

**AMENDMENT TO THE REDEVELOPMENT PLAN
OF THE CITY OF CRETE, NEBRASKA**

(CARDINAL VENTURES REDEVELOPMENT PROJECT)

The City of Crete, Nebraska (“City”) has undertaken a plan of redevelopment within the community pursuant to the adoption of the Redevelopment Plan for a certain redevelopment area identified as Redevelopment Area #3 (the “Redevelopment Area”) in the City of Crete, as amended (the “Redevelopment Plan”). The Redevelopment Plan was approved by the City Council of the City on April 4, 2023, pursuant to Resolution #2023-07. The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City, as set forth in the Redevelopment Plan.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2155 (the “Act”), the City created the Community Development Agency of the City of Crete (“CDA”), which has administered the Redevelopment Plan for the City.

The purpose of this Plan Amendment is to identify specific property within the Redevelopment Area that is in need of redevelopment to cause the removal of blight and substandard conditions, which property is identified and legally described on the attached and incorporated Exhibit “A” (the “Project Site”), and to identify a proposed redevelopment project on the Project Site.

Project Site

The Project Site is in need of redevelopment. The CDA has considered whether redevelopment of the Project Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such a redevelopment of the Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight.

The Project Site will consist of thirty-three (33) platted lots upon the subdivision and replatting of the existing property. The Project Site has been identified by the City as a target area for residential development. However, the Project Site is underdeveloped and does not have the public infrastructure necessary to develop the lots. In order to support private development, the Project Site is in need of site preparation, street improvements, utility infrastructure improvements, among other necessary improvements. Without public infrastructure improvements, the Project Site cannot be fully developed into the proposed residential subdivision, and the necessary public infrastructure improvements are cost-prohibitive based on the price that for which each lot could be sold.

The Project Site was annexed into the corporate limits of the City in 2023. The Project Site is currently zoned R-2 Two-Family Residential District and is designated as Single Family Residential on the Future Land Use Map in the Comprehensive Plan. A portion of the Project Site (Lots 1–10) will need to be rezoned to R-3 Multi-Family Residential District.

Project

Cardinal Ventures, LLC (“Redeveloper”) has submitted a proposal for the redevelopment of the Project Site. The project under consideration will consist of the construction of approximately thirty-three (33) residential dwelling units, which shall include the necessary public infrastructure to support the residential development (the “Project”). A preliminary site plan is attached as Exhibit “B” and incorporated by this reference. The CDA acknowledges that the site plan is preliminary in nature and subject to change.

The dwelling units are anticipated to include the following: (1) 6 row house units along Iris Avenue; (2) 4 row house units on the west side of Jasmine Road; (3) 21 single family homes that will be accessed from either Jasmine Road or a new street; and (4) 2 acreage homes in the southeast corner of the development that will be accessed from a private drive from Fairchild Drive.

Redeveloper shall construct and install all the public improvements for the Project. When the public infrastructure is installed and the lots in the Project Site are in a buildable conditions, Redeveloper intends to sell a majority of the lots to builders or homeowners for construction of the private improvements. Pursuant to this Project, Redeveloper will pay the costs of the public improvements. As part of the Project, the CDA shall utilize tax increment financing (“TIF”) on the Project Site to assist in payment of the public improvements, but Redeveloper shall pay all the costs of the public improvements not covered by TIF.

Construction of the public improvements is anticipated to commence in Spring, 2024. It is anticipated that the public improvements will be completed in 2024. Construction of the private improvements is anticipated to commence as soon as the public improvements have been completed. The private improvements will be completed in multiple phases based upon the rate of lot sales that will be dictated by the local market, so it is unclear how long it will take to complete the private improvements.

The Project may be completed in up to six (6) phases. Completing the Project in phases will allow Redeveloper to maximize the TIF available for the public improvements. The implementation of each phase of the Project will depend on the construction schedule, and, as a result, the number of residential dwelling units constructed as part of each phase and the timing of completion of each phase is subject to adjustment. Each phase may have a separate effective date for the division of taxes; provided, however, the last effective date permitted for the Project shall be January 1, 2030.

