

Community Redevelopment Authority (CRA)

Wednesday, September 20, 2017 Regular Meeting

Item I1

Husker Harvest Days - Redevelopment Plan

Staff Contact: Chad Nabity

Husker Harvest Days Redevelopment Project July 2017

Farm Progress Companies, Inc. ("<u>Farm Progress</u>") and the City of Grand Island, Nebraska (the "<u>City</u>") intend to complete a transaction relating to the *Husker Harvest Days* show (the "Show").

Executive Summary:

Husker Harvest Days, the World's Largest Totally Irrigated Working Farm Show, is celebrating its 40th year in Grand Island, Nebraska. The Show features over 600 exhibitors demonstrating the latest technology, equipment, and supplies for today's agricultural producers. The Show draws visitors from over 30 states and several countries.

The long-time partnership between Farm Progress and the City has been enormously beneficial to Central Nebraska in many ways. Aside from the national and global acclaim of the event, the Show injects millions of dollars into the local economy via support of local retail and personal property tax base. During the span of 12 days, hotels, restaurants, and retail outlets throughout the region are busy. Temporary laborers are hired, and vendors purchase internet, landscaping, rental equipment, fuel and other services.

Farm Progress, in cooperation with the Agricultural Institute of Nebraska, also makes substantial contributions to local philanthropies. This support includes college scholarships for students pursuing agricultural careers, contributions to the Hall County Agricultural Society, the Heartland Events Center, the Nebraska State Fair, livestock auctions at county fairs, and local law enforcement and emergency response groups. Nonprofit groups such as Central Catholic High School and the Wood River Booster Club host concession fundraisers at the Show. In 2015, Heartland United Way's food drive at the Show garnered more than 8,700 pounds of food.

Through this Redevelopment Project, the City and Farm Progress seek to deepen their local partnership by investing in critical capital improvements to the Show. These improvements will help preserve a valuable and constructive agricultural asset and ensure its continued prosperity for many years to come.

Project Description

This Redevelopment Project is intended to advance the long-standing partnership between Farm Progress and the City by installing and updating critical infrastructure on the property where the Show is held, ("Show Land") as more specifically defined below. These updates and improvements will enhance the overall experience for guests of the Show and is part of a strategic plan to evolve the Show to attract national and international guests and vendors.

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The City has approved a study regarding whether the Show Land is located within a blighted or substandard area (the "<u>Blight Study</u>"). This Redevelopment Project contemplates the Show Land is located within a blighted or substandard area, thereby enabling the City to undertake a redevelopment project pursuant to Neb. Rev. Stat. §18-2123.01. In addition, Farm Progress has formed a Sanitary Improvement District for the Show Land, in furtherance of this Redevelopment Project.

Funding sources for the improvements identified in this Redevelopment Project will come from the three following sources.

- 1. The City shall contribute \$2,000,000 for use by Farm Progress toward capital improvements on the Show Land consistent with the Redevelopment Project (the "City Contribution"). These funds will be generated by the City's food and beverage tax and held by the Community Redevelopment Authority of the City of Grand Island ("CRA") pending completion of the capital improvements. The City is providing these funds to the CRA pursuant to Neb. Rev. Stat. §18-2138.
- 2. The City and Farm Progress will secure from the Grand Island Convention Visitor's Bureau ("CVB") and the Chamber of Commerce ("Chamber") \$1,000,000 for use by Farm Progress toward certain capital improvements on the Show Land consistent with the Redevelopment Project (the "CVB/Chamber Contribution"). A portion of this funding has already been secured and utilized for capital improvements on the Show Land. The City will ensure the remaining CVB/Chamber Contribution is secured on or before final City Council approval of the Redevelopment Project.
- 3. In addition, the City, Farm Progress, Chamber will work together to secure from private industry constituents and non-profits \$2,000,000 for use by Farm Progress toward certain capital improvements on the Show Land consistent with the Redevelopment Project ("Private Industry Contribution"). If the entire Private Industry Contribution is not secured at the time of approval of this Redevelopment Project, Farm Progress will be required to proceed with making capital improvements to the Show Land consistent with this Redevelopment Project notwithstanding the absence of such Private Industry Contribution; provided that, as and when any amounts compromising the Private Industry Contribution are secured, such amounts shall be paid directly to Farm Progress.
- 4. Farm Progress shall contribute at least \$2,000,000 for use toward certain capital improvements on the Show Land as determined by Farm Progress in its sole discretion (the "Farm Progress Contribution").

Farm Progress will retain ownership of the Show Land and has created a Sanitary and Improvement District to make the Show Land eligible for the Redevelopment Project. The Redevelopment Project will primarily include projects associated with electrical distribution, drainage and paving. This will consist of establishing an underground primary system, removing power poles, replacing power pedestals, establishing power feeds between transformers and pedestals, establishing surface and subsurface drainage,

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paving, fencing, and any exterior improvements as more specifically detailed in Exhibit A, which are anticipated to cost at least \$7 million in the aggregate to implement. Third-party vendors whose services shall be required to make capital improvements to the Show Land shall be selected and managed by Farm Progress.

Upon approval of this Redevelopment Project and receipt of the CVB/Chamber Contribution, Farm Progress shall begin making capital improvements to the Show Land consistent with this Redevelopment Project. The CRA will use the City Contribution to reimburse Farm Progress for up to \$2,000,000 of such capital improvements and related expenses incurred by Farm Progress (including with respect to architects, engineers, general contractors, consultants and accounting, legal and other professional advisors). Farm Progress will submit documentation evidencing such capital improvements and/or related expenses for which Farm Progress desires reimbursement to the CRA. The CRA shall then reimburse Farm Progress for such capital improvements and/or related expenses as and when incurred by Farm Progress up to the amount of the City Contribution. Farm Progress will have no obligation to make any capital improvements or incur any related expenses beyond the first \$7,000,000 except as otherwise determined by Farm Progress in its sole discretion.

In exchange for the City Contribution, Farm Progress agrees to host the Show for at least twenty years. If Farm Progress fails to host the Show, Farm Progress agrees to pay the City a penalty equal to \$100,000 per year for each year prior to 2037 that Farm Progress does not host the Show for any reason other than due to inclement weather or any force majeure cause.

REDEVELOPMENT PROJECT SHALL BE LIMITED TO THE FOLLOWING GEOGRAPHIC AREA:

Property Description (the "Redevelopment Project Area")

A tract of land comprising the west half of the Southwest Quarter (SW ¹/₄) of Section Twenty Five (25), Township Eleven (11) North, Range Eleven (11) West of the 6th P.M. and all of the Southeast Quarter (SE ¹/₄) of Section Twenty Six (26), Township Eleven (11) North, Range Eleven (11) West of the 6th P.M., all being in Hall County, Nebraska and depicted in the following aerial map:

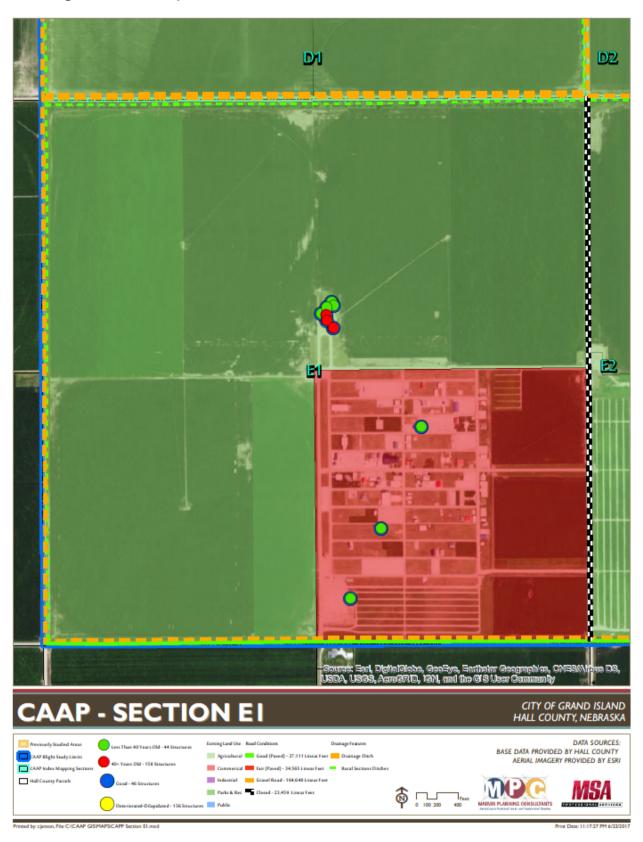
Farm Progress Redevelopment Plan (Husker Harvest Days) Area

Aerial Map



The Aerial Map was taken from the Hall County GIS Mapping Application provided by the Hall County Assessor's online database. All outlining and labeling was added by the analyst for illustration purposes only and is not considered to be at scale. The subject property is outlined in red.

Existing Land Use Map



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THE REDEVELOPMENT PROJECT 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 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 Show Land 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 Show Land and the City are both located in Hall County;

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

Farm Progress has created SID Number 3, which was approved by the District Court on July 19, 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 Show Land.

2. Redevelopment Project Area 25 was declared to be declared blighted and substandard by action of the Grand Island City Council.[§18-2109] with the passage of Resolution #2017-206 on July 25, 2017. Such declaration was made after a public hearing in full compliance with the public notice requirements of §18-2115 of the Act.

The City has approved the Blight Study to include the Show Land, thereby enabling the City to undertake a redevelopment project pursuant to Neb. Rev. Stat. §18-2123.01.

3. 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. Hall County adopted a Comprehensive Plan on April 20, 2004. This Redevelopment Project is consistent with the Comprehensive Plans of both Grand Island and Hall County, in that no changes in the Comprehensive Plan elements are intended and will only impact property located outside of the City's corporate limits. The plan is also consistent with the Cornhusker Army Ammunition Reuse Plan as prepared for the Army Corps of Engineers by RKG Associates, Inc and Black & Veatch in 1997.

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

(a) Land Acquisition:

The Redevelopment Plan does not provide for real property acquisition.

(b) Demolition and Removal of Structures:

The projects to be implemented with this Redevelopment Plan do not provide directly for the demolition of structures. Some internal or other incidental demolition may be necessary for redevelopment but the primary purpose of this plan is to install and update improvements to the Show Land.

(c) Future Land Use Plan:

The Show Land is intended to be used for the Show. The Show Land is located outside of the corporate limits of the City and is intended to have no impact on the 2004 Grand Island Comprehensive Plan. The Hall County Comprehensive Plan has this property designated for special events and agriculture per the CAAP Reuse Plan. The Show is consistent with both plans. [§18-2103(b) and §18-2111].

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

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As the Show Land is located outside of the City's corporate limits, no zoning changes are anticipated with this project. The Show Land is with the Hall County Zoning jurisdiction and zoned AG-SE Special Agriculture/Events zone. 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 Show Land is zoned AG-SE Special Agriculture/Events zone and can accommodate the improvements contemplated as part of this Redevelopment Project. [§18-2103(b) and §18-2111]

(f) Additional Public Facilities or Utilities:

Electrical, sewer, and water are available to support the Show Land. Sewer and water are provided privately. Potable water at the site is provided through dedicated service wells on site which are tested annually before the event and have been, in all prior years, found to be safe. The Redevelopment Project will include projects associated with electrical distribution, drainage and paving. No City utilities will be impacted by the Redevelopment Project. [§18-2103(b) and §18-2111]

5. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. [§18-2103.02].

This Redevelopment Plan will not require the displacement of individuals or families.

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

The Show Land is wholly owned by Farm Progress. No members of the CRA of the City hold an interest in property within the Redevelopment Project Area.

7. 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.

Outside of the City Contribution, CVB/Chamber Contribution, and any Private Industry Contribution, Farm Progress will provide and secure all necessary financing.

(b) Statement of proposed method of financing the Redevelopment Project.

Outside of the City Contribution, CVB/Chamber Contribution, and any Private Industry Contribution, Farm Progress will provide all necessary

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financing for the project. Farm Progress will submit documentation evidencing expenditures for improvements outlined in Exhibit A for which Farm Progress desires reimbursement to the CRA. The CRA shall then reimburse Farm Progress for such expenditures as and when incurred by Farm Progress up to the amount of the City Contribution.

(c) Statement of feasible method of relocating displaced families. No families will be displaced as a result of this Redevelopment Plan.

8. 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 CRA has considered these elements in proposing this Redevelopment Plan. This Redevelopment Plan will have no impact negative on the Comprehensive Plans for either the City of Grand Island or Hall County. The improvements contemplated under this Redevelopment Plan will raise property values and provide a stimulus to keep surrounding properties properly maintained and support additional commercial development. This will have the intended result of preventing recurring elements of blighting conditions.

9. Time Frame for Development

This Redevelopment Plan is to be following the 2017 Show and will continue until all improvements are accomplished, which is currently anticipated to be in 2018, and in any event before the end of 2019. The effectiveness of this Redevelopment Project will be evaluated in November of each year beginning in November of 2017. It is anticipated that this Redevelopment Plan and the money appropriated to support the Redevelopment Plan will result in increased property values and economic stimulus to the City beginning in 2017 and continuing thereafter for decades to come.

10. Justification of Project

Farm Progress Redevelopment Plan (Husker Harvest Days) Area

One of the keys to this Redevelopment Plan is to enhance the Show and the benefits of the retail and personal services associated with the Show. We expect the Redevelopment Project's improvements to support the entire community, but particularly the retail, dining, hospitality, and entertainment industries. This Redevelopment Project does not propose to tear down any buildings with historic value.

11. Cost Benefit Analysis

This Redevelopment Plan does not permit the use of TIF. Any project using TIF will need to be approved with a separate plan amendment that will include a cost benefit analysis.

(a) 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 Redevelopment Project. The electric utility has sufficient capacity to support this Redevelopment Project. It is not anticipated that this Redevelopment Project will impact schools. Fire and police protection are available and should not be impacted by this Redevelopment Project.

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

The Show injects millions of dollars into the local economy via support of local retail and personal property tax base. During the span of 12 days, hotels, restaurants, and retail outlets throughout the region are busy. Temporary laborers are hired, and vendors purchase internet, landscaping, rental equipment, fuel and other services. Farm Progress also supports local philanthropies, and contributes to local law enforcement and emergency response groups.

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

This Redevelopment Project will serve as an economic boost for numerous industries in the Grand Island area. This Redevelopment Project will increase Grand Island's ability to compete for talented individuals.

Time Frame for Development

It is anticipated that all improvements associated with this Redevelopment Project will commence on or shortly after approval of the Redevelopment Project by the City and

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the CRA and be completed by the end of 2018, and in any event before the end of 2019.	
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Husker Harves	t Days	
Item Description	Quantity	Units
PAVING & EXCAVA	TION	_
Excavation	75,000	CY
7" TH. Concrete Pavement	71,180	SY
7" TH. Crushed Concrete	6,750	TONS
WATER SERVIC	E	
1"HDPE Water Pipe	935	LF
2"HDPE Water Pipe	775	LF
4" PVC Water Pipe	3,365	LF
6" PVC Water Pipe	2,765	LF
5 1/4" Pumper Hydrant, M.J.	3	EA
Muller 3/4" Yard Hydrant	18	EA
6" Gate Valve, M.J.	6	EA
STORM SEWER	?	•
12" HDPE Storm Sewer	4,550	LF
15" HDPE Storm Sewer	5,650	LF
18" HDPE Storm Sewer	6,120	LF
18" RCP Storm Sewer	1,000	LF
21" RCP Storm Sewer	215	LF
24" RCP Storm Sewer	560	LF
48" RCP Storm Sewer	380	LF
18" RCP Flared End Section	8	EA
21" RCP Flared End Section	2	EA
24" RCP Flared End Section	4	EA
48" RCP Flared End Section	6	EA
21" X 45 deg. Bend	1	EA
24" X 60 deg. Bend	1	EA
2' X 2' Inlets	77	EA
Trench Backfill	2,500	CY
SECURITY FENCIO	NG	
Fence (6' Chain Link, Posts @ 10' CL)	7,215	LF
2 X 16' Swinging Gates w/ Locking Mech.	1	EA
2 X 17' Swinging Gates w/ Locking Mech.	3	EA

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2 X 18' Swinging Gates w/ Locking Mech.	1	EA
2 X 30' Swinging Gates W/ Wheel & Locking Mech.	1	EA
1 X 10' Swinging Gates w/ Locking Mech.	2	EA
2 X 16' Sliding Gates w/ Locking Mech.	1	EA
2 X 17' Sliding Gates w/ Locking Mech.	1	EA
Stop Bar	9	EA

ELECTRICAL

15KV Medium Voltage Switch	1	EA
15KV Medium Voltage Distribution Cable	7,180	LF
4" Conduit for 15KV Cable	7,180	LF
600V USE Direct Bury Cable	25,944	LF
Transformer Vaults	32	EA
600V Transformers	32	EA
600V Disconnects	30	EA
600V Distribution Panels	17	EA
600V Power Pedestals	116	EA

25 currently purchased, 7 needs to be purchased, 32 installed 25 currently purchased, 7 needs to be purchased, 32 installed

5 extra for future needs

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 244

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 the city limits of the City of Grand Island, 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.
ATTEST:	By Chairperson
Secretary	-

Husker Harvest Days – Farm Progress Companies, Inc.

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 245

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT CONTRACT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received a proposed redevelopment plan under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 25, from Farm Progress Companies, Inc. for Husker Harvest Days, (The "Developer") for redevelopment of an area at a formerly used defense site within Hall County, as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use public funds on a project within Redevelopment Area 25:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

Section 2. The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this 20th day of September, 2017

	COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA
ATTEST:	By Chairperson
Secretary	

Husker Harvest Days – Farm Progress Companies, Inc.