



Hall County Regional Planning Commission

**Wednesday, October 11, 2017
Regular Meeting**

Item F2

Redevelopment plan - O'Neill Wood Resources

Staff Contact: Chad Nabity

Agenda Item #5

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

September 18, 2017

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area 20 for a Site Specific Redevelopment Plan for the O'Neill Wood Resources site located north of Old Potash Highway west of Alda/70th Road in Hall County, Nebraska to support this development. (C-01-2018GI)

PROPOSAL:

O'Neill Wood Resources is proposing to redevelop 58 acres of property at the northwest corner of Old Potash Highway and 70th Road, including acquisition, site work, grading and private roadways for a recycling center and construction and demolition debris landfill. The proposed improvements are expected to cost approximately \$2 million. Through this redevelopment plan the City is proposing to consider using Tax Increment Financing to fund up to \$209,000 for those improvements. The property is zoned AG-SI Special Agriculture Industrial Zone. The site has received a conditional use permit for use as a recycling center and the County has forwarded approval of the landfill application to the Nebraska Department of Environmental Quality.

OVERVIEW:

The purpose of the CRA and the designated blight and substandard area is to provide incentives for development in underdeveloped areas of the community. This proposed plan encourages redevelopment and investment in an area outside the city limits, but within a formerly used defense site in Hall County. This area has already been declared blighted and substandard by the Grand Island City Council. The proposed use of this site for the recycling center and landfill has been approved by the Hall County Board of Supervisors. The site will be subject to rules and regulations enforced by the Nebraska Department of Environmental Quality.

This project is **consistent** with the **existing zoning** and the **future land use plan** for this area within Hall County. This is evidenced by the fact that the property is zoned AG-SI Special Agriculture Industrial Zone. The AG-SI zone was specifically created to cover these areas of the Cornhusker Army Ammunition Plant and to encourage industrial development at these locations as part of the CAAP Reuse Plan.

The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Hall County Comprehensive Plan calls for agricultural and industrial uses here.

The Planning Commission is required to comment on these applications to confirm that expenditure of public funds, including TIF, is not supporting uses that would be inconsistent with the comprehensive plan. The proposed use for acquisition of this property and necessary site improvements is consistent with the plan.

RECOMMENDATION:

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

_____ Chad Nabity AICP, Planning Director

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 246

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT CONTRACT TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within a formerly used defense site in Hall County, Nebraska; and


WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 20th day of September, 2017

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By 
Chairperson

ATTEST:


Secretary

O'Neill Wood Resources

**Site Specific Redevelopment Plan
Grand Island CRA Area 20 (CAAP)
May 2017**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 20 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 20.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE PROPERTY (58 ACRES LOCATED IN PART OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION EIGHTEEN (18), TOWNSHIP ELEVEN (11) NORTH, RANGE TEN (10) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA) NORTH OF THE CURRENT O’NEILL WOOD RESOURCES FACILITY 7100 W. OLD POTASH HIGHWAY (NORTHWEST CORNER OF ALDA ROAD AND OLD POTASH HIGHWAY) FOR INDUSTRIAL USES, INCLUDING A CONSTRUCTION AND DEMOLITION LANDFILL.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the property located at 7100 W. Old Potash Highway. The proposed plans would include the development of a construction and demolition landfill and all associated buildings. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The use of this property of industrial non-residential uses is consistent with the Cornhusker Army Ammunition Plant (CAAP) reuse plan as approved and adopted by the CAAP Reuse Committee and the Hall County Board of Supervisors. This project would not be feasible without the use of TIF.

O’Neill Wood Resources owns a portion of the property and has a contract to purchase additional property contingent on the approval of Tax Increment Financing. O’Neill Wood Resources has been located on the balance of this property since 2009. The purchase price the additional property is a TIF eligible activity. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with this project. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15-year period beginning January 1, 2019 towards the allowable costs and associated financing for the acquisition and site work.