Based on the TIF Projections provided on the attached and incorporated Exhibit “D”, it is projected that the Project will yield aggregate TIF Indebtedness in the amount of approximately \$1,780,000 for all phases of the Project. Details regarding the issuance of the TIF Indebtedness will be set forth in the redevelopment agreement for the Project.

Redeveloper estimates that the cost of the public improvements necessary to support the private improvements for the Project will be approximately \$1,930,000 (\$58,485 per lot). The list of proposed public improvements and cost estimates are set forth below:

Site Acquisition	\$515,000
Site Preparation	\$315,031
Utilities (Water, Sanitary Sewer, Storm Sewer)	\$449,033
Paving	\$395,840
Street Lighting	\$23,000
Engineering Fees	\$236,581
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Total:	\$1,934,484

The list of TIF Uses is preliminary and subject to change, and the costs are estimates. The actual cost of all TIF Uses must be certified to the CDA to be eligible for reimbursement. In addition, TIF-eligible expenditures will include, and Redeveloper shall pay, the CDA’s cost of issuance, including attorney fees, the CDA’s 1% administrative fee, and the CDA’s 6% designated sum for City improvements.

The use of TIF to assist with the costs of the public improvements will make the Project as designed feasible. The private improvements cannot be constructed without the site work and public infrastructure improvements, and the public improvements require the use of TIF to assist with the costs. The redevelopment of the Project Site pursuant to the Project identified in this Plan Amendment will eliminate the current blight and substandard conditions of the Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan. As described above, the Project envisions the capture of the incremental taxes created by the Project on the Project Site to assist with payment for those eligible expenditures as set forth in the Act. The additional costs of the public improvements shall be paid by Redeveloper; the City and/or CDA shall not be required to incur any costs or expenses with respect to this Project other than the issuance of the TIF Indebtedness. Redeveloper shall arrange all financing necessary for the Project, including any financing relating to the TIF Indebtedness.

Statutory Elements

This section includes a consideration of the statutory elements identified under the Act.

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. Redeveloper owns the Project Site.

B. Population Density

The proposed development at the Project Site is the construction of a residential subdivision and the infrastructure necessary to support residential development. The Project will increase the population density in the project area. However, this growth is desired by the City and conforms to the Comprehensive Plan of the City.

C. Land Coverage

The Project Site will consist of thirty-three (33) platted lots. The Project will be required to meet the applicable land-coverage ratios and zoning requirements as required by the City of Crete. Each lot owner shall be responsible for obtaining a building permit prior to the construction of any private improvements.

D. Traffic Flow, Street Layouts, and Street Grades

The Project is anticipated to cause an increase in traffic flow to and from the Project Site. The public improvements for the Project will include the necessary street improvement for the Project Site, including the construction of a new street through the development. These public improvements shall benefit the Project and support additional traffic created by this Project.

E. Parking

The Project Site will be platted for residential development. The Project will be required to meet or exceed the parking requirements set forth in the applicable zoning district.

F. Zoning, Building Code, and Ordinances

The Project Site is currently zoned R-2 Two-Family Residential District. Redeveloper will need to seek a change of zone for a portion of the Project Site (Lots 1–10) to R-3. In addition, the Project Site will need to be subdivided into thirty-three (33) lots. Redeveloper shall be responsible for compliance with the City of Crete zoning regulations, subdivision regulations, building regulations, and all other applicable laws and codes.

Cost-Benefit Analysis

Pursuant to section 18-2113 of the Act, the CDA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. The Cost-Benefit Analysis for the Project is attached hereto as Exhibit “C” and incorporated by this reference.

Comprehensive Plan

Several goals set forth in the City of Crete Comprehensive Plan dated December, 2014 (the “Comprehensive Plan”) will be furthered by this Project, including, but not limited to:

HOUSING & NEIGHBORHOOD DEVELOPMENT

Goal 1: Community Housing Initiative. The City of Crete should implement a Housing Initiative as a primary economic development activity. This Community Housing Initiative should include the development of up to 314 new housing units by 2024, including an estimated 184 owner housing units and 130 new rental units. The development of up to 314 new housing units would add an estimated \$61 Million to the Crete property tax base. This Housing Initiative would provide current and future residents of the Community with access to a variety of safe, decent and affordable housing types for families and individuals of all age, household size and income sectors.

