

**Cost Benefit Analysis  
Little Saigon Project  
26 & W Streets  
May 2010**

As required by Nebraska Community Development Law (Nebr. Res.Stat §18-2147), the City has analyzed the costs and benefits of the proposed Little Saigon Project.

**Tax Revenues.** The Little Saigon project is located at northeast corner 26<sup>th</sup> & W Streets. The current assessed value is \$66,700.

<b>Tax Increment Finance Analysis</b>		
<b>Base Value</b>	Current Assessed Value	\$66,700
<b>Estimated New Assessed Value</b>	70% of Project Cost + Base	\$504,527.00
<b>Increment Value</b>	New Value minus Base Assessed Value	\$437,827.00
<b>TIF Tax Generated</b>	= increment x 2.029514 rate	\$8,809.00
<b>Funds Available</b>	Annual TIF Generated x 14 years at 8.25%	\$89,125.00

The assessed value of the property within the project area will increase by an estimated \$437,827.00 as a result of the total project private investment of \$902,000. This will result in an estimated annual increase of \$8,809.00 in property tax collections that will be available for the construction of the public improvements related to the project during the 15 year TIF period.

The Redevelopment Agreement assumes the generated TIF will be approximately \$89,125. This amount in public funds will leverage about \$902,000 in private sector financing, an investment of \$10.10 for every City dollar spent.

**Public Infrastructure and Community Public Service Needs.** TIF financing will be used for public infrastructure costs such as sidewalks on the south and west side of the project area, a driveway approach on W Street, grading and site preparation, re-feed of existing Lincoln Electric System service, landscaping the right-of-way and facade improvements to the existing building.

**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 developer is planning on adding up to 10 new jobs within the first year of operation.

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

The impact of an additional 10 jobs will have minimal impact on the overall employment in Lincoln.

**Other Impacts.** The project site is currently vacant. This redevelopment project should continue to spur further development along the N 27<sup>th</sup> Street corridor. The project completes redevelopment on three of the four corners of the intersection adjacent to the new MoPac Trail bridge. The other redevelopment projects are the People's Health Center to the north, Heartland Optical across the street and the Elaine Hammer bridge immediately north of this property

The project also returns a city owned lot to the property tax rolls.

The owners are planning a complete exterior and interior renovation of the existing building to compliment the new building.

The new development offers entrepreneurial opportunities with five retail/commercial bays that the owner plans on leasing. The redeveloper will be opening a new restaurant in the space adjacent to the Little Saigon market.