



City of Omaha
Jean Stothert, Mayor

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

David K. Fanslau
Director

June 6, 2023

Honorable President

and Members of the City Council,


The attached Resolution transmits the 2816 Ames Tax Increment Financing Redevelopment Project Plan, for a redevelopment project site located at 2816 Ames Avenue. The redevelopment project plan proposes the existing one story building will be thoroughly renovated for use as a medical clinic. The Planning Board recommended the approval of this redevelopment project plan at the May 3, 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 \$321,729.00, which includes capitalized interest. TIF loan proceeds will be used to offset eligible expenses such as building rehabilitation construction costs, and other public improvements as required. The total estimated project costs are \$2,500,000.00, but are subject to change as final costs come in.


Your favorable consideration of this Resolution will be appreciated.

Respectfully submitted,

Approved:

 5-16-2023

David K. Fanslau
Planning Director
EE 

 5-17-23


Robert G. Stubbe, P.E.
Public Works Director

Approved:

Referred to City Council for Consideration:

 5/17/23

Stephen B. Curtiss
Finance Director 

 5/18/23

Mayor's Office

3385 nsp

Notice of Publication and Public Hearing: June 8, 2023 and June 15, 2023

Public Hearing: June 27, 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 1.87 acre redevelopment project site located at 2816 Ames Avenue, 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, is within a designated Extremely Blighted Area, as the area meets the definition of extreme blight 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 twenty (20) years under Sections 18-2147 through 18-2150, Revised Statutes of Nebraska; and,

WHEREAS, the 2816 Ames Tax Increment Financing (TIF) Redevelopment Project Plan ("Plan") for the redevelopment project site proposes the comprehensive rehabilitation of an existing one story building for use as a medical clinic, 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 May 3, 2023 meeting; and,

RESOLUTION NO. _____

WHEREAS, this Resolution seeks approval of the 2816 Ames Tax Increment Financing (TIF) Redevelopment Project Plan and authorizes the City's participation through the allocation of TIF in an amount up to \$321,729.00 which includes capitalized interest, to offset TIF eligible expenses, including, but not limited to building rehabilitation construction costs, and public improvements as required, for a project with total estimated costs of \$ 2,500,000.00; 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 2816 Ames Tax Increment Financing (TIF) Redevelopment Project Plan, for the redevelopment project site located at 2816 Ames Avenue, which proposes the comprehensive rehabilitation of an existing one story building for use as a medical clinic, and authorizes the City's participation through the allocation of TIF in an amount up to \$321,729.00, which includes capitalized interest, to offset TIF eligible expenses including, but not limited to building rehabilitation construction 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.

3385 nsp

APPROVED AS TO FORM:

 5/17/2023
ASSISTANT CITY ATTORNEY DATE

Adopted: _____

Attest: _____
City Clerk

Approved: _____
Mayor

EXHIBIT "A"

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

Project Legal Description: 1/2 VAC ALLEY ADJ & -EX
E 16 FT- LT10 & ALL LTS 11 THRU 17 BLK 2 & LT 1
STEVENS PLACE REPLAT 1 & LT 1 STEVENS PLACE
REPLAT 2

Project Address: 2816 AMES AV

2816 AMES TIF REDEVELOPMENT PROJECT PLAN

2816 AMES AVENUE

May 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: April 26, 2023

Subject: APPROVAL OF THE 2816 AMES TIF REDEVELOPMENT PROJECT PLAN
2618 Ames Avenue
Case #C3-23-099

PROJECT DESCRIPTION:

Proposal

The project site consists of a single lot 1.87 acres in size, with a former church building of about 10,400 square feet on the west half of the site along with a surface parking lot. The existing one story building will be thoroughly renovated for use as a medical clinic. The building will be occupied by Archwell Health, which focuses on geriatric services. They intend to serve as a one-stop medical care facility for seniors, providing a wide range of medical services typically needed by that population. The developers intend to subdivide the parcel and sell the east half for someone else to develop a commercial project that complements the TIF project and the area.

Parking

The project will have 68 parking stalls located in a surface parking lot on the site.

Employment

The project is expected to create about 15 new permanent jobs and 15 part times jobs, and about 20 construction related jobs.

The Developer is AH 2816 Ames, LLC, operated by the Atwater Development Group managed by Nicholas Stratigakes.

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 (pp. 18-19) including ensuring “a mix of necessary retail and personal services in all areas” and promoting job creation.

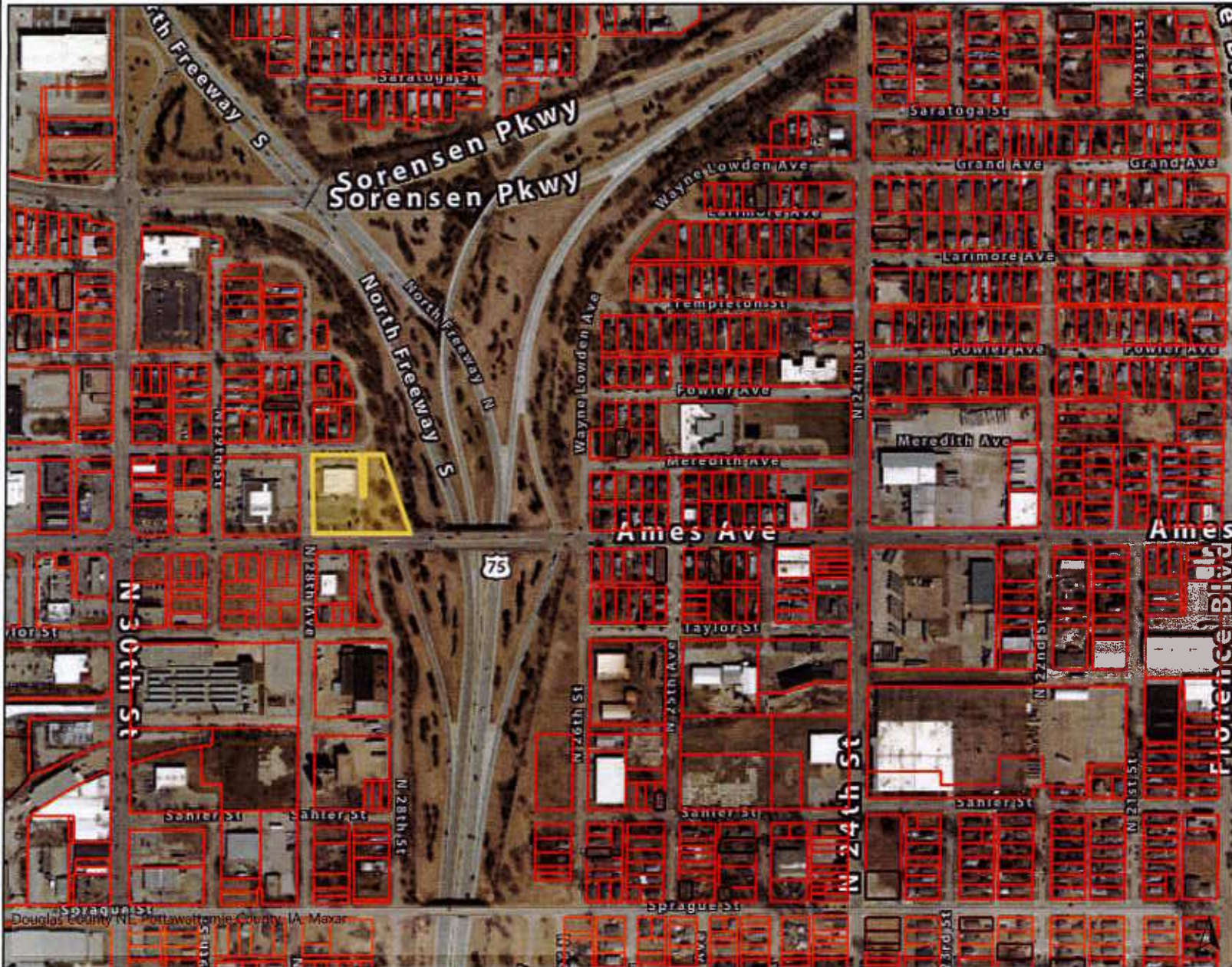
No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

RECOMMENDATION: Approval.

ATTACHMENTS:

General Vicinity Map

Project Plan



Legend

All Properties



Planning Viewer Reference



0 500 1000
ft

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

Printed from dogis.org:
03/13/2023 13:29:18

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: April 12, 2023

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

From: Don Seten - City Planning

Applicant: City of Omaha Planning Department

Project Name: 2816 Ames TIF Redevelopment Project Plan

Location: 2816 Ames Avenue

Request: The TIF request is for up to \$300,000 plus capitalized interest at an estimated interest rate of 5.45 percent.

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

Other City Incentives With Related TIF Costs:

EEA – Will not be used.

PACE – Will not be used.

Extremely Blight Discussion: The redevelopment site is located in an Extremely Blighted Area (EBA). The project meets the TIF Committee criteria for a 20 year TIF term in that it is an infill development project bringing jobs to north Omaha, and it serves as a beneficial civic use in that needed medical services will be available for local residents in the area.

Urban Core Plan Discussion: The project is not located in the Influence Area of the Urban Core Housing and Mobility Redevelopment Plan area nor in the Influence Area of that Redevelopment Plan. A contribution of a portion of the new TIF revenues generated by the project is not required.

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 (pp. 18-19) including ensuring “a mix of necessary retail and personal services in all areas” and promoting job creation.

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.

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

ROI With TIF 2.6%

ROI Without TIF 2.1%

TIF eligible costs claimed for the project are the building rehabilitation construction costs, which readily exceed the amount of TIF requested. Architectural and engineering fees are also eligible, but have not been specifically listed and enumerated. Also, the costs of public improvements are TIF eligible, but no public improvements are proposed by the applicant. TIF eligible costs total approximately \$1,103,000. The total estimated project costs are \$2,500,000.

TIF Eligible Expenses*	Amount
Building Rehab Construction Costs	\$ 1,300,000
<u>Subtotal</u>	<u>\$ 1,300,000</u>
TIF Fees	\$ 3,500
Total TIF Eligible Expenses	\$ 1,303,000

The TIF is 12.0 percent of the total project financing.

* The cost of the public improvements in the Ames Avenue right of way, which are required to be included in this redevelopment project, are also TIF eligible costs and can be added to the \$1,103,000 total shown in the above table.

Recommendation: Approval of the \$300,000 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 \$321,729, which includes capitalized interest. Using the levy rate of 2.24121 percent and other assumptions of the TIF calculation spreadsheets, the 20-year term for the TIF request is supported using estimated cost and estimated market approaches. The project must also provide public improvements in the Ames Avenue right of way; street trees and new sidewalks at the least.

Project Description

Proposal

The project site consists of one lot of about 1.87 acres, with an existing church building of about 10,400 square feet on the west half of the site, along with a surface parking lot. The existing one story building will be thoroughly renovated for use as a medical clinic. The building will be occupied by Archwell Health, which focuses on geriatric services. They intend to serve as a one-stop medical care facility for seniors, providing a wide range of medical services typically needed

by that population. The developers intend to subdivide the parcel and sell the east half for someone else to develop a commercial project that complements the TIF project and the area.

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The Developer is AH 2816 Ames, LLC, operated by the Atwater Development Group managed by Nicholas Stratigakes.