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:
Property Description (the “Redevelopment Project Area”)

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN PART OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION EIGHTEEN (18), TOWNSHIP ELEVEN (11) NORTH, RANGE TEN (10) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 18; THENCE ON AN ASSUMED BEARING OF N01°18'49"W, ALONG THE EAST LINE OF SAID E1/2 OF SECTION 18, A DISTANCE OF 591.59 FEET; THENCE S88°41'11"W A DISTANCE OF 4.22 FEET TO THE POINT OF BEGINNING; THENCE S89°02'09"W A DISTANCE OF 2510.04 FEET; THENCE N00°59'37"W A DISTANCE OF 927.97 FEET; THENCE N89°02'52"E A DISTANCE OF 820.31 FEET TO A POINT ON THE WEST LINE OF 86 FT. DRAINAGE EASEMENT; THENCE N01°11'12"W, ALONG SAID WEST LINE OF DRAINAGE EASEMENT, A DISTANCE OF 76.55 FEET; THENCE N89°24'56"E A DISTANCE OF 1639.82 FEET TO A POINT OF CURVATURE; THENCE AROUND A CURVE IN A CLOCKWISE DIRECTION, HAVING AN ANGLE OF 20°33'43", HAVING A RADIUS OF 722.17 FEET, AND CHORD BEARING S11°30'01"E A CHORD DISTANCE OF 257.78 FEET; THENCE S01°14'28"E A DISTANCE OF 740.06 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS A CALCULATED AREA OF 2,442,827.01 SQUARE FEET OR 56.080 ACRES MORE OR LESS, OF WHICH 1.02 ACRES ARE COUNTY ROAD RIGHT-OF-WAY.

Existing Land Use Map



Source: Marvin Planning Consultants, 2016

Existing Land Use and Subject Property

The tax increment will be captured for the tax years the payments for which become delinquent in years 2020 through 2034 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 the construction of a Construction and Demolition Recycling Center and the associated structures necessary to facilitate operation of the landfill. This use requires separate permitting by both Hall County and the Nebraska Department of Environmental Quality.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes 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 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 February 14, 2017.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

The City Can Undertake this Redevelopment Project on real property located outside the corporate limits of the City for the following reasons: [Neb. Rev. Stat. §18-2123.01]:

(a) The real property located outside the corporate limits of the city is a formerly used defense site;

The Site is located outside the corporate limits of the City and is a formerly used defense site;

(b) The formerly used defense site is located within the same county as the city approving such redevelopment project;

The Site and the City are both located in Hall County;

(c) The formerly used defense site is located within a sanitary and improvement district;

O'Neill Wood Resources, LLC and CAIP, LLC have created SID Number 4 in Hall County, which was approved by the District Court on September 20, 2017.

(d) The governing body of the city approving such redevelopment project passes an ordinance stating such city's intent to annex the formerly used defense site in the future; and

Ordinance #9645 stating the intent of the City to annex the Cornhusker Army Ammunition Plant property in whole or part as it becomes eligible for annexation was adopted by the Grand Island City Council on August 22, 2017;

(e) The redevelopment project has been consented to by any city exercising extraterritorial jurisdiction over the formerly used defense site.

No city is exercising extraterritorial jurisdiction over the Site.

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 property is not located within Grand Island or the 2 mile extraterritorial jurisdiction of Grand Island. Hall County adopted their comprehensive plan including the CAAP redevelopment plan on April 20, 2004. This redevelopment plan amendment and project are consistent with

the Hall County Comprehensive Plan and the CAAP Reuse Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to develop property with permitted uses on this property as defined by the current and effective zoning regulations. The Hall County Regional Planning Commission reviewed this project at their meeting on March 1, 2017 as part of the requirements for the Nebraska Local Siting Act and recommended approval of the local siting permit as it is consistent with the zoning on the site. **The Hall County Regional Planning Commission held a public hearing at their meeting on October 11, 2017 and passed resolution _____ confirming that this project is consistent with the Comprehensive Plan for the Hall County.**

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

a. Land Acquisition:

