

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

(LEXINGTON HIE PROJECT)

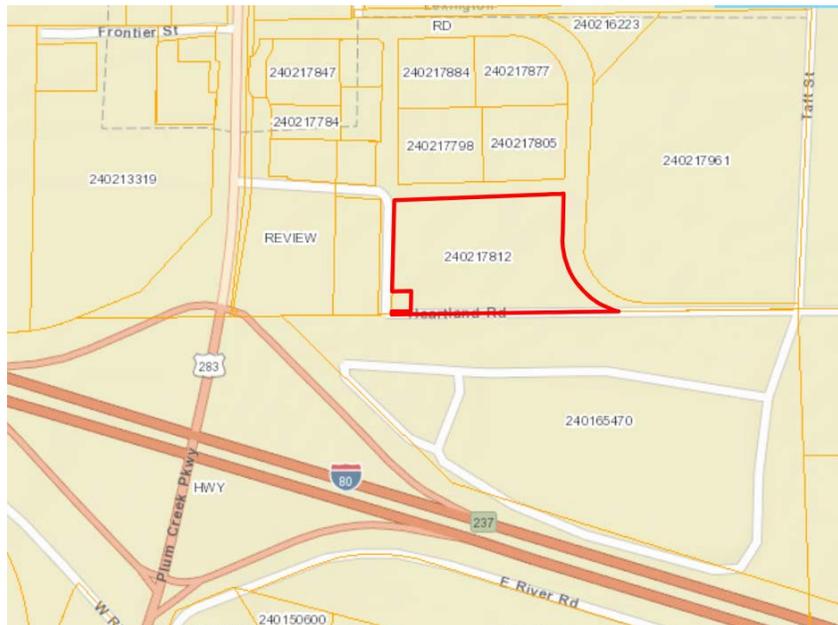
The City of Lexington, Nebraska (“City”) has undertaken a plan of redevelopment within the community pursuant to the adoption of the General Redevelopment Plan for Redevelopment Area #1 (the “Redevelopment Plan”). The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within the redevelopment area defined in the Redevelopment Plan (the “Redevelopment Area”). The Redevelopment Plan was approved by the City Council of Lexington, Nebraska on April 8, 2003, pursuant to Resolution 03-03, and has been amended from time to time.

The purpose of this Amendment to the Redevelopment Plan 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.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2157 (the “Act”), the City created the Community Development Agency of Lexington, Nebraska (“CDA”), which has administered the Redevelopment Plan for the City.

Project Site

The Project Site is located in the Redevelopment Area and is in need of redevelopment. Then general location of the Project Site is depicted below:



In order to support private development, the Project Site is in need of site preparation and utility infrastructure improvements, among other necessary

covered by TIF.

Construction of the Project is anticipated to take approximately 16-18 months. Construction is anticipated to commence in the summer or fall of 2024, with construction completed in the first quarter of 2026. If Redeveloper is not able to commence construction by fall of 2024, then construction would likely commence in the first quarter of 2025, with construction completion occurring in approximately the summer of 2026. The base year for the Project will be either 2024 or 2025, depending on when construction commences. The effective date for the division of real estate taxes for the Project will be either 2025 or 2026, depending on the construction schedule.

The Redeveloper estimates that the total Project costs shall be approximately \$13,500,000. The Project is anticipated to yield a final valuation of approximately \$8,000,000 upon completion. Based on this valuation, the Redeveloper has requested \$1,650,000 in TIF Indebtedness.

The use of TIF and EEA 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 utility public improvements, and the public improvements require the use of TIF to assist with the costs. Additionally, the proposed façade and energy efficiency enhancements are not required for the Project and are cost-prohibitive without the assistance of TIF and EEA. The redevelopment of the Project Site pursuant to the Project identified in this Amendment to the Redevelopment Plan 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 Site to assist with the cost of eligible TIF expenditures as set forth in the Act. The project further envisions an occupation tax on the hotel operations to assist with the cost of eligible EEA expenditures as set forth in the Act. The additional costs of the public improvements and all the costs of the private 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 and EEA Indebtedness. Redeveloper shall arrange all financing necessary for the Project, including any financing relating to the TIF and EEA Indebtedness.

The Project envisions the capture of the incremental taxes created by the Project on the Site to pay for those eligible expenditures as set forth in the Act. Attached as Exhibit "B" and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law. The use of TIF and EEA to assist with the costs of the eligible public improvements will make the Project as designed feasible. Attached as Exhibit "C" and incorporated herein by this reference is a preliminary projection of the TIF/EEA Sources and Uses for the Project. The Redeveloper shall be responsible for all other costs and expenses associated with the Project.

