West Farnam Apartments TIF Redevelopment Project Plan

COST BENEFIT ANALYSIS – from the TIF application

1. Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147 (of the Community Development Law):

The project site is in an area that has been identified by the city as a “community redevelopment” area and eligible for TIF financing. All TIF proceeds are to be used for TIF eligible project costs and to assist in the improvement of the area as a whole.

Tax resulting from the approval of the use of TIF funds will not result in tax shifts and the flow of tax revenues will not decrease to taxing entities. The increased value of revenues from the improvements will be applied to offset property acquisition, demolition, public site work, and building preservation costs including windows and roofing, which are eligible expenses. Potential TIF eligible expenses identified exceed the amount of TIF-financing requested in this application. The breakdown of TIF eligible expenses is outlined in table 4 on the previous page. In addition, the current value of the property, $496,100.00, will increase to an estimated $2,500,000.00 upon completion of the project. This will result in the realization of nearly 5-times the current amount of tax revenue from the property.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives:

There will be a positive impact on public infrastructure and community public service because of the incentives received for the project. The building on the site has been neglected for years and does not uphold the standards of the historic neighborhood that surrounds it or its status as an Omaha landmark. The garages and gardens on the Project site have not been maintained and are an eyesore to the area and neighbors. The improvements made as a result of the project will aid the preservation of an historic building. Additional parking and improvements to the sidewalks and driveway approach will also result from the project. There will be no negative tax implications as the project will cover all costs. No additional public infrastructure needs will be created by the project.

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

The TIF benefit received by the project will have a positive impact on employers and employees in the redevelopment area. Additional opportunities will be created by the redevelopment of the project site for employers and employees involved in the financing, design, construction and management of the project. This will occur not only as a result of the construction over the next year but also in the years to follow through the employment of personnel to maintain and service the property and its residents.

Tax incentives received for this project will stimulate economic growth and jobs in the area. The indirect impact of this project will be shown through the increase in activity created by the workers employed by the project and the new residents. Therefore, offering local businesses the opportunity to expand their customer base; and
4. **Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

The project will also provide additional, affordable residential rental apartment units into the market for young professionals, graduate students, and medical students and professionals, which will help to encourage new investment in the area.

Providing assistance to the project will be an effective use of public funds as it furthers redevelopment of this area and will provide long-term benefits for the City of Omaha through increases in tax revenues.