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	\$ 1,191,679
Construction Loan	\$ 1,008,321
TIF Financing	\$ 300,000
Total Sources of Funds	\$ 2,500,000
Uses of Funds	Amount
Acquisition	\$ 900,000
Construction Hard Costs	\$ 1,300,000
Construction Soft Costs	\$ 300,000
Total Uses of Funds	\$ 2,500,000

Final Valuation Discussion

The applicant estimates a total final valuation of approximately \$1,805,000. The current 2023 base value of the entire parcel is \$601,800, of which \$63,700 is the land only valuation. The land valuation is being prorated, based on plans to subdivide the parcel, giving the TIF project redevelopment site an estimated base value of \$575,570 (which includes all of the current valuation related to the improvements on the parcel).

Land Use and Zoning

The parcel has split zoning, with the western half (containing the parking and building) zoned CC Community Commercial District with the ACI-2(PL) Areas of Civic Importance Overlay District. The northeastern portion is zoned R5 Urban Family Residential District and the southeaster portion is zoned GC General Commercial District. The proposal is to replat the parcel into two lot, with the new medical facility on the west lot under the existing zoning, and the eastern portion

Utilities and Public Improvements

Standard utilities (electrical, water, sewer) exist at the site. The Ames Avenue right of way is in need of improvements. The sidewalks must be replaced and some street trees will be required, both as a Public Works condition of approval for the replat of the property and as a condition for receiving TIF Program assistance.

Transportation

There are no transportation issues noted. The development is close to the public transit services provided along the Ames Avenue corridor.

Historical Status

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

ATTACHMENTS:

TIF Calculation Spreadsheet

TIF Application

Applicant: 2819 Ames

PRO FORMA

Year (Semi- Annual)	Total Taxable Valuation	Less Pro- 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 5.45%
								Principal	Interest at 5.45%	Total			
0											\$288,925		
0.5	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$296,798	7873	7873
1	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$304,886	8088	8088
1.5	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$313,194	8308	8308
2	\$ -	\$0	\$ -	2.24121	\$ -	\$ -	\$ -	\$0	\$0	\$0	\$321,729	8535	8535
2.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$5,371	\$8,767	\$14,138	\$316,358	0	8767
3	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$5,517	\$8,621	\$14,138	\$310,841	0	8621
3.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$5,668	\$8,470	\$14,138	\$305,173	0	8470
4	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$5,822	\$8,316	\$14,138	\$299,351	0	8316
4.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$5,981	\$8,157	\$14,138	\$293,370	0	8157
5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$6,144	\$7,994	\$14,138	\$287,226	0	7994
5.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$6,311	\$7,827	\$14,138	\$280,915	0	7827
6	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$6,483	\$7,655	\$14,138	\$274,432	0	7655
6.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$6,660	\$7,478	\$14,138	\$267,772	0	7478
7	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$6,841	\$7,297	\$14,138	\$260,931	0	7297
7.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$7,028	\$7,110	\$14,138	\$253,903	0	7110
8	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$7,219	\$6,919	\$14,138	\$246,684	0	6919
8.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$7,416	\$6,722	\$14,138	\$239,268	0	6722
9	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$7,618	\$6,520	\$14,138	\$231,650	0	6520
9.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$7,826	\$6,312	\$14,138	\$223,824	0	6312
10	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$8,039	\$6,099	\$14,138	\$215,785	0	6099
10.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$8,258	\$5,880	\$14,138	\$207,527	0	5880
11	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$8,483	\$5,655	\$14,138	\$199,044	0	5655
11.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$8,714	\$5,424	\$14,138	\$190,330	0	5424
12	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$8,952	\$5,186	\$14,138	\$181,378	0	5186
12.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$9,195	\$4,943	\$14,138	\$172,183	0	4943
13	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$9,446	\$4,692	\$14,138	\$162,737	0	4692
13.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$9,703	\$4,435	\$14,138	\$153,034	0	4435
14	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$9,968	\$4,170	\$14,138	\$143,066	0	4170
14.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$10,239	\$3,899	\$14,138	\$132,827	0	3899
15	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$10,518	\$3,620	\$14,138	\$122,309	0	3620
15.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$10,805	\$3,333	\$14,138	\$111,504	0	3333
16	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$11,100	\$3,038	\$14,138	\$100,404	0	3038
16.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$11,402	\$2,736	\$14,138	\$89,002	0	2736
17	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$11,713	\$2,425	\$14,138	\$77,289	0	2425
17.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$12,032	\$2,106	\$14,138	\$65,257	0	2106
18	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$12,360	\$1,778	\$14,138	\$52,897	0	1778
18.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$12,697	\$1,441	\$14,138	\$40,200	0	1441
19	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$13,043	\$1,095	\$14,138	\$27,157	0	1095
19.5	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$13,398	\$740	\$14,138	\$13,759	0	740
20	\$ 1,850,000	\$575,570	\$ 1,274,430	2.24121	\$ 14,281	\$ 143	\$ 14,138	\$13,763	\$375	\$14,138	\$0	0	375
								\$514,116	\$5,148	\$508,968	\$321,733	\$187,235	\$508,968

(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.

Original Loan Amount
Capitalized Interest
Loan Balance Remaining

\$288,925
\$32,804
\$0

\$321,729 MAXIMUM PRINCIPAL NOTE

Estimated Annual Incremental Tax Payment \$ 28,276

ASSUMPTIONS:

1	Pre-Development Base	\$575,570
2	Loan Amount	\$288,925
3	Interest Rate	5.45% 10 yr T-note + 2%
4	Est. Total Project Investment	\$2,500,000 *
5	Est. Final Valuation	\$1,850,000
6	Incremental Base Value	\$1,274,430

Other Info:

TIF Loan Request	\$300,000 **
TIF Percentage of:	
- Est. Final Valuation	76.22%
- Est. Total Project Investment	12.00% *
Leverage Factor	8.33 *

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

**Plus capitalized interest



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: 2816 Ames Omaha Nebraska LLC
Development Project

Project Legal Description: 1/2 VAC ALLEY ADJ & -EX
E 16 FT- LT10 & ALL LTS 11 THRU 17 BLK 2 & LT 1
STEVENS PLACE REPLAT 1 & LT 1 STEVENS PLACE
REPLAT 2

Project Address: 2816 AMES AV

Property Owner: AH 2816 AMES OMAHA NEB LLC

Owner Address: 162 W GRAND AVE #300 CHICAGO,
IL 60654

Project Owner:

Estimated Total Project Cost: \$2,500,000

Requested TIF Loan: \$300,000

New Construction: No

Rehabilitation: Yes

Current Use:

Proposed Use:

Zoning - Current/Proposed:

The Project site is currently zoned CC-ACI-2(PL). While a zoning change is not required for the Project site, it is anticipated that the subdivided portion to the east may be rezoned to provide for future commercial use.