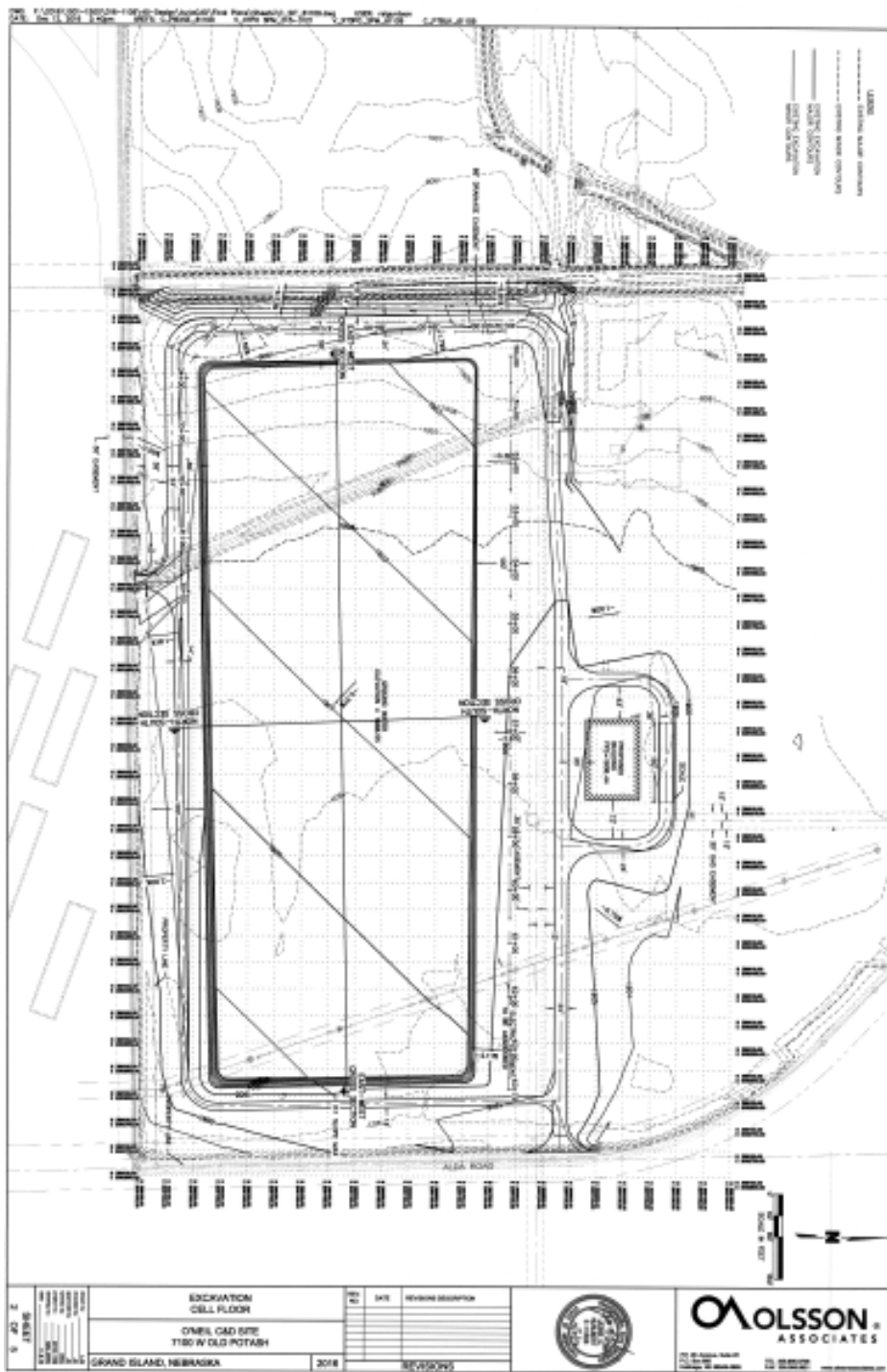
This Redevelopment Plan provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. It is anticipated that property acquisition will be the primary eligible activity for this project.

b. Demolition and Removal of Structures:

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

c. Future Land Use Plan

Within the Hall County Comprehensive Plan as adopted and updated since 2004 this area and all of the CAAP grounds are designated as CAAP Reuse Area. According to the CAAP Reuse Plan this particular area is planned for Agriculture and Special Industrial Uses. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



Site plan for the area of the landfill after completion of the project

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

The area is zoned AG/SI-Special Agriculture/Industrial 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 to construct and operate a recycling center and landfill for construction and demolition debris. The proposed development is within the site coverage and intensity of use limits of the district. A conditional use permit from Hall County will be required and is currently in process. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Municipal sewer and water are not available to this development.

Electric utilities are sufficient for the proposed use of this building.

No other utilities would be impacted by the development.

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 property, owned by the developer, is vacant and has been vacant for more than 1 year; no relocation is contemplated or necessary. [§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] No members of the authority or staff of the CRA have any interest in this property.

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 a purchase agreement for the purchase of this property pending approval of Tax Increment Financing. The total estimated project cost is \$4,750,000 with at least \$1,029,000 being TIF eligible expenses. No other CRA funding has been approved for the project. The property will be acquired for \$312,000. Planning related expenses for Architectural and Engineering and legal services of \$107,000 and are included as a TIF eligible expense. The estimated costs for on-site improvements

including grading, site preparation, utility extensions and private road ways total \$615,000. The total of eligible expenses for this project is \$1,029,000. The projected tax increment available and to be pledged for the project is \$209,000.

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 \$209,000 from the proceeds of the TIF. 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, 2019 through December 2034.

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. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions. This will accomplish the goal of encouraging appropriate industrial development at the CAAP.

8. Time Frame for Development

Development of this project is anticipated to be completed between September 2017 and December of 2018. Excess valuation should be available for this project for 15 years beginning with the 2019 tax year.

9. Justification of Project

The project has received approval from the Hall County Board in the form of a conditional use permit. The Planning Commission recommended in favor of the project in March of 2017 as it is consistent with the zoning in place at the site. This project will provide a local site for recycling and landfilling construction and demolition materials in a manner consistent with state and federal laws. The location of this site should result in more competitive bids for demolition by reducing the cost of transportation of demolition materials. This project will also result 12 to 15 additional full time employees at the site.

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.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$209,000 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$4,789,000 in private sector financing; a private investment of \$22.91 for every TIF and grant dollar investment.

Description	Use of Funds.		
	TIF Funds	Private Funds	Total
Site Acquisition	\$209,000	\$103,000	\$312,000
Legal and Plan*		\$34,000	\$34,000
Engineering/Arch		\$73,000	\$73,000
On-Site Improvements		\$615,000	\$615,000
New Construction		\$1,375,000	\$1,375,000
Equipment		\$2,250,000	\$2,250,000
Financing		\$30,000	\$30,000
Contingency		\$100,000	\$100,000
TOTALS	\$209,000	\$4,580,000	\$4,789,000

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2017, valuation of approximately \$199,650. Based on the 2016 levy this would result in a real property tax of approximately \$2,952. It is anticipated that the assessed value will

increase by \$941,343 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$13,919 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2016 assessed value:	\$ 199,650
Estimated value after completion	\$ 1,140,993
Increment value	\$ 941,343
Annual TIF generated (estimated)	\$ 13,919
TIF bond issue	\$ 209,000

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

The redevelopment project area currently has an estimated valuation of \$199,650. The proposed redevelopment will create additional valuation of \$941,343. No tax shifts are anticipated from the project. This project will not have a direct negative impact on local schools systems. The school system will gain an immediate bump in personal property taxes from the new equipment purchases and a long-term benefit from the additional tax base created on the property. No new roads will be created for this 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 in any significant way. Fire and police protection are available and should not be negatively 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;

This will create some additional employment in the area. Unemployment is low in this area. The impacts on existing employers in the area will be minimal as there are not many new employees.

(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 project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area.

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

This project is consistent the goals of the CAAP Reuse Plan and would be a step forward in creating the industrial district envisioned with that redevelopment. These types of uses that do not mix well with residential uses are ideal for property that is highly restricted for residential development.

Time Frame for Development

Development of this project is anticipated to be completed during between September of 2017 and December 31 of 2018. The base tax year should be calculated on the value of the property as of January 1, 2018. Excess valuation should be available for this project for 15 years beginning in 2019 with taxes due in 2020. 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 \$209,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses presented including acquisition of property the developer will spend at least \$1,029,000 on TIF eligible activities. The CRA will reserve the right to issue additional debt for this project upon notification by the developer of sufficient expenses and valuation to support such debt in the form of a second or third bond issuance.

Resolution Number 2018-02

HALL COUNTY REGIONAL PLANNING COMMISSION

**A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC
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 **the Redevelopment Plan for CRA Area 20 for 58 acres at 7100 W. Old Potash Highway by O’Neill Wood Resources** 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 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**”), specifically as it pertains to formerly used defense sites; 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 finding;

The proposed use as described in this plan is in compliance with the Comprehensive Plan for the City of Grand Island.

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: October 11, 2017

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary