

# MEMORANDUM

**To:** Lincoln City Council Members  
**From:** Wynn Hjermstad, Urban Development  
**Date:** January 28, 2009  
**Re:** Cost Benefit Analysis for the *Antelope Valley Redevelopment Plan*,  
Antelope Village Project.

Attached is a cost benefit analysis for your consideration with the amendment to the *Antelope Valley Redevelopment Plan*. The amendment adds the Antelope Village Project to the Plan.

The Plan amendment is scheduled for public hearing on February 9<sup>th</sup>. In the meantime, please contact me if you have any questions: 441-8211 or [whjermstad@ci.lincoln.gov](mailto:whjermstad@ci.lincoln.gov). Thank you.

## Cost Benefit Analysis Antelope Village Project January, 2009

The Antelope Village Project (the "Project") will redevelop the block between 23<sup>rd</sup> and 24<sup>th</sup>, "P" and "Q" Streets in the Antelope Valley Redevelopment Area. The Project will include an office/condominium building containing approximately 18,000 square feet, located on the southwest corner portion of the block. The uses of this building will consist of office space for NeighborWorks Lincoln, a community room, a fitness facility, all located on the first floor. Eight to ten residential condominiums will be located on the second and third floors. In addition, the Project will contain eighteen (18) individually platted townhomes which will be sold to foster home ownership in the Redevelopment Area.

As required by Nebraska Community Development Law (Neb.Rev.Stat. §18-2113), the City has analyzed the costs and benefits of the proposed Antelope Village Project including:

### **Tax Revenues.**

### **Tax Increment Financing Analysis**

Description		
Base Value	Current Assessed Value – 2009	\$ 959,350
Est. New Assessed Value	In Phases – when Complete	\$4,500,000
Increment Value	New Assessed Value minus base Assessed Value	\$3,450,650
Annual TIF Generated	= increment x 2.029514 tax rate	\$ 72,000
Funds Available	Annual TIF Generated x 13 years	\$ 450,000

The assessed value of the property within the project area will increase by an estimated \$3,500,000 as a result of the private investment. This will result in an estimated annual increase of approximately \$72,000 in property tax collections that will be available for the construction of public improvements related to the project during the 13 year TIF period. The public investment of a projected \$450,000 in TIF funds will leverage \$5 million in private sector financing, resulting in a private investment of \$11 for every City TIF dollar spent.

**Public Infrastructure and Community Public Service Needs Impacts.** It is not anticipated that the Project will have an adverse impact on existing public infrastructure as it will take advantage of existing infrastructure. The Project entails the capture of the incremental tax revenues for the purposes of relocating some utility service lines, installing site utilities, energy conservation improvements, and other eligible improvements.

It is not anticipated that the Project will have any adverse impact on City services, but will generate additional revenue providing support for those services.

**Employment Within the Project Area.** It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. The Project will provide additional housing opportunities for individuals and families seeking to live near their workplace.

**Employment in the City Outside the Project Area.** Approximately 125,936 persons living in the City of Lincoln were employed, according to the 2005 American Community Survey. The median household income for the City in 2005 was \$45,790.

**Other Impacts.**

The Project increases business and tax base without an adverse effect on either public or private entities. There will also be personal property tax and other municipal revenue generated for the immediate benefit of the community. The Project will facilitate the development of vacant or underdeveloped areas in the City, without the incurrence of significant public cost. The Redevelopment Project will also benefit and encourage additional private development in and around the Redevelopment Area.

The Project will create 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 will increase home ownership opportunities within the Redevelopment Area.

In addition to new personal property tax revenues, the Project will also contribute to municipal revenues through excise taxes, fees, licenses, sales taxes, and other taxes that occur and are paid by homeowners in the Redevelopment Area.

The Project should have a 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. Most notably, the 26-28 new homes and the office space will provide a quality mixed-use development in the Antelope Valley Redevelopment Area.