



Hall County Regional Planning Commission

Wednesday, March 02, 2011
Regular Session

Item F3

Public Hearing Amendment to Redevelopment Plan CRA #6

Insert a narrative here

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area #6
January 2011**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area #6 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area #6.

**Executive Summary:
Project Description**

THE ACQUISITION OF PROPERTY FIVE POINTS EAST OF BROADWELL AVENUE AND NORTH OF STATE STREET BY THE DEVELOPER AND SUBSEQUENT UTILITY IMPROVEMENTS, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REMODELING AND RECONSTRUCTING THE EXISTING SKAGWAY STORE AT THIS LOCATION.

The use of Tax Increment Financing to aid in the acquisition of property and demolition of existing structures along with costs associated with redevelopment and remodeling the existing Skagway store. The use of Tax Increment Finance makes it feasible to complete all of the phases of the proposed project within the timeline presented. This project could be completed without the use of TIF however the timeline for completion would be stretched out over several years.

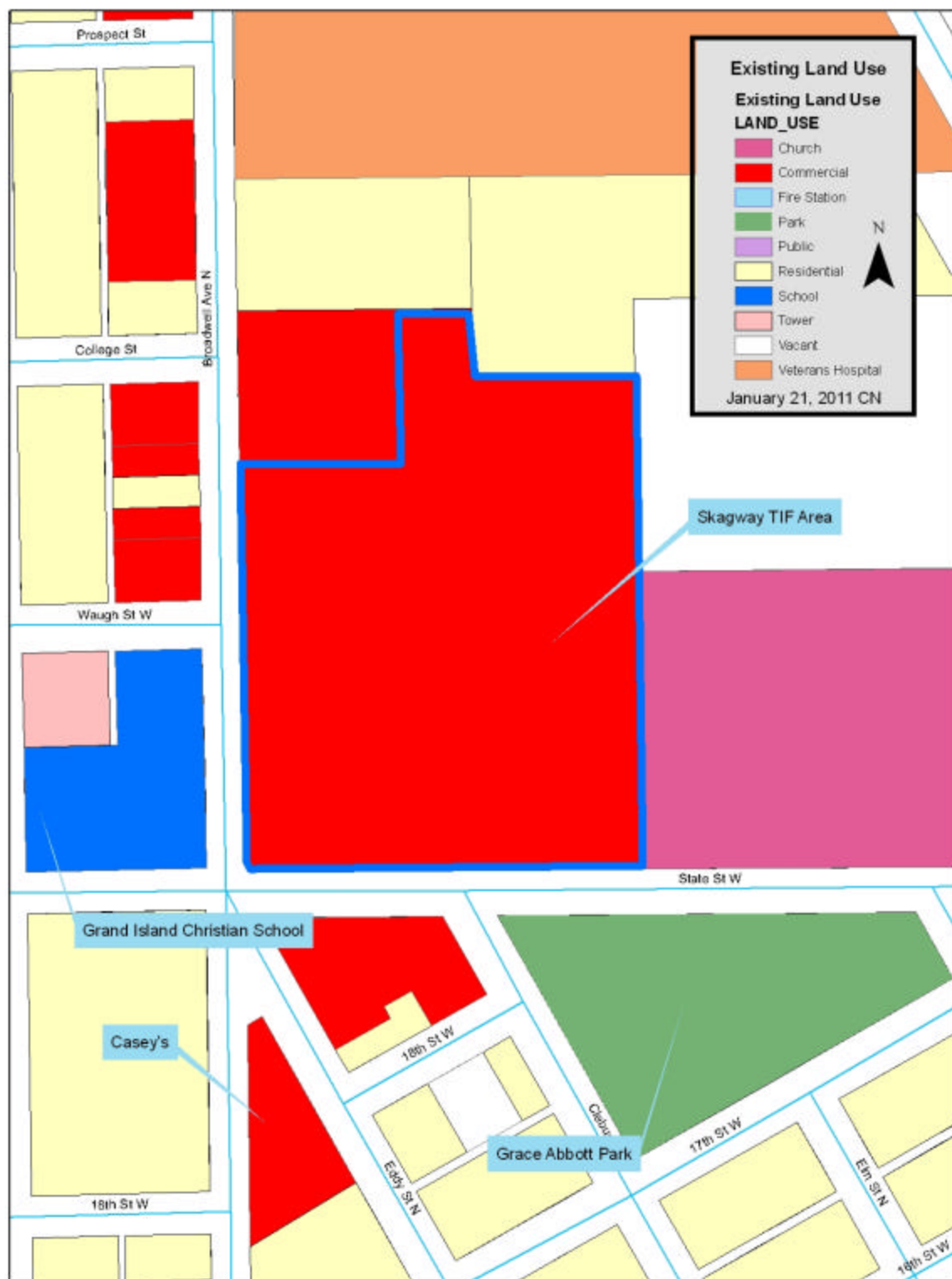
The acquisition, site work and remodeling will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2012 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)

This property is located at the northeast corner of Broadwell Avenue and State Street in northeast Grand Island including the attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** See Attachment. (Property will be replatted prior to contract with simplified legal descriptions.)



The tax increment will be captured for the tax years the payments for which become delinquent in years 2013 through 2027, inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from renovation of the existing retail space at the Skagway store.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2012.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on October 9, 2007.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

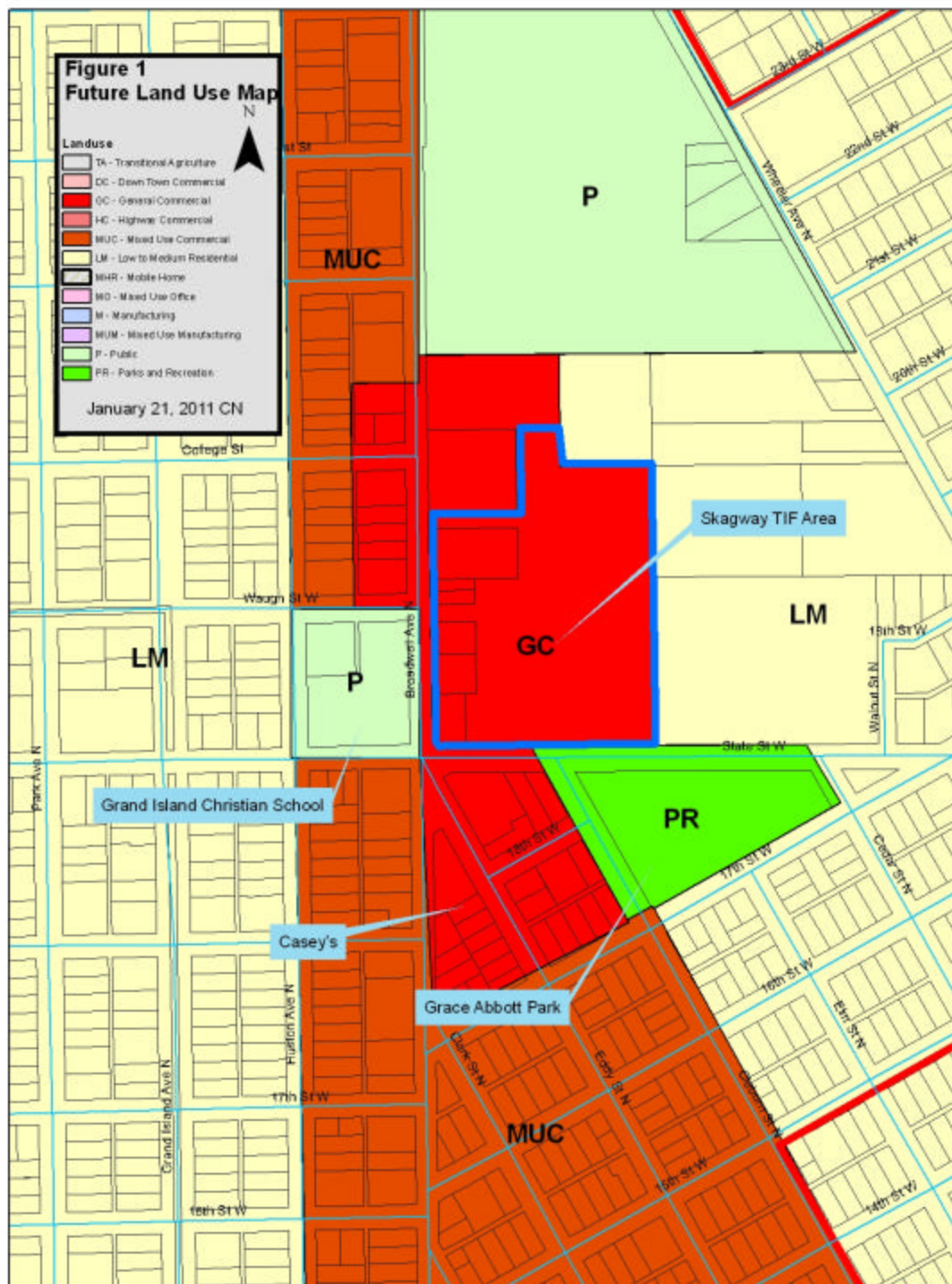
The Redevelopment Plan for Area #6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does intend several structures along Broadwell Avenue be removed or demolished. The structures to be demolished are all non-residential in nature and use.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned B2- General Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing remove several structures adjacent to Broadwell Avenue. The existing Skagway store will be renovated with a single main entrance on the west side of the building. Primary parking will be on the west side of the building. Tenant spaces will be made available along the west side of the building. A drive through will be added for the pharmacy. The main building will be remodeled to incorporate a banquet center with a primary entrance from the east side of the building. The property is zoned B2 and could accommodate a building of up to 100% of the property [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. New water and sewer services may be required for this building.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§18-2103.02]

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

Barry Sandstrom, Chairman of the Grand Island Community Redevelopment Authority, is President of Home Federal Bank in Grand Island and Home Federal is contemplating a branch office in the redeveloped property. Mr. Sandstrom will recuse himself from action on this application.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer has purchased the property for this redevelopment for \$733,224 since January 1 of 2008. Other properties included in the redevelopment have been owned by the developer for more than 40 years. The cost of property acquisition is being included as a TIF eligible expense. Costs for demolition, site preparation and parking improvements for development are estimated at \$1,503,500 portions of this as related to the demolition and site preparation are included as a TIF eligible expense. Renovation costs for the existing building are estimated at \$1,175,000 and are being included as a TIF eligible expense. Engineering and design fees are estimated at \$140,000 and are included as a TIF eligible expense.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$798,654 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2012 through December 2027. The Authority may also at its discretion and under the terms of the generalized redevelopment plan for CRA area #6 offer façade improvement assistance to the developer of up to \$300,000.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic on at the Five Points intersection. Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

Development of this project (including demolition, parking lot improvements and building renovation) is anticipated to be completed between April and September of 2011. Excess valuation should be available for this project for 15 years beginning with the 2012 tax year.

9. Justification of Project

Skagway has been a commercial anchor for the Five Points neighborhood since the 1950's. This redevelopment and reinvestment by Wilmar Realty, LLC in this Skagway location represents a great opportunity to strengthen and sustain this neighborhood commercial development. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$2,390,110. The proposed demolition, new parking lot and renovations at this location will result in an additional \$2,507,556 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

The proposed facility will continue to provide jobs for persons employed at Skagway and for employees of the people who rent the proposed tenant spaces that are part of this redevelopment.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This facility could draw employees from other similar facilities within the City. If the project is not completed it is possible that Skagway would shut down resulting in a net loss of employment.

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

This will provide appropriate development at a key entrance into the City of Grand Island. Five Points is an iconic location in Grand Island. This redevelopment plan will result in better visibility for all business located near Five Points. Skagway has been a key business at the Five Points location for more than 60 years. This reinvestment on the part of Wilmar LLC and the City of Grand Island will encourage them to remain a key business for the next 60 years.

Time Frame for Development

Development of this project is anticipated to be completed during between April 1 and September 1 of 2011. The base tax year should be calculated on the value of the property as of January 1, 2011. Excess valuation should be available for this project for 15 years

beginning in 2012. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$798,654, the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the purchase price of the property and estimates of the expenses of renovation activities and associated engineering fees, but excluding the cost of demolition, site preparation and rebuilding the parking lot, the developer will spend more than \$1,748,000¹ on TIF eligible activities.

