



Hall County Regional Planning Commission

Wednesday, June 7, 2017

Regular Meeting

Item F3

Redevelopment Plan-Cairo

Staff Contact: Chad Nabity

Agenda Item #6

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

May 26, 2017

SUBJECT:

Redevelopment plan amendment for property located in a Blight and Substandard Area in Cairo for a Site Specific Redevelopment Plan on Lots 4, 5, 6, and 7 of Robinson Estates Subdivision in Cairo, Hall County, Nebraska to support this development. (C-20-2017C)

PROPOSAL:

HOMS LLC is proposing to build duplexes at this location. The property is zoned R-6 Multiple-Family Residential District as this is a permitted principal use.

OVERVIEW:

The purpose of the CRA and the designated blight and substandard areas is to provide incentives for development in underdeveloped areas of the community. This proposed plan encourages the development of housing within Cairo. This area has already been declared blighted and substandard by the Cairo Village Board.

This project is **consistent** with the **existing zoning** and the **future land use plan** for this area within the Village of Cairo. This is evident by the fact that the property is zoned R-6 Multiple-Family Residential District. The R-6 zone allows for a variety of residential uses, including those proposed with this plan as permitted principal uses.

The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Cairo Comprehensive Plan calls for residential uses here.

The Planning Commission is required to comment on these applications to confirm that expenditure of public funds through TIF is not supporting uses that would be inconsistent with the comprehensive plan. The proposed use for a mixed-use development at this location appears to be supported by the plan.

RECOMMENDATION:

That the Regional Planning Commission recommends that the Cairo Village Board **approve** of the redevelopment plan amendment as submitted. A resolution is attached for your consideration.

_____ Chad Nabity AICP, Planning Director

DESCRIPTION OF PROJECT AND
REDEVELOPERS REDEVELOPMENT PLAN FOR
HOMS, LLC, PROJECT

OVERVIEW:

This plan is intended to redevelop an area within the Village of Cairo pursuant to the Community Development Law of the State of Nebraska.

The Redeveloper will acquire and rehabilitate the real estate in the Redevelopment Area by acquiring the site, undertaking site preparation, utility extension, onsite roadway and construction of three duplex residential buildings on the real estate described on Exhibit 1.

The Redeveloper will not develop the project in the redevelopment area or elsewhere without the benefit of tax increment financing. The costs of the project are simply too great to be absorbed by the Redeveloper without the assistance of tax increment financing. All financing for the project is entirely contingent on a grant from tax increment financing. The Redeveloper proposes that the Community Development Agency issue Bonds to be repaid from the incremental tax revenues generated by the redevelopment project pursuant to §18-2147 of the Nebraska Revised Statutes, for a period of 15 years from an effective date estimated to be January 1, 2018. The Redeveloper will use the proceeds of the Bonds to assist in the acquisition and construction of the Project in accordance with the Act.

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates a change in current land use. The use will shift from vacant to residential. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan.
2. Relationship of Plan to Local objectives for improved traffic flow and public utilities in plan area: This plan does not contemplate new roads. There will be a burden on traffic flow as new residents and visitors will access the facility from adjacent streets. Extension of utilities to the project from current mains will be required.
3. Relationship of Plan to Local objectives for community facilities: This plan neither provides nor requires any additional community facilities. However, it will provide badly needed residential units in the community.
4. Redevelopment project boundaries: Exhibit 2 shows the boundaries of the project. The property is unimproved.
5. Proposed land use plan: Exhibit 2 shows the proposed land use plan after redevelopment as a residential development.

6. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population will increase as 6 new families will reside in the area after project completion. Building coverage of the area will conform to current zoning limitations. Exhibit 2 shows land coverage and building intensities after redevelopment.

7. Statement regarding change in street layouts: This Plan proposes no change in street layout.

8. Site plan after redevelopment: Exhibit 2 is an accurate site plan of the redevelopment project after redevelopment.

9. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: No additional public utilities are required to support the proposed change.

10. Public cost/benefit analysis: This plan requires that the Redevelopers will construct 3 new duplex housing units. No public funds, other than the tax increment financing benefit will be used on the structures. The Redeveloper will provide all financing for the project. The Redeveloper will obtain funds for the purchase of the Bonds issued by the Agency, or purchase such bonds outright. Such bonds shall not be backed by the Village or the Agency, and will only be repaid from the increased ad valorem tax stream created by the project rehabilitation, over a 15 year period estimated to commence January 1, 2018. After the 15-year TIF period, the increased taxes will be paid to the normal taxing authorities.

Each of the 3 duplexes are estimated to cost \$365,000. At the current tax level the property taxes will exceed \$24,000 annually after the bonds are paid off.

Estimates of eligible expenses for a grant for this project are \$67,000 for land purchase, \$20,000 for street improvements, \$8,000 for a blight study and 10,000 for planning and legal expenses.

The project does not create new employment in the area. However it will provide housing for employees that currently commute into the Village for employment. Little impact will be felt by employees or employers in the Project area or the surrounding area. Therefore, no undue stress on the school system, police or fire protection is contemplated. No tax shifts have been identified. No adverse impact to other employers in the area is contemplated. The Agency has not identified any additional negative impacts to citizens or taxing entities affected by the Redevelopment Project. After the TIF bonds are paid in full, a substantial increase in real property valuation will occur in the Village.

11. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project area specified in the plan, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date will be established in the bond resolution providing for the issuance of the TIF Indebtedness. The tax shall be divided as follows:

- 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 Agency 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 Agency 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 Agency 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.

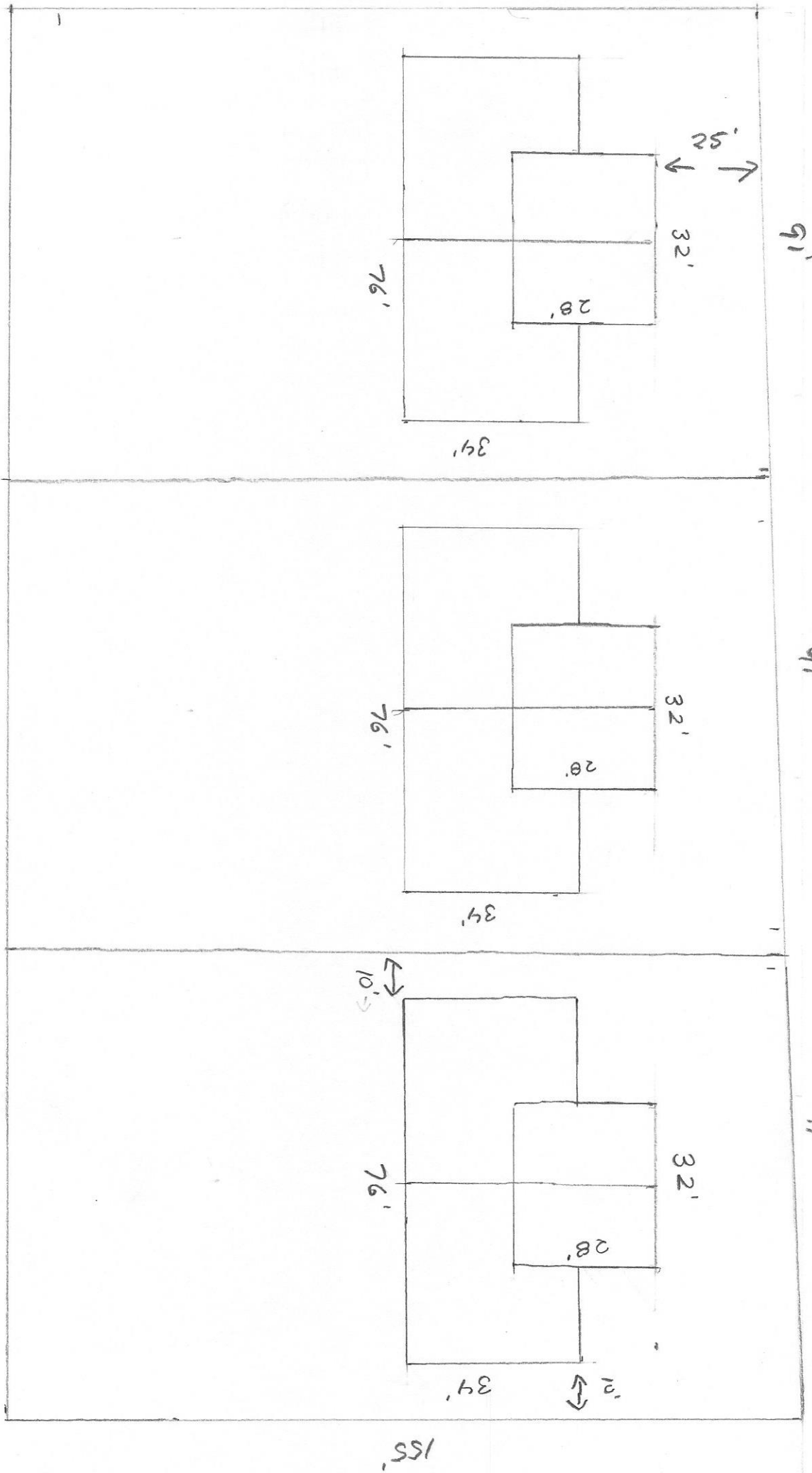
Exhibit 1

Lots 4, 5, 6, and 7 of Robinson Estate Subdivision to the Village of Cairo, Hall County,
Nebraska.

Exhibit 2
Lot layout

146'

Oasis Street



Suez Street

Resolution Number 2017-10

HALL COUNTY REGIONAL PLANNING COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC
REDEVELOPMENT PLAN OF THE VILLAGE OF CAIRO, NEBRASKA; AND
APPROVAL OF RELATED ACTIONS**

WHEREAS, the Chairman and Board of the Village of Cairo, Nebraska (the “Village”) , referred **the Redevelopment Plan for the Village of Cairo, HOMS LLC** to the Hall County Regional Planning Commission, (the “**Commission**”) for review and recommendation as to its conformity with the general plan for the development of the Village of Cairo, 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 Village of Cairo, Hall County finding;

The proposed use as described in this plan is in compliance with the Comprehensive Plan for the Village of Cairo.

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: June 7, 2017.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary