



June 5, 2017

Ms. Melissa Harrell
City of Wahoo
605 North Broadway
Wahoo, NE 68066

Dear Ms. Harrell:

As you know, Bomgaars' real estate company, Next Generation Properties of Nebraska, LLC recently purchased land in the Wahoo Industrial Park near the airport and design is underway to build a new Bomgaars store in Wahoo. Bomgaars has requested and applied for Tax Increment Financing to offset costs of land acquisition and development. Without this TIF, our development project would not occur in Wahoo and it is probable that the existing store would be closed and moved to a neighboring city where TIF funds are available for a brand new store. We understand that there are no assurances as to the amount of the TIF or if the TIF will be approved. Please contact me if I can be of any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Torrey Wingert'.

Torrey Wingert
Vice President/CFO

bomgaars

V) Statement of Need and ROI Analysis (with and without TIF)

ROI Analysis (Stabilized Year 1 Figures)	With TIF	Without TIF
Sources of Funds:		
Owner Equity	1,904,000	4,136,000
Construction Loan	8,398,000	8,398,000
TIF Loan	2,232,000	0
Total Sources of Funds	12,534,000	12,534,000
Cash Flow	138,335	138,335
Return on Investment	7.3%	3.3%

As demonstrated, the Return on Investment is severely diminished if TIF is removed from the capital structure. Without TIF, the development team would be unable to raise the necessary equity capital and the project would be unable to proceed. Furthermore, the challenges of developing dense urban infill projects on small amounts of land results in large sitework and special foundations costs which TIF helps to offset and promote this type of development. The project site also features specific challenges such as existing vacant homes that must be demolished, utilities that must be relocated, and topographic challenges that will require extraordinary grading and earth work to prepare the project site.