



City of Omaha
Jean Stothert, Mayor

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1003
Omaha, Nebraska 68183
(402) 444-5371
Telefax (402) 546-0714

David K. Fanslau
Director

March 28, 2023

Honorable President

and Members of the City Council,


The attached Resolution transmits the Leavenworth Lofts Tax Increment Financing Redevelopment Project Plan, for a redevelopment project site located at 3612 Leavenworth Street. The redevelopment project plan proposes the new construction of a single four story apartment building with a total of 24 market rate units on top of one level of structured parking. The Planning Board recommended the approval of this redevelopment project plan at the March 1, 2023 public hearing.

The Redevelopment Project Plan authorizes the City's participation in the redevelopment of this project site through the allocation of Tax Increment Financing (TIF) in an amount up to \$1,013,496.00, which includes capitalized interest. TIF loan proceeds will be used to offset eligible expenses such as acquisition, site work, engineered foundations, architectural and engineering costs, and other public improvements as required. The total estimated project costs are \$7,613,054.00, but are subject to change as final costs come in.

Your favorable consideration of this Resolution will be appreciated.

Respectfully submitted,

Approved:

 3-9-23
David K. Fanslau
Planning Director

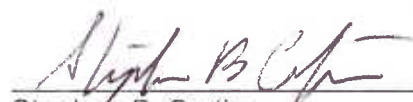
Date

 3-10-23
Robert G. Stubbe, P.E.
Public Works Director

Date

Approved:

Referred to City Council for Consideration:

 3/10/23
Stephen B. Curtiss
Finance Director

Date

 3/13/23
Mayor's Office

Date

3360 nsp

Notice of Publication and Public Hearing: March 30, 2023 and April 6, 2023

Public Hearing: April 18, 2023

RESOLUTION NO. _____

City Clerk Office Use Only:

Publication Date (if applicable): _____

Agenda Date: _____

Department: _____

Submitter: _____

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 or underutilized property within these neighborhoods; and,

WHEREAS, the approximately .28 acre redevelopment project site located at 3612 Leavenworth Street, legally described in Exhibit "A", which is attached hereto and incorporated herein by this reference, 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, 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 (15) years under Sections 18-2147 through 18-2150, Revised Statutes of Nebraska; and,

WHEREAS, the Leavenworth Lofts Tax Increment Financing (TIF) Redevelopment Project Plan ("Plan") for the redevelopment project site proposes the new construction of a single four story apartment building with a total of 24 market rate units on top of one level of structured parking, as described in Exhibit "B", attached hereto and herein incorporated by reference, with the use of TIF as authorized by Section 18-2147 of the Nebraska Revised Statutes; and,

WHEREAS, the Plan conforms to the City of Omaha's Master Plan and the legislative declarations and determinations of the Community Development Law, as the redevelopment project would not be economically feasible and would not occur at the redevelopment project site without the use of TIF; and,

WHEREAS, the costs and benefits of the redevelopment project, including their impact on other political subdivisions, have been analyzed and found to be in the long-term best interest of the community and the local economy, and the redevelopment project will satisfy an identified demand for the public and private services it will provide; and,

WHEREAS, the Plan for the redevelopment project site was approved by the TIF Committee and subsequently by the City of Omaha Planning Board at the March 1, 2023 meeting; and,

RESOLUTION NO. _____

WHEREAS, this Resolution seeks approval of the Leavenworth Lofts Tax Increment Financing (TIF) Redevelopment Project Plan and authorizes the City's participation through the allocation of TIF in an amount up to \$1,013,496.00 which includes capitalized interest, to offset TIF eligible expenses, including, but not limited to acquisition, site work, engineered foundations, architectural and engineering costs, and public improvements as required, for a project with total estimated costs of \$ 7,613,054.00; and,

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.

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

THAT, the attached Leavenworth Lofts Tax Increment Financing (TIF) Redevelopment Project Plan, for the redevelopment project site located at 3612 Leavenworth Street, which proposes the new construction of a single four story apartment building with a total of 24 market rate units on top of one level of structured parking, and authorizes the City's participation through the allocation of TIF in an amount up to \$1,013,496.00, which includes capitalized interest, to offset TIF eligible expenses including, but not limited to acquisition, site work, engineered foundations, architectural and engineering costs, and public improvements as required, containing a provision for the division of ad valorem taxes as authorized by Section 18-2147 through 18-2150, Revised Statutes of Nebraska, as analyzed and determined to be in conformance with the Community Development Law and as recommended by the City Planning Department, be and hereby is approved.

3360 nsp

APPROVED AS TO FORM:

 3/8/2013
ASSISTANT CITY ATTORNEY DATE

Adopted: _____

Attest: _____
City Clerk

Approved: _____
Mayor

EXHIBIT "A"

Legal Description, Alta Survey, Topographical Survey, etc. – see following page(s)

TITLE COMMITMENT LEGAL DESCRIPTION

FIRST AMERICAN TITLE INSURANCE COMPANY

FILE NO. NCS-1123443-OMHA

EFFECTIVE DATE: APRIL 4, 2022 AT 8:00 A.M.

LOT 2, COBURN'S SUBDIVISION REPLAT ONE, AN ADDITION TO THE CITY
OF OMAHA, DOUGLAS COUNTY, NEBRASKA.

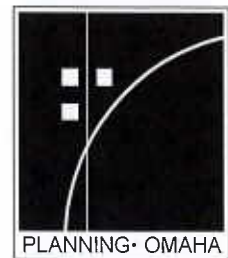
LEAVENWORTH LOFTS TIF REDEVELOPMENT PROJECT PLAN

3612 LEAVENWORTH STREET

March 2023



Jean Stothert, Mayor City of Omaha



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



City of Omaha Planning Department
Planning Board
Memo

To: Chairman and Members of the Planning Board

From: David K. Fanslau
Planning Director

Date: February 22, 2023

Subject: LEAVENWORTH LOFTS TIF REDEVELOPMENT PROJECT PLAN
3612 Leavenworth Street
Case #C3-23-046

PROJECT DESCRIPTION:

Proposal

The project site consists of one lot of about 0.28 acres. The lot is associated with an existing TIF project that resulted in the Conrad Apartments development, but was not included in the TIF boundaries of that project.

The proposed project involves the new construction of a single four story apartment building with three floors of apartments located on top of one level of structured parking. There will be a total of 24 market rate units. Half of the units will be leased on a per night basis, via the online VRBO booking website. The project will include a small rooftop deck, a workout facility, a dog run, and other amenities, and some work-from-home suites. The project is located within the Urban Core Housing and Mobility Redevelopment Plan area and will be required to contribute a portion of the excess ad valorem TIF revenues.

Parking

The project will have 18 parking stalls located inside the structure, with access via the public alley at the rear of the site.

Employment

The project is expected to create about five new permanent jobs and about 80 construction related jobs.

Residential Unit Information

Unit Type	#Units	SF	Rent/Mo.
Studio	6	595	\$1,250
One Bedroom (small)	18	875	\$1,795
TOTAL	24		

Note that half the studios (3 units) will be VRBO units rented at \$140 per night, and half of the one bedroom units (9 units) will be VRBO units rented at \$150 per night.

The Developer is 3612 Leavenworth, LLC, managed by Charlie Sullivan.

The applicant anticipates construction beginning about in June, 2023, with an estimated project completion date around May, 2024.

ANALYSIS:

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. Ultimately, this project plan will enhance the tax base for various taxing jurisdictions within Omaha and the state. The project would not be feasible without the assistance of the TIF Program.

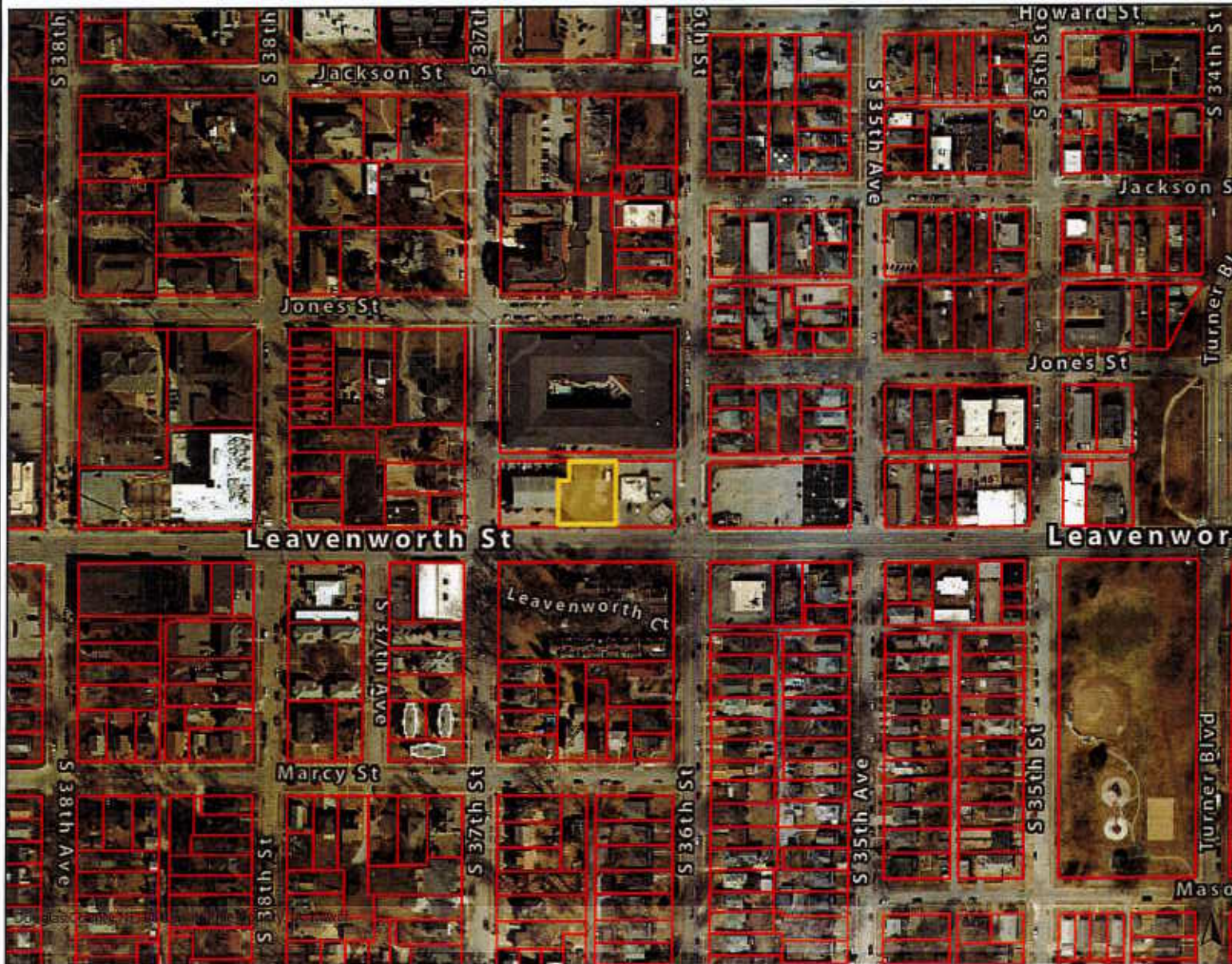
The proposed project is consistent with goals in the Concept Element of the Master Plan including providing “good quality housing options” in a “mix of patterns, types, and styles” and encouraging the construction of new infill housing in the urban core of the city that makes use of under-utilized central city properties and infrastructure (pp. 18-21).

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

RECOMMENDATION: Approval.

ATTACHMENTS:

General Vicinity Map
Project Plan



Legend

Planning Viewer Reference

City Limits



Please contact Douglas County GIS for map questions (gis@douglascounty-ne.gov)

Printed from dogis.org:
01/13/2023 09:46:35

This map is a user generated static output from an Internet mapping site and is for reference only. Data on this map may or may not be accurate, current, or otherwise reliable. It is for informational purposes only, and may not be suitable for legal, engineering, or surveying purposes. Do NOT use property lines from this website for plan submissions.

INTER-OFFICE COMMUNICATION

Date: February 8, 2023

To: TIF Committee:
David Fanslau, Stephen Curtiss, AL Herink, Jennifer Taylor, Robert Stubbe, Bridget Hadley, Jim Theiler, Jacquelyn Morrison, Steve Jensen

From: Don Seten - City Planning

Applicant: City of Omaha Planning Department

Project Name: Leavenworth Lofts TIF Redevelopment Project Plan

Location: 3612 Leavenworth Street.

Request: The TIF request is for up to \$908,000 plus capitalized interest at an estimated interest rate of 5.578 percent.

TIF Fee Schedule: The \$500 application fee has been paid, a processing fee of \$3,000 will be collected. \$6,120 in administrative fees will also be collected. Total fees will be \$9,500.

Other City Incentives With Related TIF Costs:

EEA – Will not be used.

PACE – Will not be used.

Extremely Blight Discussion: The redevelopment site is not located in an Extremely Blighted Area (EBA).

Urban Core Plan Discussion: The project is located in the Influence Area of the Urban Core Housing and Mobility Redevelopment Plan area. The project's excess ad valorem TIF revenues will be apportioned 90 percent and 10 percent, as discussed below.

The urban core redevelopment area has two sub-areas from which excess ad valorem taxes generated will be used to pay bonds that fund the streetcar. TIF projects located in the streetcar district, one to three blocks from the streetcar line, will receive 75 percent of the excess ad valorem taxes generated by the project for 15 years to support a TIF redevelopment note. TIF projects located in the influence area, four to six blocks from the streetcar line, will receive 90 percent of the excess ad valorem taxes generated by the project for 15 years to support a TIF redevelopment note. The remaining 10 percent will go towards construction costs of the streetcar system.

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. Ultimately, this project plan will enhance the tax base for various taxing jurisdictions within Omaha and the state. The project would not be feasible without the assistance of the TIF Program.

The proposed project is consistent with goals in the Concept Element of the Master Plan including providing “good quality housing options” in a “mix of patterns, types, and styles” and encouraging the construction of new infill housing in the urban core of the city that makes use of under-utilized central city properties and infrastructure (pp. 18-21).

ROI Statement

The City of Omaha considers a project's ROI as part of the TIF review, but has not established a specific, numeric ROI threshold. The large number of variables involved in TIF projects would make any such threshold arbitrary, and potentially inequitable. The project variables include the project type, the geographic location, the project's market demand and competition, as well as the financial strength, positioning, and experience of the project developer.

The ROI of a redevelopment project is based on the risk/reward that the applicant is willing to accept to fulfill redevelopment goals of the City of Omaha. Developers each have their own breakpoint for determining an acceptable level of ROI, and the amount of acceptable risk for a given estimated reward for any specific developer may change due to consideration of the many of the variables previously mentioned. As a result, the ROI an applicant projects will vary across projects. In this project, the ROI calculation are not applicable, as the owner is not advancing private equity beyond the time and labor provided to the project.

The ROIs stated within this TIF application, for three years after stabilization, are as follows:

ROI With TIF 6.5%

ROI Without TIF 3.2%

TIF eligible costs are acquisition, site work, engineered foundations, architectural and engineering costs, and public improvements. TIF eligible costs total approximately \$915,909. The total estimated project costs are \$7,613,054.

TIF Eligible Expenses	Amount
Acquisition	\$ 290,000
Site Work and Engineered Foundations (\$95,150 & \$64,264 respectively)	\$ 159,414
Public Improvements	\$ 202,850
Soft Costs; Arch, Eng., Survey, Geotech Study	\$ 251,825
Environmental Study	\$ 2,200
<u>Subtotal</u>	\$ 906,289
TIF Fees	\$ 9,620
Total TIF Eligible Expenses	\$ 915,909

The TIF is 11.9 percent of the total project financing.

Recommendation: Approval of the \$908,000 requested TIF amount and all TIF eligible costs as address in this committee memo, with TIF revenues sufficient to pay off a maximum principal loan of \$1,013,496, which includes capitalized interest. Using the levy rate of 2.24121 percent and other assumptions of the TIF calculation spreadsheets, the 15-year term for the TIF request is supported using estimated cost and estimated market approaches.

Project Description

Proposal

The project site consists of one lot of about 0.28 acres. The lot is associated with in an existing TIF project that resulted in the Conrad Apartments development, but was not included in the TIF boundaries of that project.

The proposed project involves the new construction of a single four story apartment building with three floors of apartments located on top of one level of structured parking. There will be a total of 24 market rate units. Half of the units will be leased on a per night basis, via the online VRBO booking website. The project will include a small rooftop deck, a workout facility, a dog run, and other amenities, and some work-from-home suites.

Parking

The project will have 18 parking stalls located inside the structure, with access via the public alley at the rear of the site.

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The project is expected to create about five new permanent jobs and about 80 construction related jobs.

Residential Unit Information

Unit Type	#Units	SF	Rent/Mo.
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TOTAL	24		

Note that half the studios (3 units) will be VRBO units rented at \$140 per night, and half of the one bedroom units (9 units) will be VRBO units rented at \$150 per night.

The Developer is 3612 Leavenworth, LLC, managed by Charlie Sullivan.

The applicant anticipates construction beginning about in June, 2023, with an estimated project completion date around May, 2024.

Project Finance Summary - Sources & Uses

Sources of Funds	Amount
Owner Equity	\$ 2,005,916
Construction Loan	\$ 4,699,138
TIF Financing	\$ 908,000
Total Sources of Funds	\$ 7,613,054
Uses of Funds	Amount
Acquisition	\$ 290,000
Construction Hard Costs	\$ 6,246,774
Architecture and Engineering	\$ 240,000
Financing Fees	\$ 324,000
Construction Soft Costs	\$ 512,280
Total Uses of Funds	\$ 7,613,054

Final Valuation Discussion

The applicant estimates a total final valuation of approximately \$6,638,800, which is based on an NOI of \$381,731 and a 5.75 percent capitalization rate.

Land Use and Zoning

The site is zone R8-ACI-1(PL) High Density Multiple Family Residential district with an Area of Civic Importance Overlay District. It will need to be rezoned to TOD-2-MUR Transit Oriented

Development, Mixed Use District for this project. The apartment structure must comply with the applicable urban design standards.

Utilities and Public Improvements

Standard utilities (electrical, water, sewer) exist at the site. The project will provide landscaping, utilities, new sidewalks, and curbing along all Leavenworth street.

Public Improvement Budget	Amount
Storm Sewer and Drainage	\$ 150,000
Paving Improvements in ROW	\$ 5,000
Landscaping, Street Lighting and Sidewalks in ROW	\$ 37,850
Alley Improvements & Leavenworth St. Deconstruction	\$ 10,000
Total	\$ 202,850

Transportation

There are no transportation issues noted.

Historical Status

The property is vacant, is not located in a historic district, and is not in close proximity to any historic structures.

ATTACHMENTS:

TIF Calculation Spreadsheet

TIF Application

Applicant:

Leavenworth Lofts

PRO FORMA

Year (Semi- Annual)	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			Loan Balance	Capitalized Interest	Interest at 5.57%	
								Principal	Interest at 5.57%	Total			Interest at 5.57%	
0											\$908,000			
0.5	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$933,297	25297		25297
1	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$959,299	26002		26002
1.5	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$986,025	26726		26726
2	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$1,013,496	27471		27471
2.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$44,617	\$28,236	\$72,853	\$968,879	0		28236
3	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$45,860	\$26,993	\$72,853	\$923,019	0		26993
3.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$47,138	\$25,715	\$72,853	\$875,881	0		25715
4	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$48,451	\$24,402	\$72,853	\$827,430	0		24402
4.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$49,801	\$23,052	\$72,853	\$777,629	0		23052
5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$51,188	\$21,665	\$72,853	\$726,441	0		21665
5.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$52,614	\$20,239	\$72,853	\$673,827	0		20239
6	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$54,080	\$18,773	\$72,853	\$619,747	0		18773
6.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$55,587	\$17,266	\$72,853	\$564,160	0		17266
7	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$57,136	\$15,717	\$72,853	\$507,024	0		15717
7.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$58,727	\$14,126	\$72,853	\$448,297	0		14126
8	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$60,363	\$12,490	\$72,853	\$387,934	0		12490
8.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$62,045	\$10,808	\$72,853	\$325,889	0		10808
9	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$63,774	\$9,079	\$72,853	\$262,115	0		9079
9.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$65,550	\$7,303	\$72,853	\$196,565	0		7303
10	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$67,377	\$5,476	\$72,853	\$129,188	0		5476
10.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$69,254	\$3,599	\$72,853	\$59,934	0		3599
11	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$71,183	\$1,670	\$72,853	\$0	0		1670
11.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
12	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
12.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
13	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
13.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
14	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
14.5	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
15	\$ 6,638,800	\$71,900	\$ 6,566,900	2.24121	\$ 73,589	\$ 736	\$ 72,853	\$0	\$0	\$0	\$0	0		0
					\$1,913,314	\$19,136	\$1,894,178	\$1,024,745	\$286,609	\$1,311,354				\$105,496

(F9 = calculate)

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, including the levy rate. This schedule is based on the assumptions on the right side of the this spreadsheet.

*The actual TIF amount available to fund site specific project cost could change based on the cost of public improvements.

Principal Loan Amount \$908,000
Capitalized Interest \$105,496
Loan Balance Remaining \$0

\$1,013,496 Maximum Principal Note

Estimated Annual Incremental Tax Payment \$ 145,706

ASSUMPTIONS:

1	Pre-Development Base	\$71,900
2	Principal Loan Amount	\$908,000
3	Interest Rate	5.57% 10 yr T-note + 2%
4	Est. Total Project Investment	\$7,613,054 *
5	Est. Final Valuation	\$6,638,800
6	Incremental Base Value	\$6,566,900

Other Info:

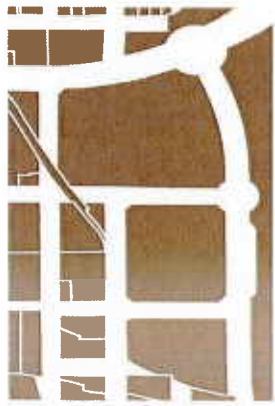
TIF Loan Request \$908,000

TIF Percentage of:

- Est. Final Valuation	13.68%
- Est. Total Project Investment	11.93% *
Leverage Factor	6.38 *

*Est. Total Project Investment also represents the total Costs/Uses from the Sources and Uses table, which equates to the total Sources for the project. The leverage factor indicates for every \$1 of TIF, the City leverages "x" dollars of other funding.

**Plus capitalized interest



omaha



CITY PLANNING



CITY OF OMAHA TAX INCREMENT FINANCING (TIF) APPLICATION



TIF Application Checklist

Part 1 of the TIF Application..... Non-Confidential Section

- ✓ Project Summary Page
- ✓ Project Development Team Page
- ✓ Project Narrative Sections:
 - A. Existing Land Use and Conditions
 - B. Proposed Use and Project Details
 - C. Parking Plan
 - D. Market Demand
 - E. Residential Information
 - F. Employment Information
 - G. Zoning Changes
 - H. Public Improvements; Also any traffic concerns
 - I. Historical Status, if applicable
- ✓ Development Financing Plan – (Attach bank commitment letters in Part II of the TIF application)
- ✓ Estimation and Justification of Final Valuation
- ✓ Construction Budget, with itemized Public Improvements Costs
- ✓ Development Schedule or Timeline
- ✓ Three-Year Pro Forma – profit/loss and cash flow statements
- ✓ Statement of Need - ROI analysis With and Without TIF
- ✓ Evaluation Criteria: Mandatory Criteria (See and use the Program Criteria of the TIF Guidelines)
- ✓ Cost – Benefit Analysis (See and use Appendix Five of the TIF Guidelines)
- ✓ Site Plan(s) and Elevations
- ✓ Alta Survey and Legal Description
- ✓ Historic Designation Documentation, *if applicable*
- ✓ Any Other Supplemental Documentation

Part 2 of the TIF Application..... Confidential Section

- ✓ Preliminary Commitment Letter(s), particularly for Construction and TIF Financing
- ✓ Documentation of Ownership or Site Control – Examples: copy of Purchase Contract, copy of Warranty Deed, or copy of Douglas County Property Records from website
- ✓ Organization Documentation – For Corporation, LLC, Sole Proprietorship or Partnership
- ✓ Audited Financial Statement of the Corporation, Partnership, or LLC for the most recent full calendar year; Or compilation or accountant prepared financial statements
- ✓ Reports and Studies, *if applicable, only one hard-copy set of the final complete report(s) and/or study(s) needs to be provided*
 - A. Appraisal, after rehab
 - B. Market Study
 - C. Feasibility Study
 - D. Environmental Study
 - E. Traffic Study

Note: The executive summary page(s) may be included with the TIF Redevelopment Project Plan that is shared with the public.

Summary

Project Name: Leavenworth Lofts

Project Legal Description: LT 2 0.28 AC
--EXCESS VALUE-- 2353

Project Address: 3612 LEAVENWORTH ST

Property Owner: 3612 LEAVENWORTH LLC

Owner Address: 11516 MIRACLE HILLS DR #400
OMAHA, NE 68154

Project Owner:

Estimated Total Project Cost: \$7,613,054

Requested TIF Loan: \$908,000

New Construction: Yes

Rehabilitation: No

Current Use:

Proposed Use:

Zoning - Current/Proposed:

Current zoning of the parcel is R8-ACI-1 (PL) – High Density Multiple Family Residential District within an Area of Civic Importance Overlay District. The Developer proposes to change zoning to TOD-2-MX - Transit Oriented Development-Mixed Use which is supported by the City of Omaha Planning Department.

Proposed Project Size:
Gross Sq. Ft. (Building(s)) 33,235.00
Net Sq. Ft. (Building(s)) 0.00
of Acre(s) 0.00
Lot/Parcel Size (Sq Ft.) 12,197.00

LIHTC Project: No

Market-Rate Project: Yes

Historic Tax Credit Project: No

Current Annual Real Estate Taxes (Year) : 2022

Land: \$48,800

Current Assessed Tax Valuation (Year) : 2023

Improvements: \$23,100

Total: \$71,900

Are Real Estate Taxes Current? Yes

Requested Base Year: 2022

Requested Division Year: 2023

Does the applicant entity or do the members comprising the applicant entity have any delinquent taxes Due and owing? No

Is the project within an extremely blighted area? No

Project Development Team Page

Legal Consulting Firm

Brent Beller
Fullencamp, Jobeun, Johnson & Beller, LLP
11440 W Center Road, Suite C Omaha NE 68144
4023340700
bbeller@fjjblaw.com

Fullenkamp Jobeun Johnson & Beller, LLP is an experienced real estate development firm, which has handled numerous ground up and rehabilitation TIF projects in the City of Omaha, and other municipalities surrounding the City of Omaha. Firm has represented dozens of TIF projects and has successfully helped develop more than \$250 million in TIF related projects alone in the last five years alone.

Construction Company

Royce Maynard
Dicon Construction
11506 Nicholas Street, Suite 200 Omaha NE 68154
5318955225
rmaynard@dicon.com

Dicon Construction was incorporated on May 1, 1975 by its founder and CEO, Jim Thorburn, in Omaha, Nebraska. We have since been recognized as one of the most trusted and diversified general contracting and construction management firms in the Midwest. Our team members have delivered successful projects in sixteen states across all major categories of commercial construction.

Our organization is comprised of project managers, estimators, project administrators, site superintendents, carpenters, general laborers, and accounting and marketing professionals. Deep-rooted commitments to safety, transparency, and accountability remain at the foundation of our collaborative approach to each project we oversee. At Dicon, we listen to the needs of our clients and stand behind what we build.

Architecture Firm

Geoff DeOld
deold andersen architecture, LLC
1717 Vinton Street Omaha NE 68108
4023457694
geoff@d-aarch.com

DeOld Andersen Architecture (DAA) is an architecture and design partnership founded in 2010 located in Omaha, Nebraska. We design buildings, spaces, and neighborhoods with a commitment to sustainability and an optimistic future. Our projects have ranged from pocket parks and public spaces; public school renovations and additions; strategic planning, programing and designs for the workplace; the rehabilitation of historic buildings, the design of single family and multifamily residences; and speculative research projects. We serve developers and property owners, small business owners and entrepreneurs, government and civic agencies, private individuals and homeowners, and the occasional customer who knocks on our storefront needing help with a building permit for a small renovation or addition to their home. DAA is a City of Omaha Tier 1 Certified Small and Emerging Business.

Applicant/Owner Representative Contact

Charlie Sullivan
Sullivan Development, LLC
11516 Miracle Hills Drive, Suite 400 Omaha NE 68154
4022123443
charlie.sullivan@colliers.com

Sullivan Development LLC its owner, and related entities have been in Nebraska, Iowa and Minnesota investing in the future of the Midwest for over 20 years. The ownership and development team have extensive experience in subdivision development, single-family and multifamily projects. Notable developments in Omaha include:

- Huntington Park Subdivision (Phases 4 and 5) - land development and 80 custom homes – 156th and Blondo
- Charleston Woods Subdivision – land development and 11 custom homes – Pinehurst Circle and S. 97th Ave
- Residences on the Green at Pacific Springs – land development and 17 custom homes – Harney Street and Howard Plaza
- Dundee Ridge – land development and 6 luxury, rental rowhouses – Douglas Street and Dundee Ridge Ct.
- The Villas at Falling Waters – 172 Class A, multi-family units – 192nd and Harrison Streets
- The Conrad – 153 Class A multi-family units – 3601 Jones Street

Sullivan Development Company LLC is an Omaha-based, real estate and development firm founded by Charlie Sullivan after 13 years as a custom home builder with Sullivan Homes and 8 years as an Owner's Representative with Commercial Investment Properties (CIP) building over 1,000 multi-family units. Charlie has unique insight into to the proposed project having served as Owner's Representative on The Conrad which is immediately adjacent.

Applicant/Owner

Charlie Sullivan
3612 Leavenworth, LLC

See Representative Contact below.

I) Narrative

A. Project Land Use Plan

Detailed Project Description:

Existing Land Use and Conditions of the Redevelopment Site: The site consists of a vacant .28-acre lot located at 3613 Leavenworth Street on the north side of Leavenworth between S. 36th and S. 37th Streets. The previous owner (Commercial Investment Properties – CIP) acquired the two lots (each improved with a single-family home) in anticipation of assembling the entire block ... as they had successfully done with the block immediately to the north upon which they built the 153-unit Conrad. When this assemblage proved unachievable, CIP combined the two lots with hopes of incorporating the new combined parcel into The Conrad. This aspiration proved impractical, and the lot sat empty for several years.

Proposed Use and Project Details: The proposed project consists of 1 level of above ground parking and 3 levels of residential units. The project will house 24 market-rate, residential units, a small roof top deck (subject to final building design), a workout facility, a small dog run on the east side of the building, an amenitized lobby and several work-from-home suites. A number of the units will be utilized as online-based VRBO, short-term vacation rentals. The lot experiences significant grade change running east to west across the site, and the parcel is very small. Current architectural plans call for 18 garage parking stalls for the 24 units. The project benefits from its proximity to UNMC less than 3 blocks to the east, as well as the new streetcar system just 4 blocks to the north. Garage access is off the public alley to maintain a pedestrian-friendly aesthetic along the sidewalk. Pedestrians will not be able to see into the garage; the focus of the front of the building is a dramatic two-story lobby.

Parking Plan for Proposed Project: The building features 18 parking spaces in a controlled-access garage accessible off the public alley in the rear.

Market Demand for Proposed Project: Our internal study concluded the following:

- The proposed development of Leavenworth Lofts is supported based on the surrounding market which is deep and growing. The market attracted to the site can support new-construction rents.
- The University of Nebraska Medical Center (Omaha's third largest employer) is located within walking distance.
- The average occupancy rate among the newly constructed (2017 or later) apartments in the surrounding area is between 94% - 99%.

B. Zoning - Current and Proposed

Current zoning of the parcel is R8-ACI-1 (PL) – High Density Multiple Family Residential District within an Area of Civic Importance Overlay District. The Developer proposes to change zoning to TOD-2-MX - Transit Oriented Development-Mixed Use which is supported by the City of Omaha Planning Department.

C. Public Improvements

The project will include the following public improvements:

- Sidewalk improvements and landscaping along the site border on Leavenworth Street
- Utility, water and sewer line extensions
- Privacy fencing and greenspace improvements on the east border.

The Applicant has met with the City of Omaha Urban Design staff in relation to the site plan and elevation development and completed a Site Plan Review.

D. Historical Status - If Applicable

N/A

Residential Unit Information

Multi-Family

Total Units: 24

1 Bedroom Rentals = 3 Units 595sqft Per Unit @ \$2100 Per Month

1 Bedroom Rentals = 9 Units 875sqft Per Unit @ \$2250 Per Month

Rentals = 3 Units 595sqft Per Unit @ \$1250 Per Month

1 Bedroom Rentals = 9 Units 875sqft Per Unit @ \$1838 Per Month

Comments:

Employment Information

Employees By Type

Total Jobs: 5

General Labor = 2 Part-Time

Management = 3 Permanent (FTE's)

Non-Construction

Number of Jobs Created? (Non-Construction): 5

Number of Jobs Retained? (Non-Construction): 0

Anticipated Annual Payroll? (Non-Construction): \$350,000

Construction

Estimated Number of Construction Jobs Created?: 80

Anticipated Annual Payroll for Construction Jobs?: \$2,100,000

II) Funding Information

Source of Funds

Fund Source	Description	Source Amount
Owner Equity		\$2,005,916
TIF Loan		\$908,000
Construction Loan		\$4,699,138
Total		\$7,613,054

Use of Funds

Use of Funds	Description	Use Amount
Architectural and Engineering Fees		\$240,000
Financing Fees		\$324,000
Construction Soft Costs		\$512,280
Construction Hard Costs or Rehabilitation Costs		\$6,246,774
Land Acquisition		\$290,000
Total		\$7,613,054

B. Is there or will there be an application requesting Property Assessed Clean Energy (PACE) financing? No

C. Are you requesting an Enhanced Employment Area (EEA) Designation and the use of a General Business Occupation Tax? No

D. Final Estimated Valuation and Justification - Add a brief discussion regarding what the most probable final valuation will be and the methodology used to establish the final valuation.

We anticipate the final assessed valuation of the project to be approximately \$6,638,800 based on Year 1 NOI of \$381,731 at a 5.75% cap rate.

III) Construction Budget, Itemized Public Improvement Costs and Project Timeline

Itemized Construction Budget

Construction Budget Item	Description	Estimate
Concrete		\$647,142
Contingency		\$114,178
Conveying Systems		\$137,768
Doors & Windows		\$267,982
Earthwork		\$15,000
Electrical		\$577,530
Equipment		\$82,027
Finishes		\$410,331
Fire Protection		\$96,255
Furnishings		\$115,230
General Requirements		\$479,239
HVAC		\$351,000
Insurance and Fees		\$353,592
Masonry		\$492,300
Metals		\$117,780
Plumbing		\$528,000
Sitework		\$330,749
Specialties		\$36,560
Thermal-Moisture		\$279,549
Wood & Plastics		\$814,562
Total		\$6,246,774

Itemized Public Improvements

Public Improvement Type	Description	Amount
Alley Improvements & Leavenworth St.	<i>Alleyway, Leavenworth Street deconstruction</i>	\$10,000
Paving Improvements in ROW		\$5,000
Storm Sewers & Drainage		\$150,000
Street Lighting (within the ROW)		\$37,850
Total		\$202,850

TIF Eligible Costs

TIF Eligible Costs Item	Comments	Amount
TIF Fees		\$9,620.00
Other	Survey and Geotech	\$11,825.00
Engineering and Architecture Fees (related to pre-development)		\$240,000.00
Public Improvements Costs		\$202,850.00

Site Excavation		\$159,414.00
Environmental Studies (Phase I, Phase II, Environmental Assessment)		\$2,200.00
Site Acquisition Costs		\$290,000.00
Total		\$915,909.00

Project Timeline

Construction Start Date: 06/01/2023

Start Date Comments:

Construction End Date: 05/01/2024

End Date Comments:

IV) 3 Year Pro-Formas - profit/loss and cash flow statements

Revenue	Year 1	Year 2	Year 3
Gross Residential Rents	\$545,330	\$561,690	\$578,541
Effective Gross Income	\$545,330	\$561,690	\$578,541
Expenses	Year 1	Year 2	Year 3
Total Operating Expenses	\$163,599	\$168,507	\$173,562
Total Expenses	\$163,599	\$168,507	\$173,562
Net Operating Income	\$381,731	\$393,183	\$404,979
Debt Service	Year 1	Year 2	Year 3
Debt Service (Perm)	\$250,765	\$250,765	\$323,136
Net Cash Flow	\$130,966	\$142,418	\$81,843

V) Statement of Need and ROI Analysis (with and without TIF) – In the Statement of Need section, talk about the challenging conditions of the redevelopment site which require the assistance of TIF. The ROI Analysis is “with” and “without TIF”.

Statement of Need

The total development costs are estimated to be \$7,613,054. Without Tax Increment Financing (“TIF”), this project cannot move forward. The TIF request is \$908,000. The remaining funding sources are construction loan and equity.

The Project cannot proceed without the inclusion of the TIF. As demonstrated above, without TIF there would be a very small owner profit, and the Project return would provide a 3.23% return. This makes the project unfeasible without TIF. Because this is an urban in-fill project, the Project has significant size constraint issues and will have to comply with various City requirements for design and landscaping.

The Project is typical urban infill development site which has various existing site conditions which makes the site difficult to develop. The site is currently an empty lot.

The proposed re-zoning of the property is TOD-2-MX which requires more stringent standards for design including streetscape, sidewalks, specialty pedestrian lighting, building placement, and building materials. All of these items not only add cost but require additional time to work through.

ROI Analysis

	With TIF	Without TIF
Owner Equity	\$2,005,916	\$2,963,916
Revenues	\$545,330	\$545,330
Expenses	\$163,599	\$163,599
NOI	\$381,731	\$381,731
TIF Rebate	\$145,706	-
NOI + TIF Rebate	\$528,437	
TIF Debt Service	\$145,706	\$0
Debt Service	\$250,765	\$285,865
NCF	\$131,966.00	\$130,966.00
Return on Owner Investment (ROI) %	6.53%	3.23%

VI) Evaluation Criteria: Mandatory Criteria - A project **must meet each of the following** criteria; briefly discuss how this project meets each criteria. Include each statement with your response.

1. The project must be located within a community redevelopment area or an area eligible for a designation of community redevelopment area as required and set forth by State Statute. The project must be located within a community redevelopment area prior to the preparation of a Redevelopment Plan, refer to Attachment 1 – Community Redevelopment Area map. Requirements for community redevelopment areas are found in Appendix One and Two.

The Project is located within the boundaries of the TIF Community Redevelopment Area.

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

The use of TIF for the Project will not result in a loss of pre-existing tax revenues to the City or to other taxing jurisdictions. The Project is anticipated to increase the tax base of the surrounding area, through a significant increase in the property valuation and additional commerce in the immediately surrounding area. The Project will not expand the use of public fire and police.

3. The developer is able to demonstrate that the project would not be economically feasible without the use of TIF. In addition, when the project has site alternatives, the proposal must demonstrate that it would not occur in the area without TIF. Return on investment assists in determining the economic feasibility of the project.

As shown in the ROI analysis, this project is not economically feasible without the use of Tax Increment Financing. Commercial redevelopment/urban infill projects within neighborhoods are complex and more expensive to due significant size restrictions and compliance with urban design guidelines. The Project Applicant/Owner is proposing a significant investment in redevelopment in order to improve the site from a vacant lot to 24-unit, market rate, multi-family project. TIF financing fills in the gap to make this project feasible by increasing the overall value of the site and immediately surrounding area by creating needed Class A, residential, rental units in a quickly improving area of the City, as well as allowing the site itself to be utilized to its fullest potential. Based upon the projections set forth in the ROI, it is reasonable to conclude that this development could not occur in this area without TIF.

4. The project must further the objectives of the City's Master Plan. This may include job creation, application/implementation of Urban Design elements of the project and related/adjacent public areas, preservation of historic sites and structures, revitalization of older neighborhood communities, business start-ups, business growth and expansion, and the densification of the urban core.

The Project is an urban infill project, which will convert vacant multifamily properties and a parking lot to operating restaurants, bars and businesses. The Project will include various upgrades to utility services and will also overhaul the streetscape on Farnam and Harney Street, which will benefit the Project and the general public.

The Project furthers the objectives of the City's Master Plan by:

- (1) Creating new housing opportunities by redeveloping a vacant lot and into a new multi-family development.
- (2) Creating sustainability and renewable energy by prioritizing the use of high efficiency mechanical systems and materials where appropriate.
- (3) Implementing urban design elements while striving to integrate such design to align with the original Leavenworth neighborhood character and charm. The Project encourages active pedestrian traffic along Leavenworth Street.

VII) Cost-Benefit Analysis – Respond to each statement; include any quantitative analysis (Community Development Law §18-2113 (2))

1. Tax shifts resulting from the division of taxes as provided in section 18-2147;

The use of TIF will result in a large increase of real estate revenue for Omaha, and no public service needs will be generated as a result of this project. No tax shifts are anticipated.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

The proposed TIF will be used to offset site acquisition, site development, and public improvement cost, all of which are eligible expenses. The current property tax system can accommodate the development. Furthermore, the long-term benefit resulting from an increase in the tax base from the development is another valid reason to approve TIF assistance for this project. The project will not expand the use of public fire and police. This project represents a significant creation of construction jobs and creates a new source of tax revenue in the neighborhood, adding to the City Master Plan's goal by replacing empty lots with new infill housing, with new commercial development. The Project further adds to the diverse business district along the ever-changing Leavenworth Corridor.

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

Through the utilization of the TIF incentives the development of the Project will address one of City's Master Plan goals, providing new housing opportunities in an urban area. Additionally, as the neighborhood continues its revitalization, there will be increased foot traffic and new business that will benefit from new housing.

4. Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project;

By developing the approximately 33,325 SF building, new residents will be brought to the area and provide additional housing opportunities for the UNMC campus which benefits the entire City. The Project will also provide additional customers for retailers and restaurateurs in the area. We anticipate benefits to the rest of Omaha as well, particularly as these businesses grow and employ more people.

5. Impacts on the student populations of school districts within the city or village; and

There will be no negative financial impacts on the existing school districts within the City of Omaha. The number of school-aged children anticipated to reside in the 59 studios and one-bedroom units will have an insignificant impact on the size of the district's student population.

6. Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project

N/A

THIS ESTATE INFORMATION IS AVAILABLE TO ANYONE. IF YOU ARE A REALTOR, YOU MAY BE ABLE TO OBTAIN ADDITIONAL INFORMATION BY REQUESTING A REPORT FROM THE NATIONAL REALTOR ASSOCIATION. FOR MORE INFORMATION, CONTACT THE NATIONAL REALTOR ASSOCIATION, 1300 18TH STREET, N.W., WASHINGTON, D.C. 20036-4002. (202) 462-6000.

ZONING: SUBJECT PROPERTY IS IN 18-AZD-1P(1) ZONING. SEE LOT SETBACKS.

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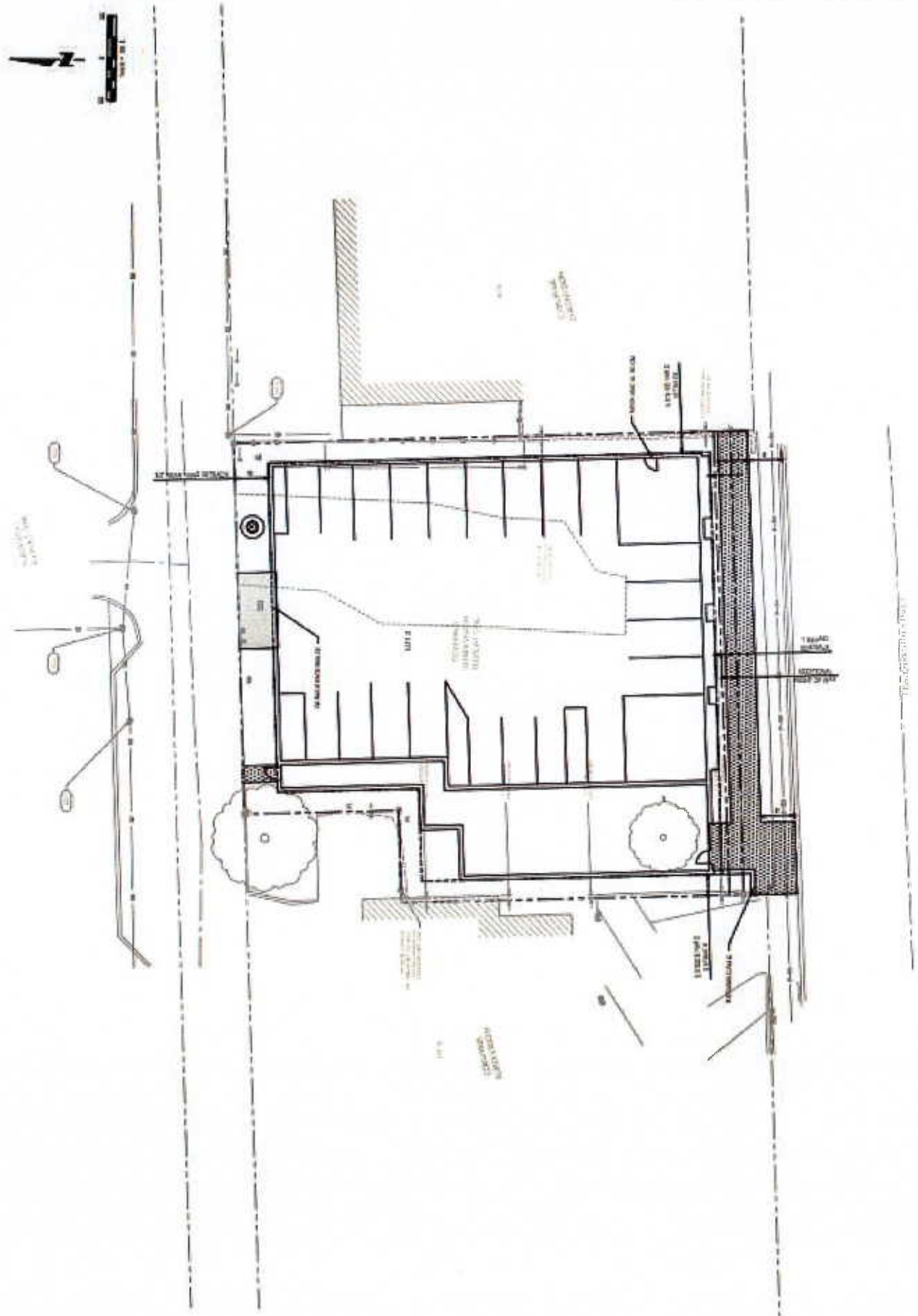
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REVISIONS	10/10/10
APPROVED	10/10/10

SITE PLAN

20TH & LUDLOW AVENUE
 20TH & LUDLOW AVENUE
 20TH & LUDLOW AVENUE



E & A CONSULTING GROUP, INC.
 Engineering • Planning • Environmental • Real Estate

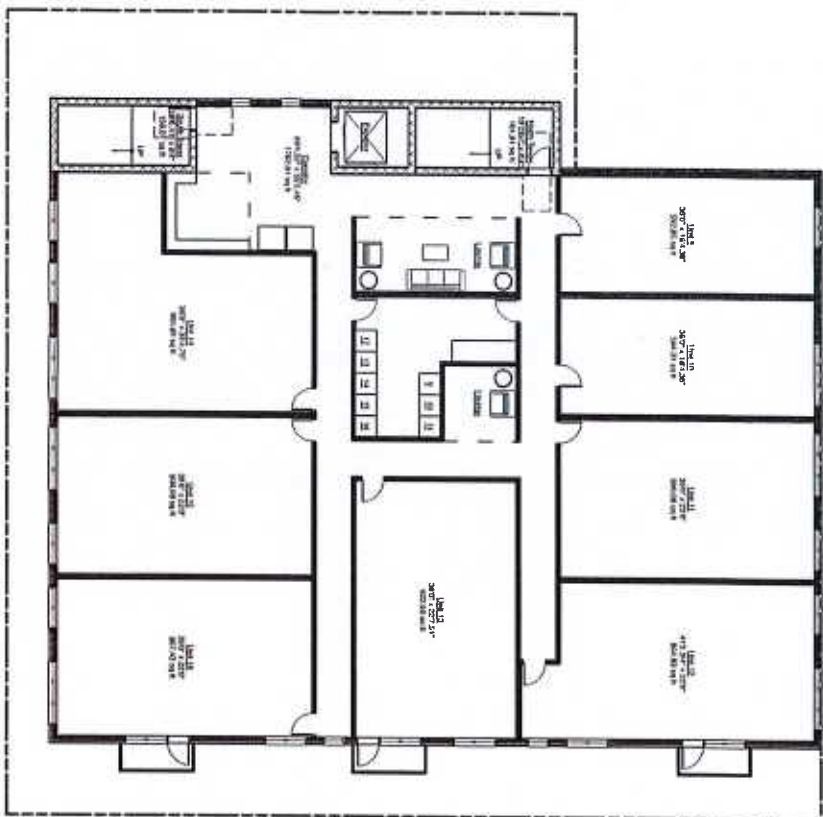


First Floor Plan



3612 Leavenworth
06.27.22

Second and
Third Floor Plan



0 10 20 40
SCALE: 1/16" = 1'-0"

dada
deold andersen architecture llc