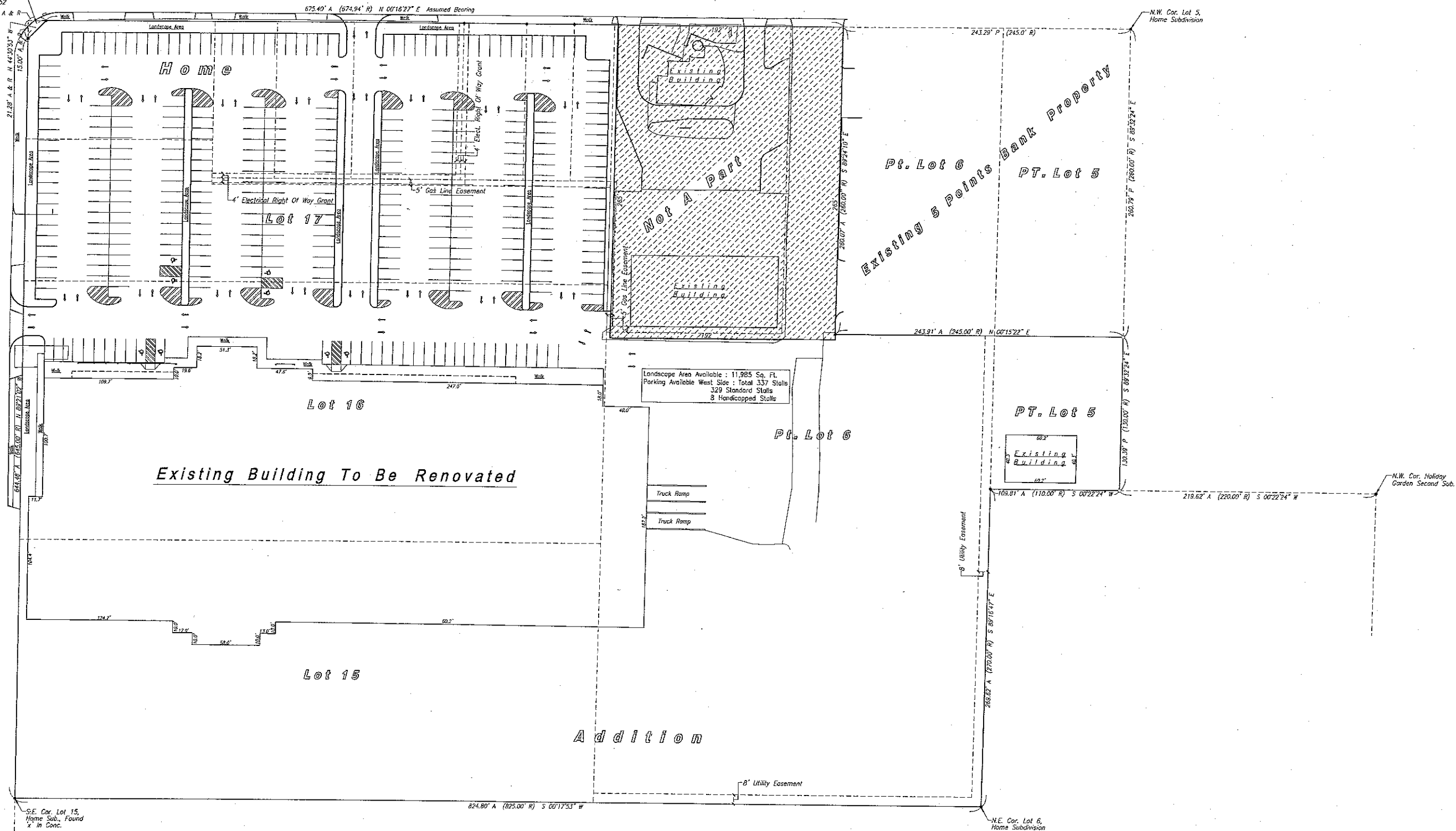
See Attached Site Plan and Interior Renovation Plan


¹ This is the total less \$300,000 of façade improvement funding provided by the CRA.

Addresses	Legal	Parcel Number	Wilmar	Current Valuation		
			Purchase Date	Land	Bldg	Total
620 State St.	HOME SUB LTS 15 & 16 & PT LTS 5 & 6 & 17	400046709	1/1/2008	754,826	914,867	1,669,693
1901 N. Broadwell	HOME SUB 158' X 100' SW CORNER LT 17 XC 112 SQ FT FOR STR	400046725	2/3/2011	27,650	129,652	157,302
1917 N. Broadwell	HOME SUB N 117'8" OF S 275'8" OF W 132' OF LT 17	400046733	1/9/2009	27,212	180,653	207,865
1927 N. Broadwell	HOME SUB N 93.2' OF S 368.8' OF W 132' LT 17	400046741	3/17/2008	21,529	84,241	105,770
1939 N. Broadwell	HOME SUB S 40' OF N 73.66' OF W 132' OF LT 17	400046768	8/7/2009	9,240	74,951	84,191
1941 N. Broadwell	HOME SUB N 33.67' OF W 132' OF LT 17	400046776	8/7/2009	7,778	41,517	49,295
2007 N. Broadwell	HOME SUB 150' X 260' PT LT 6	400046474	1/1/2008	68,250	191,776	260,026
Value of Demolished Bldg's				93,409	511,014	604,423
Value of Demolished Bldg's with Skagway				848,235	1,425,881	2,274,116
Value of All Bldg's				916,485	1,617,657	2,534,142

Scale: 1" = 40'

Deeded To City Of Grand Island-
For Street Right Of Way, Filed
Filed In Bk. 158, Page 552

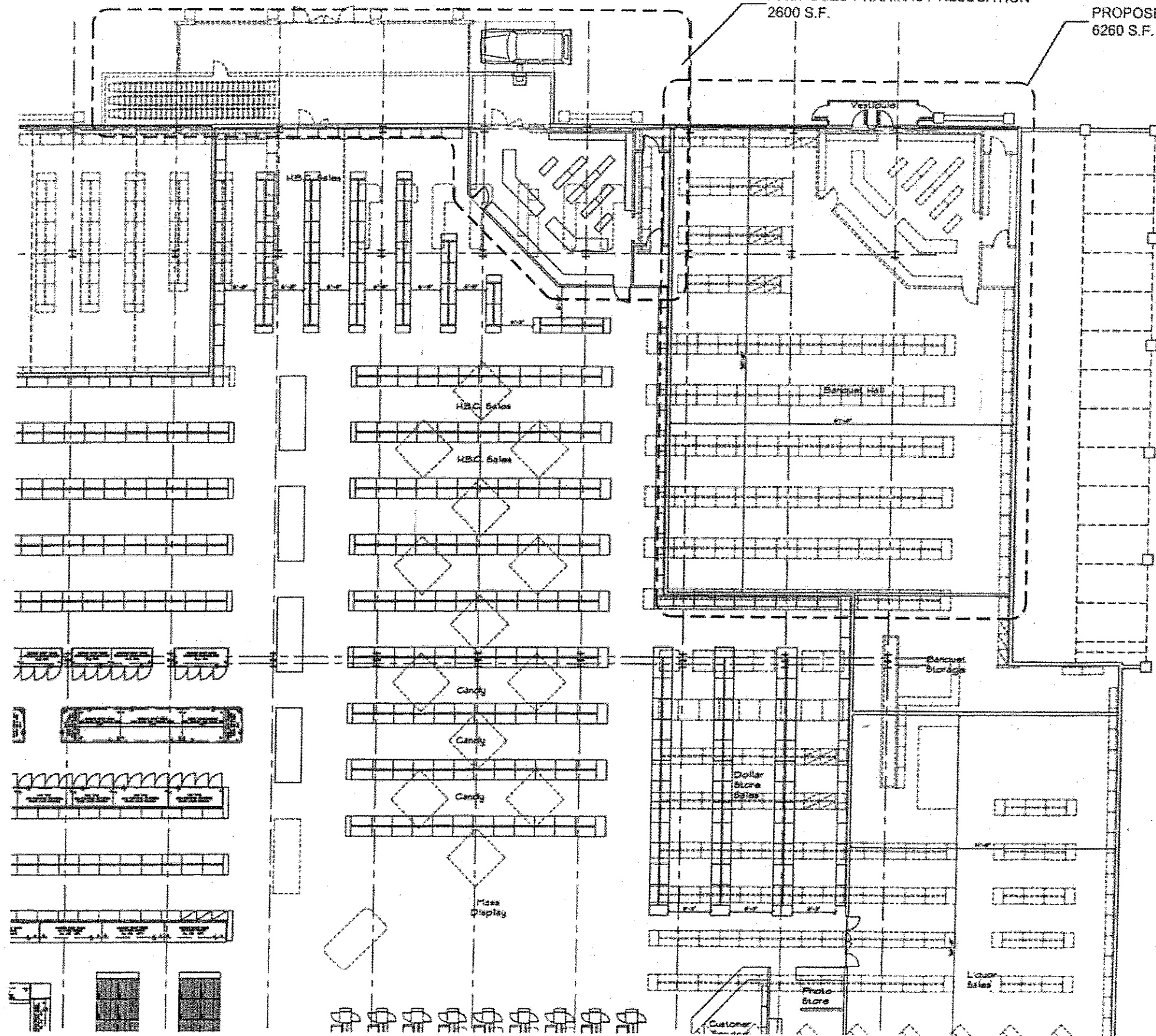
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		R E S & S RAYMOND E. & S. SURVEYING 2610 NORTH WEBB ROAD, GRAND ISLAND, NEBRASKA 68802 P.O. BOX 548 E-MAIL: surveyor@compuserve.com PHONE (308) 382-5472 FAX (308) 382-1423	
<h2><u>SITE LAYOUT PLAN</u></h2>			
<p><u>Pt. Lots 5, 6 & 17, And All Lots 15 & 16, Home Addition</u> <u>In The City Of Grand Island, Nebraska</u></p>			
SUBMITTED BY:		DRAWN BY: Deryl S.	
CHECKED BY: D.S.		SHEET No.	
APPROVED BY:		1 OF 1	
DATE: January 31, 2011		REVISIONS	
PROJECT No.			

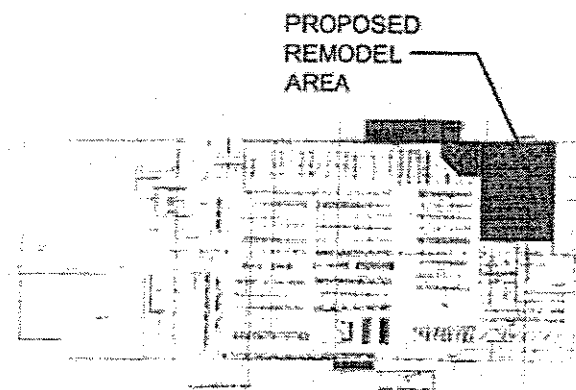
NOV 09, 2010 12:11:50 Location: C:\Projects\145145-145-001\Drawings\Interior_Remodel.dwg

PROPOSED PHARMACY RELOCATION
2600 S.F.

PROPOSED CATERING HALL
6260 S.F.



PARTIAL FLOOR PLAN
SCALE: 1/8" = 1'-0"



KEY PLAN
SCALE: AS SHOWN

REVISIONS BY

MA
Miller & Associates
Consulting Engineers, P.C.
Kearney, NE (308) 234-8456
Lincoln, NE (402) 343-3712

SKAGWAY INTERIOR REMODEL
PARTIAL FLOOR PLAN
GRAND ISLAND, NEBRASKA

VERIFY SCALES

BAR IS ONE INCH ON
ORIGINAL DRAWING
IF NOT ONE INCH ON THIS
SHEET, ADJUST SCALES
ACCORDINGLY.

SCALE: AS NOTED
PROJECT NO. 145-PM-001
DATE: FEBRUARY 2011
FIELD BOOK: M&A INC. NO.
DRAWN BY: APPROVED BY:
SHEET

Resolution Number 2011-01

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the “**Authority**”), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the “**Commission**”) a copy of which is attached hereto as Exhibit “A” for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: _____ 2011.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary

EXHIBIT A

FORM OF REDEVELOPMENT PLAN