - $700-850 2/B 2Ba-		509 800 1000-1150	None Traffic Moderate	100.00% 2 Employees
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Middletown	Studio $400 1/B - $415-480 2/B - $800 3/B -	3 40 4	350 450-700 900	None Traffic Slow	88% 1 Employee 47 Units
Midtown Crossing	Studio 1/B - $862-1371 2/B - $1285-2099 3/B -		631-937 1020-1367	None Traffic Moderate/Heavy	N/A 12 Employees
Midtown Crossing Exec Luxury	Studio 1/B - $862-1371 2/B- $1285-2099 3/B -		982 1302-1674	None Traffic Moderate/Heavy	N/A 12 Employees
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Plaza Court	Studio 1/B - $500-515 2/B - 3/B -	17	650-725	None Traffic Slow	90% 1 Employees 17 Units
Pinhook Flats	Studio $795-805 1/B - $925-1250 2/B - $1195-1350		591 737-1063 885-1156	None Traffic Heavy	99% 4 Employees
Rachelle	Studio 1/B - $465-515 2/B - 3/B -	11	500-650	None Traffic Slow	100% 1 Employees 11 Units
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
South Park	Studio 1/B - $585-610 2/B - $685-705 3/B -		750 900	None Traffic Moderate - Heavy	98.00% 3 Employees
[illegible]	[illegible]				
Tiffany Towers	Studio 1/B - $600 2/B - $750 3/B -			None Traffic Slow	85% 0 Employees 20 Units
Turner Park	Studio 1/B - $600-750 2/B - 3/B -		550	$99 Deposit. $100 off first month. No Application Fee. Traffic Heavy	90% 1 Employee
[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Villa Rouge	Studio 1/B - $625 2/B - $850 3/B -			None Traffic Heavy	100% 0 Employees
Williamsburg/Frances Apartments	Studio $335 1/B - $395-420 2/B - $460-550 3/B -		375 510-612 615-775	$100 off 2 months Traffic Moderate	90% 0 Employees