Proposed Project Size:

Gross Sq. Ft. (Building(s)) 10,384.00

Net Sq. Ft. (Building(s)) 10,384.00

of Acre(s) 1.00

Lot/Parcel Size (Sq Ft.) 1.00

LIHTC Project: No

Market-Rate Project: Yes

Historic Tax Credit Project: No

Current Annual Real Estate Taxes (Year) : 2022

Land: \$63,700

Current Assessed Tax Valuation (Year) : 2023

Improvements: \$538,100

Total: \$601,800

Are Real Estate Taxes Current? Yes

Requested Base Year: 2023

Requested Division Year: 2024

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? Yes**Does the project need 20 years?** Yes

Project Development Team

Construction Company

TBD
JE Dunn Construction
14606 Branch St Suite 300 Omaha NE 68154

JE Dunn is the 13th largest domestic general contractor in the United States with offices in 26 locations and hundreds of project sites across the country.

Architecture Firm

Multiple
Earl Swensson Associates
1033 Demonbreun St #800 Nashville TN 37203

Earl Swensson Associates is a leading architectural firm based in Nashville, committed to sustainability and award-winning leadership in BIM integration.

Legal Consulting Firm

Michael Sands
Baird Holm LLP
1700 Farnam Street; Suite 1500 Omaha NE 68102
402-636-8271
msands@bairdholm.com

Baird Holm is Omaha-based and the oldest law firm in the state of Nebraska. Its integrated team of over 90 attorneys, licensed in 20 states, provides extensive and diverse expertise to respond efficiently to its clients' local, regional, national and international legal needs.

Applicant/Owner

Nicholas Stratigakes
AH 2816 Ames Omaha Nebraska LLC
162 West Grand Avenue, Suite 300 Chicago IL 60654

AH 2816 Ames Omaha Nebraska LLC, is a single purpose entity controlled by Atwater Development Group. Atwater Development specializes in commercial builds to suit developments for national retailers, with a focus on single tenant projects. It provides strategic expansion solutions by streamlining the retail development process for its clients, from site selection to grand opening. Atwater is committed to delivering quality projects.

I) Narrative

A. Project Land Use Plan

Existing Land Use and Conditions of the Redevelopment Site: The parcel currently consists of approximately 1.8744 acres. The western portion of the parcel is currently comprised of a church and parking lot, while the eastern portion is vacant. As part of the Project, Redeveloper intends to subdivide the two portions, with the western portion constituting the Project site. The Project site was most recently utilized as a church.

Proposed Use and Project Details: The Project will consist of the rehabilitation of the current building (a church) for use as a medical facility. The medical facility will be operated by Archwell Health. Archwell Health provides one-stop medical care to seniors, largely in underserved areas. Specifically, it will provide multiple specialties needed by aging populations in a single location, instead of across multiple locations/clinics – which is much needed due to transportation being a huge impediment within these populations.

The Project will require a complete retrofit of the current building interior for use as a medical facility. The building exterior will also be refurbished, as shown on the preliminary elevations set forth in the architectural plans.

As detailed above, the current lot containing the Project site will be subdivided to create a separate lot for the building/parking, and the vacant area to the east. Redeveloper intends to market the vacant lot for the purpose of additional commercial development that complements the Project and area.

Parking Plan for Proposed Project: The Project site includes 68 total parking spaces (65 normal and 3 handicapped). No further parking improvements are anticipated.

Market Demand for Proposed Project: There is strong demand for medical facilities for the elderly and other underserved populations in the area.

B. Zoning - Current and Proposed

The Project site is currently zoned CC-ACI-2(PL). While a zoning change is not required for the Project site, it is anticipated that the subdivided portion to the east may be rezoned to provide for future commercial use.

C. Public Improvements

Redeveloper contemplates the public improvements may consist of repairs and/or replacement of the sidewalk adjacent to Ames Ave, along with some landscaping next to the right-of-way. To the extent required by the City, Redeveloper intends to undertake the same.

D. Historical Status - If Applicable

Not Applicable.

Residential Unit Information

Total Units:

Comments:

Employment Information

Employees By Type

Total Jobs: 30

Clerk/Service = 15 Part-Time

Technical = 15 Permanent (FTE's)

Non-Construction

Number of Jobs Created? (Non-Construction): 30

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

Anticipated Annual Payroll? (Non-Construction): \$1,300,000

Construction

Estimated Number of Construction Jobs Created?: 20

Anticipated Annual Payroll for Construction Jobs?: \$490,000

II) Funding Information

Source of Funds

Fund Source	Description	Source Amount
Owner Equity		\$1,191,679
TIF Loan	<i>TIF Self-Financed</i>	\$300,000
Construction Loan	<i>Bank Financing</i>	\$1,008,321
Total		\$2,500,000

Use of Funds

Use of Funds	Description	Use Amount
Construction Hard Costs or Rehabilitation Costs		\$1,300,000
Construction Soft Costs		\$300,000
Building Acquisition		\$900,000
Total		\$2,500,000

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.

Applicant anticipates an assessed valuation of \$1,850,000 upon completion of the Project, based on an income approach at a capitalization rate of approximately 6.5%.

Redeveloper is requesting TIF indebtedness in the principal amount of \$300,000, plus interest at a rate of 5.98% over 20 years. The 2023 assessed valuation of the entire parcel (of which the Project Site is a part) is \$601,800. The base value of the Project Site is anticipated to be \$575,570, in accordance to a pro-rata adjustment to the land value following the proposed lot split. Based upon a final valuation of \$1,850,000, the anticipated taxable increment is \$1,273,000. Using the 2022 levy rate of 2.24121% (less the county's 1% collection fee) and a nineteen year amortization period, total available increment is estimated at \$536,636. This amount is sufficient to support the TIF request of \$300,000 at a 5.98% rate of interest.

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

Itemized Construction Budget

Construction Budget Item	Description	Estimate
Acquisition		\$900,000
Construction soft costs and contingency		\$300,000
Rehabilitation Costs	Internal reconfiguration and updating, along with limited external rehab to facade.	\$1,300,000
Total		\$2,500,000

Itemized Public Improvements

Public Improvement Type	Description	Amount
Landscaping (Within ROW)	Cost and scope TBD in accordance with discussions with city	\$0
Public Sidewalks	Cost and scope TBD in accordance with discussions with city	\$0
Total		\$0

TIF Eligible Costs

TIF Eligible Costs Item	Comments	Amount
Rehabilitation Construction Costs (major renovations, and retrofitting of structures)	Internal reconfiguration and updating, along with limited external rehab to facade.	\$1,300,000.00
Site Acquisition Costs		\$900,000.00
Total		\$2,200,000.00

Project Timeline

Construction Start Date: 05/01/2023

Start Date Comments: Construction to commence pending receipt of TIF

Construction End Date: 12/31/2023

End Date Comments:

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

<u>Revenue</u>	Year 1	Year 2	Year 3
TIF	\$28,530	\$28,530	\$28,530
Gross Commercial Rents	\$132,000	\$132,000	\$132,000
Effective Gross Income	\$160,530	\$160,530	\$160,530

<u>Expenses</u>	Year 1	Year 2	Year 3
Total Expenses			

Net Operating Income	\$160,530	\$160,530	\$160,530
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<u>Debt Service</u>	Year 1	Year 2	Year 3
Debt Service (Perm)	\$128,856	\$128,856	\$128,856

Net Cash Flow	\$31,674	\$31,674	\$31,674
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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

Redeveloper estimates total Project costs of \$2,500,000. Due to the current condition of the building and substantial cost of rehabilitation, along with the limitations associated with the intended use of the site, the redevelopment project is not economically feasible without TIF.

Additionally, while Redeveloper acknowledges that the Project is a relatively small project (in relation to other TIF projects), there is a real need in the area (and among the underserved aging population in such area) for the medical services it will provide; and likewise, there is a real need for the TIF to facilitate the same. Given the public benefit that the project will provide, it is a good candidate to receive TIF. Such a conclusion may differ for a more generic project of a similar size (e.g., small apartment building or small storefront), that is less of a need and public benefit to the community.

ROI Analysis

	With TIF	Without TIF
Owner Equity	\$1,191,679	\$1,491,679
Revenues	\$132,000	\$132,000
Expenses	\$0	\$0
NOI	\$132,000	\$132,000
TIF Rebate	\$28,244	\$0
NOI + TIF Rebate	\$160,244	\$132,000
Debt Service	\$128,865	\$128,865
NCF	\$31,379	\$3,135
Return on Owner Investment (ROI) %	2.63%	0.21%

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 in a blighted area within the boundaries of a 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 TIF request proposes to utilize only the increases in the property taxes resulting from the Project improvements. Existing tax revenues will continue to accrue to the City and other taxing jurisdictions. The site's current use generates little property tax revenue, and that will continue without the assistance of TIF. The City will also benefit from additional sales taxes and income taxes from the Project.

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.

Redeveloper specifically selected the Project because of the availability of TIF. If TIF proceeds were not available for the Project, the Project would not be feasible due to the increased costs associated with substantial rehabilitation of the existing structures, all of which cause a ROI less than what is required to attract prudent investors.

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 furthers the objectives of the City's Master Plan by providing a medical facility in an area of high need for elderly and underserved populations. The Project site is specifically identified for such future use in the City's Master Plan for north Omaha.

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;

There are no anticipated tax shifts associated with the Project because, but for TIF, the Project would not occur and, thus, this site would not generate additional tax revenues for taxing entities.

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

The Project will benefit public service needs by providing employment opportunities during construction and upon operation of the medical facilities. The Project will generate additional sales and income tax. Over the long term, the Project will also provide additional local property tax due to the increased value of the Project site. Subsequent to completion of the public and private improvements associated with the Project, Redeveloper anticipates that the existing public infrastructure will adequately service and support the Project.

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

The medical facility constructed will provide new employment opportunities that do not currently exist in the area.

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;

The medical facility will provide additional new jobs to area employees, and provide a needed service to the area, benefitting both area employees and employers.

5. Impacts on the student populations of school districts within the city or village; and the immediate area that are located outside of the boundaries of the area of the redevelopment project;

The Project will not impact student populations.

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

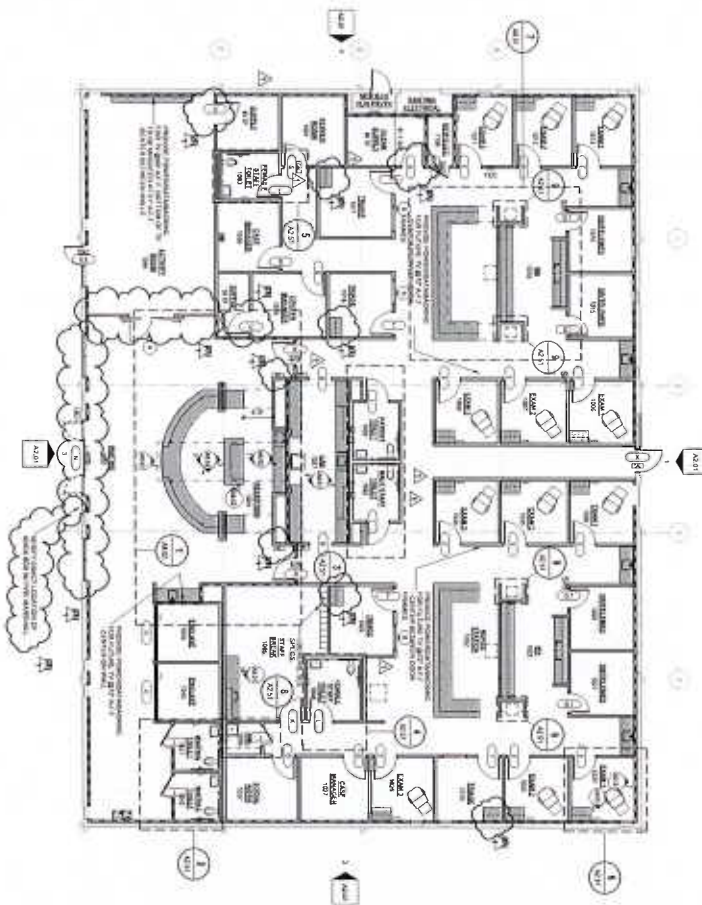
By improving an underutilized and underserved area with the construction of a medical facility, the Project will have a substantial positive impact on the surrounding area. The Project's costs are greatly outweighed by its benefits.



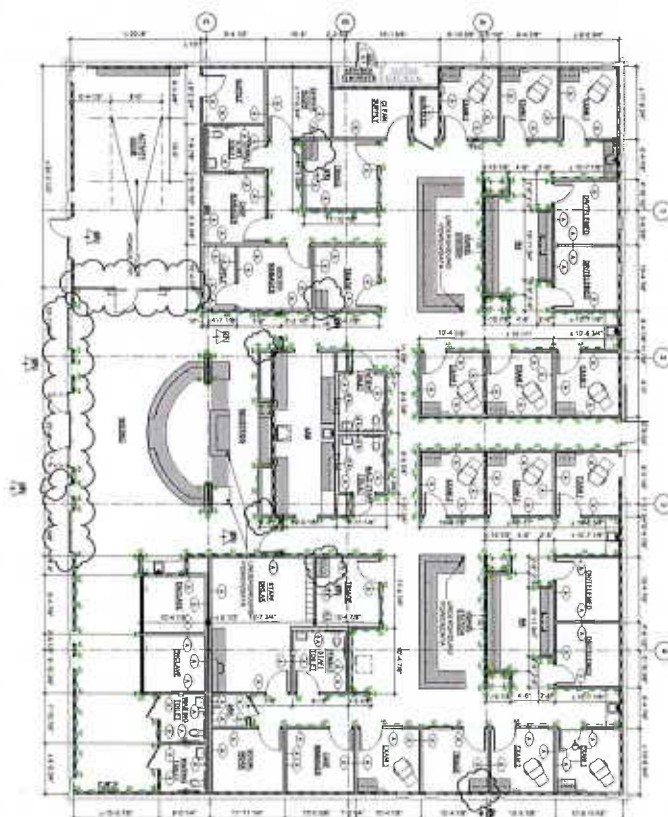




1ST FLOOR NOTED PLAN
SCALE: 1/8" = 1'-0"



1ST FLOOR DIMENSIONED PLAN
SCALE: 1/8" = 1'-0"



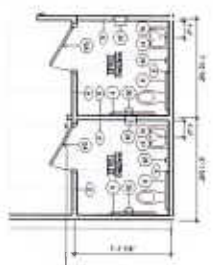
TENANT BUILD-OUT ARCHWELL HEALTH NORTH OMAHA CLINIC



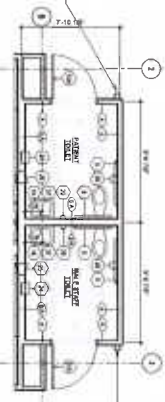
ES&A
Eastman & Associates
2020 Leavenworth Street
Omaha, NE 68102
402.441.1111
www.esa-architect.com

NOTED AND
DIMENSIONED
FLOOR PLANS

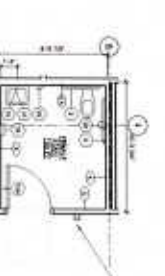




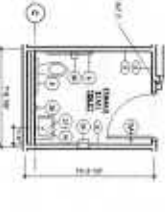
2 WAITING TOILET
SCALE: 1/4\"/>



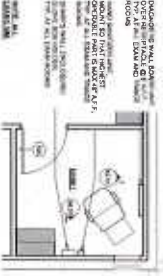
3 PATIENT TOILET
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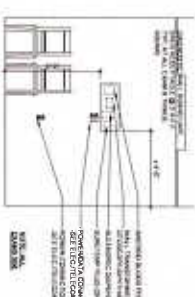
4 STAFF TOILET
SCALE: 1/4\"/>



5 STAFF TOILET
SCALE: 1/4\"/>



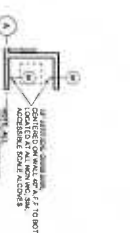
6 ENLARGED PLAN - TYP. EXAM ROOM
SCALE: 1/4\"/>



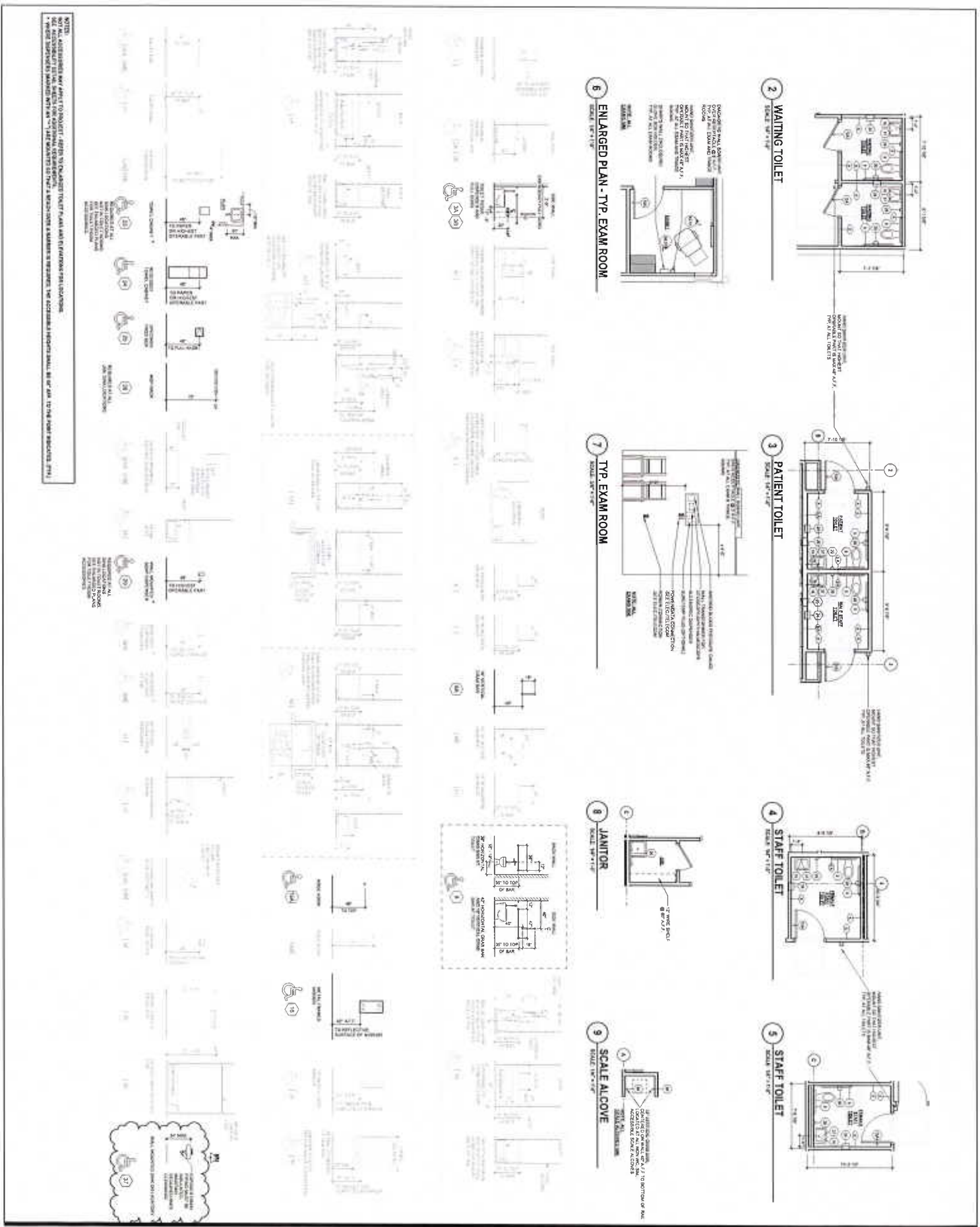
7 TYP. EXAM ROOM
SCALE: 1/4\"/>



8 JANITOR
SCALE: 1/4\"/>



9 SCALE ALCOVE
SCALE: 1/4\"/>



NOTES:
1. ALL ROOMS SHALL BE EQUIPPED WITH A FIRST AID KIT AND A FIRE EXTINGUISHER.
2. ALL ROOMS SHALL BE EQUIPPED WITH A SINK AND A MIRROR.
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20. ALL ROOMS SHALL BE EQUIPPED WITH A SINK AND A MIRROR.
21. ALL ROOMS SHALL BE EQUIPPED WITH A SINK AND A MIRROR.



Front View

Scale: 3/8" = 1'-0"

Sq Ft 67.81

Sign Type: ICL - Internally Illuminated Channel Letters

Construction Details:

- 1 5" deep Individual Aluminum Channel Letters Painted to match PMS 166c, inside of letters painted High Gloss White, 1" trincap painted to match PMS 166c. Standard white LED internal illumination. 3/16" thick translucent White Acrylic faces with first surface applied perforated vinyl to match PMS 166c. Mounted on 8" Narrow raceway painted TBD to match building facade. Disconnect switch to be installed at end of raceway.
 - 2 5" deep Individual Aluminum Channel Letters Painted to match PMS 3025c, inside of letters painted High Gloss White, 1" trincap painted to match PMS 3025c. Standard white LED internal illumination. 3/16" thick translucent White Acrylic faces with first surface applied perforated vinyl to match PMS 3025c. Mounted on 5" Narrow raceway painted TBD to match building facade. Disconnect switch to be installed at end of raceway.
- Caulk and seal all penetrations through building exterior with GE 50 Year/100% Siliconized sealant or approved equivalent to prevent water intrusion.

Notes:

- GC to provide timer if required. No photo cells. GC to provide two 20amp/120V Electrical Circuit with junction box in wall behind sign.
- *ACCESS TO JUNCTION BOX IS NECESSARY FOR FINAL CONNECTIONS.
- GC to provide 5/8" thick plywood blocking behind wall surface for securing sign

Archmwell
HEALTH
Omaha North
2816 Ames Ave
Omaha, NE

Date: 11/16/22

Revised:

Designer: RPB

ICL Logo_South

File Name: Elevation.ai

File Folder: A\Archmwell Health\2023
Locations\Omaha North - 2816 Ames Ave.
Omaha, NE\Shop Drawings\Exterior

Project Manager: CR

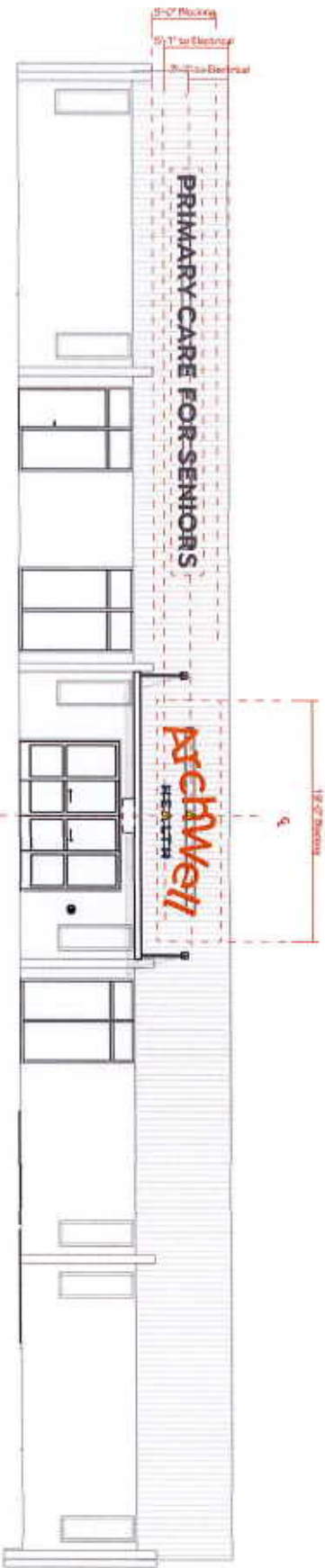
Sign Type: ICL

Internally Illuminated
Channel Letters

signcraft
USA
Identifying your way

1301 Antioch Pike, Nashville, TN 37211
P. 615-885-2900 | F. 615-885-2989

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South Elevation
Scale: 1/8" = 1'-0"



Omaha North
2816 Ames Ave
Omaha, NE

Date: 11/16/22

Revised:

Designer: RPB

ICL Logo, South
File Name: Elevation.ai

File Folder: A\ArchWell Health\2023
Locations\Omaha North - 2816 Ames Ave
Omaha, NE\Shop Drawings\Exterior

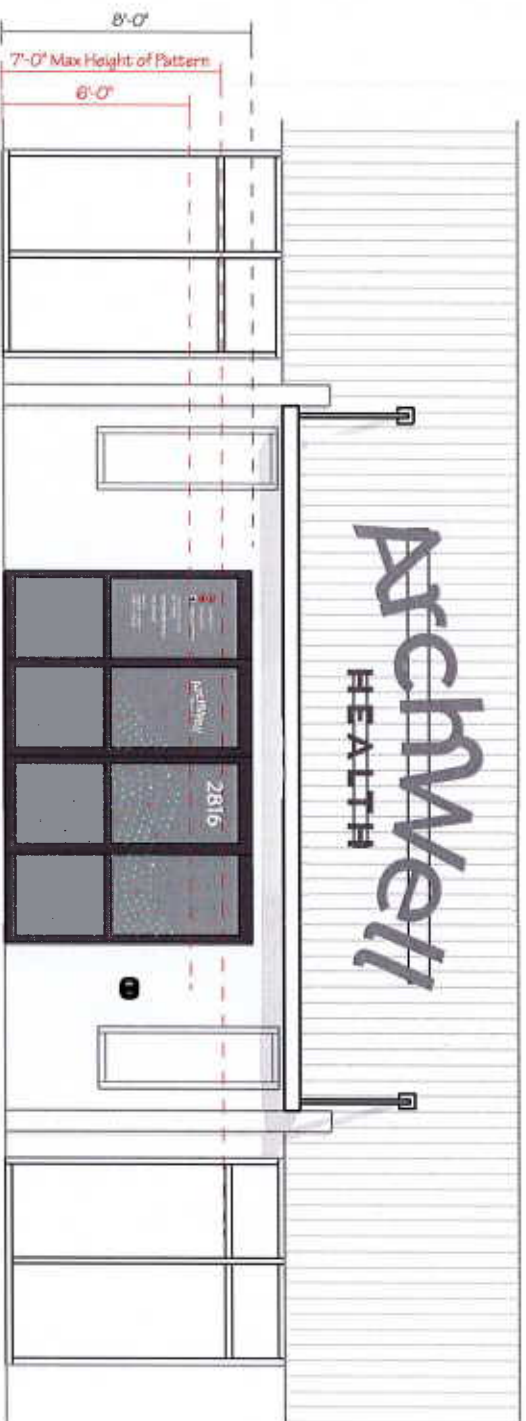
Project Manager: CR

Sign Type: ICL
Internally Illuminated
Channel Letters



1301 Antioch Pike, Nashville, TN 3721
P. 615-885-2900 | F. 615-885-2989

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South Elevation View
Scale: 1/4" = 1'-0"

ArchWell
HEALTH
Omaha North
2816 Ames Ave
Omaha, NE

Date: 11/16/22

Revised: _____

Designer: RPB

Vinyl_South
File Name: Elevation.ai

File Folder: A\Archwell Health\2023
Locations\Omaha North - 2816 Ames Ave -
Omaha, NE\Shop Drawings\Exterior

Project Manager: CR

Sign Type: Vinyl

V1, V2, V3 and V5

Vinyl Graphics

signcraft
USA
Identifying your way

1301 Antioch Pike, Nashville, TN 37211
p. 615-885-2900 | f. 615-885-2989

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