Goal 2: New Housing Developments. New housing developments in the City of Crete should address the needs of both owner- and renter households, of all age and income sectors, of varied price products. Citizen Survey participants identified housing for low- to moderate income families, existing/new employees and first-time homebuyers, consisting of three+-bedroom, single family housing as a great need for the Community.

- **Action Step 1:** Identify up to 185 acres of land for new residential development to meet the estimated need for 314 additional housing units by 2024. The City should develop housing in both new and developed areas of the Community.
- **Action Step 2:** Build an estimated 32 units of owner housing for households of low- to moderate-income, 104 units for moderate income households and an estimated 48 owner units for families and individuals of moderate- to upper income. Special attention should be given the construction of single family housing units for younger households and single family and patio and town home units for older adults ...
- **Action Step 6:** Future housing development programs in Crete should be concentrated in the eastern portion of City, between Iris Avenue and County Road 2400 ...

Goal 4: Financing Housing Development. The City of Crete and housing developers should consider both public and private funding sources to both construct new housing and maintain the existing housing stock.

- **Action Step 2:** The City of Crete should utilize Tax Increment Financing (TIF) to assist in the financing of new housing developments, specifically public facility and utility requirements ...

The Project meets and furthers the goals set forth in the Comprehensive Plan and is thus in conformance with the Comprehensive Plan.

Note: This section is not a comprehensive analysis of the Project's conformance with the Comprehensive Plan, but is meant to highlight and summarize the key points on this topic.

Additional Project Information from Redeveloper

Redeveloper has represented that: (i) without the use of TIF, this Project would not be feasible and the Redeveloper could not develop this Project on the Project Site; (ii) no families will be displaced or relocated from the Project Site based upon this Project, and (iii) Redeveloper does not intend to file an application with the Department of Revenue to receive tax incentives under the ImagiNE Nebraska Act.

EXHIBIT "A"
Legal Description of the Project Site

The Project Site consist of 3 parcels identified as PIDs 760015643, 760015635, and 760090998, and legally described as follows:

A tract of land composed of Lot 43 Irregular Tracts, part of Lot 44 Irregular Tracts, a Tract of land from Quitclaim Deed 2022-01588, a Tract of land owned by Doane College and the South Half of vacated Whittier Avenue adjacent to Block 14 in "College Park Addition", located in the Northeast Quarter of Section 35, Township 8 North, Range 4 East, of the 6th P.M., Crete, Saline County, Nebraska and more particularly described as follows:

Referring to the Northwest Comer of the Northeast Quarter; Thence South, on the West Line of the Northeast Quarter, on an assumed bearing of S 00°04'00" E for a distance of 825.79' to a point of intersection with the South Line of Longfellow Avenue; Thence S 84°50'41" E, on the South Line of Longfellow Avenue, for a distance of 33.14' to a point on the East 33' Line of Iris Street, said point being the Point of Beginning:

Thence continuing on the South Line of Longfellow Avenue the following 4 courses:

S 84°50'41" E for a distance of 97.52';

Thence S 81 °21 '32" E for a distance of 18.85';

Thence S 83°05'55" E for a distance of 129.84';

Thence N 89°17'33" E for a distance of 67.99' to a point on the East Line of Jasmine Road extended South;

Thence N 00° 16'25" W, on the East Line of Jasmine Road extended South and on the East Line of Jasmine Road, for a distance of 435.46' to a point on the Centerline of vacated Whittier Avenue; Thence on the Centerline of vacated Whittier A venue the following 2 courses:

S 89°57'41" E for a distance of 122.07';

Thence N 89°59'20" E for a distance of 142.00' to a point on the West Line of Bryant Street;

Thence S 00°16'57" E, on the West Line of Bryant Street, for a distance of 34.00' to a point on the South Line of vacated Whittier A venue; Thence on the South Line of vacated Whittier Avenue the following 3 courses:

Thence N 88°39'28" E for a distance of 67.96';

Thence with a curve turning to the left with an arc length of 277.78', with a radius of 506.92', with a chord bearing of N 74°05'04" E, with a chord distance of 274.32';

Thence N 78°16'27" E for a distance of 69.37' to a point on the South Line of Taylor Street;

Thence N 89°48'06" E, on the South Line of Taylor Street, for a distance of 171.07';

Thence S 00°10'06" E for a distance of 536.20';

Thence N 89°56'50" W for a distance of 232.44' to a point of the West Line of Locust Street in "Lothrop Heights Addition";

Thence S 00° 11 '41" E, on the West Line of Locust Street in "Lothrop Heights Addition", for a distance of 76.22' to the Northeast Corner of Lot 13, Block 1 "Lothrop Heights Addition";

Thence S 89°42'33" W, on the North Line of Block 1 "Lothrop Heights Addition", for a distance of 914.81' to the Northwest Corner of Lot 1, Block 1 "Lothrop Heights Addition", said point being on the East 33' Line of Iris Street; Thence N 00°04'00" W, on the East 33' Line of Iris Street, for a distance of 150.29' to the Point of Beginning.

Together with Lots 5-8, Block 15 College Park Addition, and Lots 9-11, Block 15 College Park Addition, Crete, Saline County, Nebraska.

Note: The Project Site will be subdivided and replatted following approval of this Plan Amendment. Upon subdivision approval, the legal description of the Project Site created thereby shall replace and supersede the above legal description.

The parcels in questions are depicted on the following map:



Exhibit "B"