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 "D" and incorporated by this reference.

Comprehensive Plan

Several goals of the Lexington Comprehensive Plan – the Lex-Plan 2013 (“Comprehensive Plan”) will be furthered by this Project. This section is not a comprehensive analysis of the Project’s implementation and conformance with the Comprehensive Plan, but is meant to highlight a few key points on this topic. Some selections from the Comprehensive Plan are set forth below:

- Land Use and Development Objective 1.2 - Designate future commercial land areas that provide greatest access for both locals and highway travelers.
 - Policy 1.2.1: Maintain existing and expand all general commercial and service land uses in the Downtown and existing Highway 283, 21, and 30 corridors.
 - Policy 1.2.4: Large scale commercial development, big box retailers, motel/hotel and fast food outlets are planned to continue to develop along the Plum Creek Parkway (Highway 283) commercial corridor. These uses are ideally located to attract Interstate 80 travelers and serve Lexington residents.
- Land Use and Development Objective 2.1 - Prioritize redevelopment efforts to address areas of greatest needs for renovation and restoration.
 - Policy 2.1.1: Areas of greatest redevelopment need in Lexington include ... redevelopment areas abutting the Plum Creek Parkway (Highway 283 corridor).
- Community Image Objective 1.2 - Improve and beautify Lexington.
 - Policy 1.2.1: ...Promote infill developments on vacant land areas.
- Community Image Objective 2.1 - Create and implement a program of securing both public and private funding to finance improved living conditions and job creation in Lexington.
 - Policy 2.1.1: Create public/private partnerships for the development and redevelopment of residential, commercial and industrial areas in Lexington.
 - Policy 2.1.2: Maintain a program of actively pursuing federal, state and local funds, to preserve and improve the community.
- Community & Economic Development Objective 1.1 - Maximize economic opportunities for all residents by fostering increased employment and business types in Lexington.
 - Policy 1.1.1: Foster creation of up to 1,000 new jobs in Lexington, by 2033.

- Policy 1.1.2: Focus efforts of business and industrial development to attract new companies that diversify Lexington's employment opportunities.
- Community & Economic Development Objective 2.1 - Proper renovation, adaptive reuse, additions and new construction activities should be an objective in Lexington.
 - Policy 1.2.1: Encourage local reinvestment in Lexington by both the private sector and the City.
 - Policy 1.2.2: Encourage the revitalization or removal of vacant and substantially deteriorated commercial / industrial buildings in Lexington.
 - Policy 1.2.3: Enhance the attractiveness of the business and industrial areas in Lexington through revitalization and beautification efforts.
 - Policy 1.2.5: Promote the existence and development of commercial / business types that will maximize the opportunity for job creation and future job quantity and quality.

Enhanced Employment Area

The Act empowers the Community Redevelopment Authority to designate up to 600 acres within a community redevelopment area as eligible for the imposition of an occupation tax. The Act further provides that a city may levy a general business occupation tax upon businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. In order to implement an occupation tax in such area in a county with a population between 15,000 and 25,000, the redevelopment project must generate a minimum of 5 new employees and an investment of \$250,000.

The Project will result in an investment of approximately \$13.5 million and create approximately 7-10 full time jobs and 9-12 part time jobs in the Redevelopment Area. To achieve this investment in the Redevelopment Area, in addition to the TIF request, the Redeveloper requests assistance through the imposition of an occupation tax in the amount of 3.5% on taxable sales in the Redevelopment Area. The proposed Enhanced Employment Area would be limited to the Project Site and would not encompass any businesses except for the Redeveloper's hotel.

Authorized work within the Enhanced Employment Area means the performance of any one or more of the following purposes:

- (a) The acquisition, construction, maintenance, and operation of public off street parking facilities for the benefit of the Enhanced Employment Area;
- (b) Improvement of any public place or facility in the Enhanced Employment Area, including landscaping, physical improvements for decoration or security

purposes, and plantings;

- (c) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;
- (d) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the Enhanced Employment Area; and
- (e) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

The Act requires that in connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants.

This Plan meets these enhanced employment area statutory qualifications because (a) at project stabilization employment in the Enhanced Employment Area is expected to increase by approximately 7-10 full time jobs and 9-12 part time jobs, (b) the project in the Enhanced Employment Area includes new private sector investment of approximately \$13,500,000, and (c) as of the 2020 census, Dawson County's population was estimated at 24,111 inhabitants.

Levy of General Business Occupation Tax and Levy:

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. Any occupation tax imposed pursuant to the Act shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax.

There is only one proposed business and classification in the Enhanced Employment Area:

| <u>BUSINESS</u> | <u>CLASSIFICATION</u> |
|-----------------|-----------------------|
| 1. Hotel | Hotel/Hospitality |

No occupation tax shall be imposed on any business or transaction which is subject to tax under Nebraska Revised Statutes sections 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24. Any such occupation tax agreed to by the CDA and the City shall remain in effect so long as the CDA has bonds outstanding which have been issued

stating such occupation tax as an available source for payment.

The collection of an occupation tax imposed pursuant to the Act shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance.

Pursuant to this Redevelopment Plan Amendment, the CDA declares the Project Site to be an Enhanced Employment Area under the Act. Redeveloper further requests that the City impose a 3.5% occupation tax on the Project Site to finance the payment of an Occupation Tax Bond issued by the CDA in the amount of \$1,360,216. In order to implement the EEA provisions, both the CDA and City will be parties to the redevelopment agreement, because the City is required to pass the occupation tax ordinance and facilitate the collection of the revenues from the tax.

Additional Project Information from the Redeveloper

Redeveloper has represented that: (i) without the use of TIF and EEA, 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 Nebraska ImagiNE Act.

EXHIBIT "A"
Legal Description of the Project Site

The Project Site is an approximately 2-acre portion in the northwest corner of the property identified as parcel ID 240217812 and legally described as:

Lot 9 Replat of Southeast Second Addition, Lexington, Dawson County,
Nebraska

The approximate location of the Project Site is depicted below:



EXHIBIT “B”
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish the Project.

The CDA currently owns the Project Site. The CDA is holding the Project Site with the intent to convey it to a developer for redevelopment. The CDA has entered into a separate LOI evidencing the intent to sell the Project Site to the Redeveloper. The CDA shall enter into a purchase agreement or include the terms of the purchase and sale in the redevelopment agreement for this project, and the CDA shall ensure compliance with the Act and all applicable laws with respect to the sale of the Project Site.

B. Population Density

The proposed development at the project site is the construction of an approximately 80 room hotel. The Project will not materially increase the population density in the project area.

C. Land Coverage

The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City of Lexington. The proposed site shall consist of approximately 2 acres. The hotel and developed area shall not exceed the permitted 60% of the Project Site.

D. Traffic Flow, Street Layouts, and Street Grades

The Project is not anticipated to affect traffic flow, street layouts, and street grades in a material way. The Project is located adjacent to Heartland Road and Heartland Drive and in the vicinity of I-80 and Plum Creek Parkway. These roads will adequately serve and handle the increased traffic. No further street improvement should be required based on the Project.

E. Parking

The Project will be required to meet or exceed the parking requirements set forth in the applicable zoning district. The Project will include a parking lot with approximately 86 parking stalls on the Project Site. The parking stalls in the lot on the Project Site shall be public parking, as defined further in the redevelopment agreement for the Project.

F. Zoning, Building Code, and Ordinances

The Project Site is currently zoned M-1 Light Industrial. The Project is not permitted in the M-1 zoning district and a change of zone will be required. The Redeveloper anticipates requesting a change of zone to a C-3 Highway Commercial District. The Project is a conditional use in the C-3 zoning district, and Redeveloper

would further need to obtain a conditional use permit for the Project.

Additionally, the Project will require subdivision of the larger existing parcel 240217812. As described herein, the Project Site is a portion of this larger parcel which will need to be subdivided and replatted in order for the current owner to convey the Project Site to Redeveloper and for Redeveloper to redevelop the Project Site and proceed with the Project.

Except as stated above, no other subdivision or zoning change is anticipated, but Redeveloper shall be responsible for compliance with the City of Lexington Subdivision Ordinance, Zoning Ordinance and all other applicable laws and codes. The approval of this Plan Amendment and the Project does not constitute approval of any change of zone or subdivision, and Redeveloper shall be responsible for obtaining all the necessary zoning and subdivision approvals from the City.

Exhibit "C"
Sources and Uses

1. Projected TIF Sources:

| | |
|---------------|-------------|
| Tax Levy | 1.7828 |
| Interest Rate | 5% |
| Base Value | \$18,000 |
| Final Value | \$8,018,000 |
| Increment | \$8,000,000 |

| | Year | Incremental Value | Tax Increment |
|----|------|-------------------|--------------------|
| 1 | 2025 | \$8,000,000 | \$142,624 |
| 2 | 2026 | \$8,000,000 | \$142,624 |
| 3 | 2027 | \$8,160,000 | \$145,476 |
| 4 | 2028 | \$8,323,200 | \$148,386 |
| 5 | 2029 | \$8,489,664 | \$151,354 |
| 6 | 2030 | \$8,659,457 | \$154,381 |
| 7 | 2031 | \$8,832,646 | \$157,468 |
| 8 | 2032 | \$9,009,299 | \$160,618 |
| 9 | 2033 | \$9,189,485 | \$163,830 |
| 10 | 2034 | \$9,373,275 | \$167,107 |
| 11 | 2035 | \$9,560,741 | \$170,449 |
| 12 | 2036 | \$9,751,955 | \$173,858 |
| 13 | 2037 | \$9,946,994 | \$177,335 |
| 14 | 2038 | \$10,145,934 | \$180,882 |
| 15 | 2039 | \$10,348,853 | \$184,499 |
| | | Total TIF | \$2,420,891 |
| | | Present Value | \$1,646,169 |
| | | Rounded | \$1,650,000 |

2. Projected EEA Sources:

| | |
|----------------|-------|
| Occupation Tax | 3.50% |
| Interest Rate | 5.00% |

| | Year | Revenue | Occ Tax |
|---|------|-------------|-----------|
| 1 | 2025 | \$2,650,000 | \$92,750 |
| 2 | 2026 | \$2,703,000 | \$94,605 |
| 3 | 2027 | \$2,757,060 | \$96,497 |
| 4 | 2028 | \$2,812,201 | \$98,427 |
| 5 | 2029 | \$2,868,445 | \$100,396 |
| 6 | 2030 | \$2,925,814 | \$102,403 |
| 7 | 2031 | \$2,984,330 | \$104,452 |
| 8 | 2032 | \$3,044,017 | \$106,541 |

| | | | |
|--------------------------|------|--------------------|-----------|
| 9 | 2033 | \$3,104,897 | \$108,671 |
| 10 | 2034 | \$3,166,995 | \$110,845 |
| 11 | 2035 | \$3,230,335 | \$113,062 |
| 12 | 2036 | \$3,294,942 | \$115,323 |
| 13 | 2037 | \$3,360,841 | \$117,629 |
| 14 | 2038 | \$3,428,058 | \$119,982 |
| 15 | 2039 | \$3,496,619 | \$122,382 |
| 16 | 2040 | \$3,566,551 | \$124,829 |
| 17 | 2041 | \$3,637,882 | \$127,326 |
| 18 | 2042 | \$3,710,640 | \$129,872 |
| 19 | 2043 | \$3,784,853 | \$132,470 |
| 20 | 2044 | \$3,860,550 | \$135,119 |
| EEA Present Value | | \$1,360,216 | |

3. Estimated TIF and EEA Uses:

* Preliminary and subject to change

| | TIF | EEA |
|--|--------------|--------------|
| Site Acquisition | \$50,000.00 | |
| Public Improvements | | |
| 0.00 Administrative Expenses | | |
| 0.01 Capitalized Interest on TIF loan | \$225,766.20 | \$- |
| 0.02 Architectural Expense | \$75,000.00 | \$- |
| 0.03 Engineering Expense | \$10,000.00 | \$- |
| 0.04 Legal | \$20,000.00 | \$- |
| | \$330,766.20 | \$ |
| 1.00 Sitework (on site and off site work) | | |
| 1.01 Subgrade prep, Dry & Wet utilities, misc. site work | \$75,000.00 | \$- |
| 1.02 Demolition, Grading, Environmental Remediation | \$15,000.00 | \$- |
| 1.03 Public parking, landscape, irrigation | \$350,000.00 | \$- |
| 1.04 Streets sidewalks utilities | \$15,000.00 | \$- |
| 1.05 On going maintenance | \$- | \$250,000.00 |
| 1.06 Project Management | \$75,000.00 | \$- |
| 1.07 Development Program Management Overhead | \$22,000.00 | \$- |
| 1.08 Project Design | \$65,000.00 | \$- |
| 1.09 Contingency | \$55,000.00 | \$- |
| | \$672,000.00 | \$250,000.00 |
| Public Enhancements | | |

| | | | |
|------|---|--------------|--------------|
| 2.00 | Building Façade Upgrades | | |
| 2.01 | Storefront Window System | \$10,000.00 | \$- |
| 2.02 | Low E Energy Efficient Windows | \$85,000.00 | \$- |
| 2.03 | Masonry | \$25,000.00 | \$- |
| 2.04 | Project Management | \$10,000.00 | \$- |
| 2.05 | Development Program Management Overhead | \$6,000.00 | \$- |
| 2.06 | Project Design | \$25,000.00 | \$- |
| 2.07 | Contingency | \$10,000.00 | \$- |
| | | \$171,000.00 | \$- |
| 3.00 | Energy Efficiency Improvements | | |
| 3.01 | Reflective Roofing Surfaces & Insulation | \$- | \$400,000.00 |
| 3.02 | Energy Efficient HVAC and HVAC energy management system | \$250,000.00 | \$- |
| 3.03 | Energy Efficient Light Fixtures (LED) | \$150,000.00 | \$- |
| 3.04 | Energy Insulation Enhancements | \$ - | \$250,000.00 |
| 3.05 | Ongoing management & Promotions | \$ - | \$125,000.00 |
| 3.06 | Project Management | \$ - | \$130,000.00 |
| 3.07 | Development Program Management Overhead | \$ - | \$85,000.00 |
| 3.08 | Project Design | \$50,000.00 | \$50,000.00 |
| 3.09 | Contingency | | \$75,000.00 |
| | | \$450,000 | \$1,115,000 |
| | Total Eligible Cost: | \$1,673,766 | \$1,365,000 |

**Exhibit “D”
Cost Benefit Analysis
(Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for the Lexington HIE Project, as described in the Amendment to the Redevelopment Plan 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:

There are no negative tax shifts resulting from this Project. The Project Site is currently exempt from real estate taxes as government owned property. As part of the redevelopment project a base value will be determined for the project, and the taxes generated by the new base value of the property will be allocated between taxing jurisdictions pursuant to standard statutory requirements. Thus, the Project will result in an immediate positive tax shift to all applicable taxing jurisdictions. However, the incremental taxes created by the Project will be captured for fifteen years to pay eligible public expenditures. 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 in the first year and a more substantial positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15-year tax shift is as follows:

| | | |
|----|--|-------------|
| a. | Projected Base Valuation: | \$18,000 |
| b. | Projected Completed Project Valuation: | \$8,018,000 |
| c. | Projected Incremental Valuation: | \$8,000,000 |
| d. | Estimated Tax Levy: | 1.7828 |
| e. | Annual Projected Tax Shift (initial full valuation): | \$142,624 |

Notes:

- *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 2023 levy rate.*
- *Assumed base value of \$9,000 per acre based on assessed land values of adjacent parcels.*
- *Assumed building valuation of \$100,000 per room, or \$8,000,000 total.*
- *Assumed partial first year valuation based on partial construction – 79% of total anticipated valuation.*
- *Assumed assessed valuation increase of an average of 2% per year over the 15-year TIF period.*
- *See Projected TIF Sources in Exhibit C for more detailed look at the assumed annual tax increment.*

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:

No substantial adverse effects are anticipated on the public infrastructure and community public service needs. The Redeveloper anticipates expenditures of approximately \$13,500,000 for construction and installation of the Project and related and ancillary improvements. Of these costs, TIF will be utilized to assist with the payment of approximately \$1,650,000 of eligible costs, EEA will be utilized to assist with the payment of approximately \$1,360,216 of eligible costs, and Redeveloper shall be responsible for the excess costs. Infrastructure improvements are included in the TIF uses for this Project, and said improvements shall positively impact the City. Redeveloper shall pay for all other Project costs, utilizing TIF and EEA to finance the eligible site-specific expenditures. No other public infrastructure improvements are anticipated to be necessary based on this Project, and the Project will not have a material adverse effect on any community public services. The list of anticipated TIF uses has been set forth in the Redevelopment Plan Amendment for this Project, and shall be detailed in the redevelopment agreement for this Project.

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 Project will include an amount of personal property that will be on the property tax rolls upon its acquisition and installation. Additionally, the City should realize revenue from sales and occupancy taxes paid by the visitors to the hotel on the Project Site. The Project 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, and the City 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 additional hotel option for business travel should be a positive impact on the recruitment of new employers in the area, as there appears to be room in the market for the additional hotel.

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:

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. In addition to the general benefits of the Project enhancements already mentioned, the Project should also generally increase the need for services and products from existing businesses as the new business will require typical goods and services, such as office supplies, janitorial services, etc. Additionally, the Project is anticipated to attract out of town visitors and customers that will purchase additional goods and services from local businesses for peripheral needs.

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.

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

The Project is anticipated to create 7-10 full time jobs and 9-12 part time jobs in the City. Wages and salaries will be competitive in the industry. When secondary employment effects in other employment sectors are added, the total employment effects are expected to be even higher.

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.