EXHIBIT "B"
Preliminary Site Plan

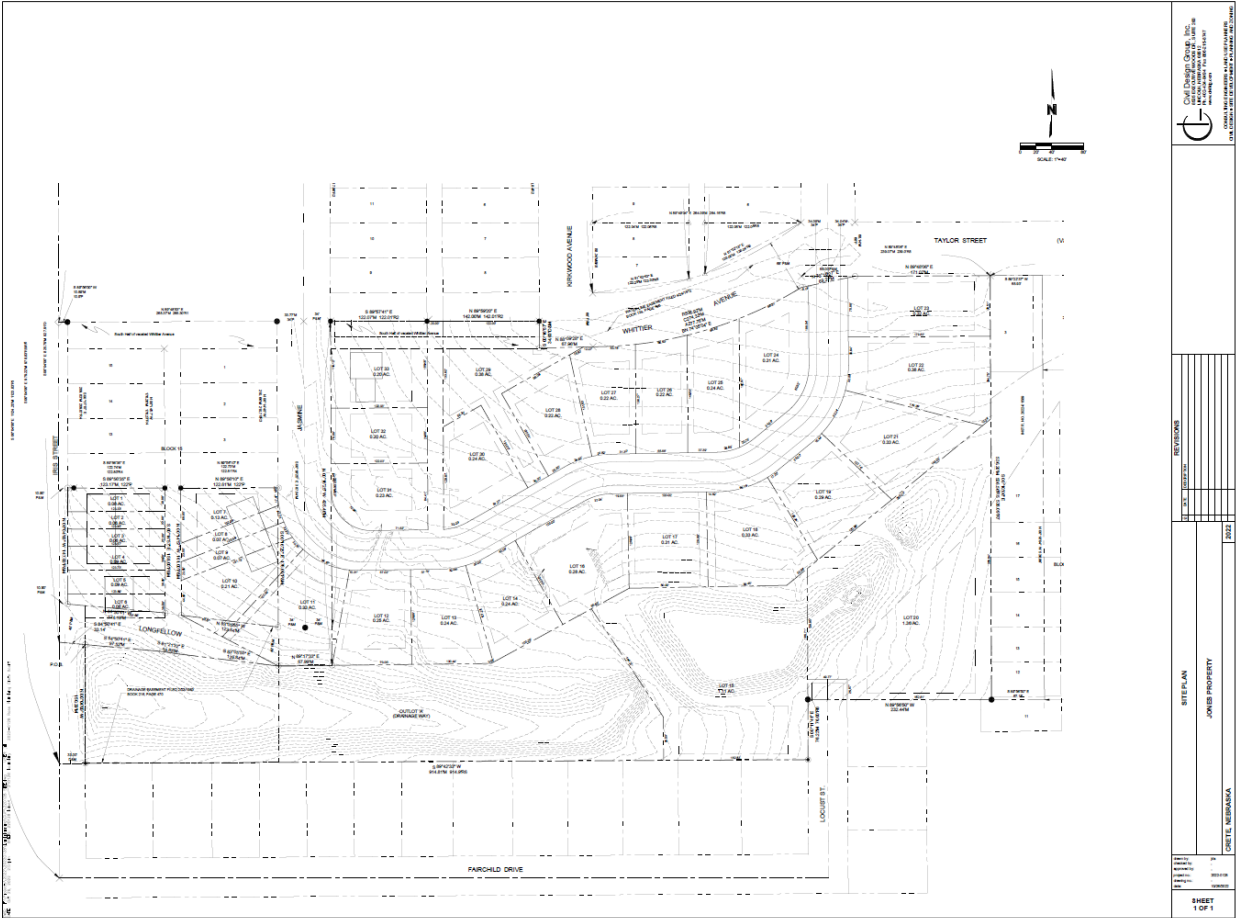


Exhibit "B"

EXHIBIT “C”
Cost Benefit Analysis
(Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Cardinal Ventures Redevelopment Project, as described in the Plan Amendment to which this cost-benefit analysis is attached, is presented below. The above-referenced project will utilize Tax Increment Financing funds authorized by Neb. Rev. Stat. § 18-2147.

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

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Additionally, the base valuation of the Project Site, which will continue to be allocated between taxing jurisdictions, will increase based on the platting and initial increase in value of each lot prior to the division of taxes. This will result in an additional amount ad valorem taxes collected by each taxing jurisdiction during the 15 year TIF period. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. It is anticipated that the Project will create up to approximately \$10,195,000 of incremental valuation. Because the Project Site does not have the necessary infrastructure for any development, it is clear that there will not be any increase in valuation on the Project Site without the Project. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years of each phase. For the purposes of illustrating the incremental taxes used for TIF, all of the phases are first assumed to occur simultaneously, yielding the following 15 year tax shift:

a.	Base Valuation:	\$955,000
b.	Projected Completed Project Assessed Valuation:	\$11,150,000
c.	Projected Tax Increment Base (b. minus a.):	\$10,195,000
d.	Estimated Tax Levy:	2.083792
e.	Annual Projected Tax Shift:	\$212,443

Because of the phased nature of the Project, the annual tax shift of the Project as set forth above will be expanded over a number of effective dates for the division of taxes. An example of the tax shifts for the Project with four (4) phases is set forth in Exhibit “D”.

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2022 levy rate. There has been no accounting for a partial valuation in the first year of the TIF period. There has been no accounting for incremental growth or change in the tax levy over the 15 year TIF period. There has been no accounting for any annual state property tax credit.

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

a. Public infrastructure improvements and impacts:

Public infrastructure improvements are included in the TIF Uses for this Project, and said improvements shall positively impact the City. Redeveloper anticipates expenditures of approximately \$1,930,000 for construction and installation of the public improvements for the Project. The public improvements will benefit not only the Project Site, but additional adjacent property in the City as well. All of these public improvement costs are TIF-eligible expenditures under the Act. TIF will be utilized to assist with the payment of a portion of these costs, but Redeveloper shall be responsible for any portion of the costs of the public improvements not covered by TIF. Therefore, the use of TIF is leveraging additional public infrastructure in the City.

The Project is not anticipated to have a material adverse effect on any community public services. Electric, water and sewer capacities are generally sufficient to support the Project when the public improvements of the Project are considered.

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

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. The platting of the Project Site into buildable lots will increase the base valuation of the Project Site prior to the division of taxes. This increase would not occur without the implementation of the Project. The City should realize revenue from sales taxes paid by the residents of the homes on the Project Site. The homes constructed on the Project Site will also require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services, but will generate revenue providing support for those services.

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

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will create additional housing in the City. This is viewed as a positive impact for employers, as additional housing is needed in the City for employees. Without an adequate housing stock, businesses are unlikely to expand or relocate to the area.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

Similar to the item number 3, above, the Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers, but should increase the need for services and products from existing businesses.

5. Impacts on the student populations of school districts within the City:

It is not anticipated that the Project will have a material impact on the student populations of the school district within the City. It is a City goal to increase the housing stock and population of the City. This will naturally increase the student population in the City. There is no indication that the school district cannot support the additional students.

The school district will not receive taxes from the homes built during the time the increased taxes are utilized to pay the TIF Indebtedness. The school district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the school district. The valuation that generates the TIF payments is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base valuation of the land will benefit the school district. After the TIF Indebtedness is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential development will be available to the school district. Because the Project would not occur but-for the use of TIF, there is no loss in prospective tax revenues to the school district.

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

The Project will create additional infrastructure and increase the City's available housing stock. The Project will help address the local housing needs. Additionally, the use of TIF for the Project will decrease the lot costs by approximately \$58,485 per lot. Without TIF to reduce the per lot costs, no lots could be sold and the Redeveloper would not proceed with this development.

7. Summary of Findings:

The Project will increase the City's tax base, without material adverse effect on either public or private entities. The Project will increase property tax revenue in the long-term. The Project will facilitate the development of a blighted and substandard area of the City without the incurrence of significant public cost. The benefits outweigh the costs of the proposed Project.

EXHIBIT “D” TIF Projections

General Assumptions:

Tax Levy (2022): 2.083792
Interest Rate: 6.75%

Unit Types:

		Base Value	Final Value	# of Units	Lot #s
A	Single Family	\$25,000	\$325,000	3	11-13
B	Single Family	\$50,000	\$350,000	1	16
C	Single Family	\$30,000	\$350,000	9	14, 23-30
D	Single Family	\$30,000	\$325,000	3	31-33
E	Acreage	\$30,000	\$450,000	1	15
F	Acreage	\$40,000	\$500,000	1	20
G	Single Family	\$30,000	\$400,000	5	17-19, 21-22
H	Row House	\$25,000	\$275,000	10	1-10

Preliminary Construction Schedule:

	2024	2025	2026	2027
A	1	1	1	0
B	0	1	0	0
C	0	0	2	7
D	0	3	0	0
E	0	1	0	0
F	0	1	0	0
G	0	0	5	0
H	6	4	0	0
TOTAL	7	11	8	7

TIF Calculations:

Phase	1	2	3	4
TIF Period	15	15	15	15
Base Value	\$175,000	\$335,000	\$235,000	\$210,000
Base Taxes	\$3,647	\$6,981	\$4,897	\$4,376
Final Value	\$1,975,000	\$3,700,000	\$3,025,000	\$2,450,000
Total Taxes	\$41,155	\$77,100	\$63,035	\$51,053
Tax Increment	\$37,508	\$70,120	\$58,138	\$46,677
Phase Years	1 to 15	2 to 16	3 to 17	4 to 18

Year	Phase 1	Phase 2	Phase 3	Phase 4	Total
1	\$37,508	\$0	\$0	\$0	\$37,508
2	\$37,508	\$70,120	\$0	\$0	\$107,628
3	\$37,508	\$70,120	\$58,138	\$0	\$165,766
4	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
5	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
6	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
7	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
8	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
9	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
10	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
11	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
12	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
13	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
14	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
15	\$37,508	\$70,120	\$58,138	\$46,677	\$212,443
16	\$0	\$70,120	\$58,138	\$46,677	\$174,934
17	\$0	\$0	\$58,138	\$46,677	\$104,815
18	\$0	\$0	\$0	\$46,677	\$46,677
TOTAL	\$562,624	\$1,051,794	\$872,067	\$700,154	\$3,186,639

TIF Present Value: \$1,782,062