



Hall County Regional Planning Commission

Wednesday, July 11, 2018

Regular Meeting

Item F1

Public Hearing Redevelopment Plan Grand Island Area 21

Staff Contact:

Agenda Item #4

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

June 25, 2018

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area 21 for a Site Specific Redevelopment Plan for property located between U.S. Highway 30 and the Union Pacific Railroad tracks and east of Stuhr Road in Grand Island, in Hall County, Nebraska to support this development. (C-22-2018GI)

PROPOSAL:

The Central Nebraska Truck Wash Inc. is proposing to build a cattle pot and truck wash facility at this location. The property is zoned M-2 Heavy Manufacturing the proposed uses are permitted in this zoning district..

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 area has already been declared blighted and substandard the Grand Island City Council.

This project is **consistent** with the **existing zoning** and the **future land use plan** for this area within the City of Grand Island. This is evident by the fact that the property is zoned M-2 Heavy Manufacturing. The M-2 zone allows uses such as a truck was as permitted principal use and requires a minimum lot size of 6000 square feet.

The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan call for the development of Industrial uses at this location. This proposed facility will be able to connect to city utilities including sewer and water at this location. The location is also in close proximity to the JBS Plant so will minimize the need for livestock trucks to travel through town prior to washing out in an appropriate location.

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 City Council **approve** of the redevelopment plan as submitted. A resolution is attached for your consideration.

_____ Chad Nabity AICP, Planning Director

**Redevelopment Plan Amendment
Grand Island CRA Area 21
June 2018**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 21 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 18.

Executive Summary:

Project Description

THE REDEVELOPMENT OF PROPERTY LOCATED BETWEEN U.S. HIGHWAY 30 AND THE UNION PACIFIC RAILROAD TRACKS EAST OF STUHR ROAD (LOTS 1 AND 2 OF BOSSELMAN BROTHERS SECOND SUBDIVISION). CENTRAL NEBRASKA TRUCK WASH, INC., INTENDS TO CONSTRUCT A NEW CATTLE POT AND TRUCK WASH FACILITY AT THIS LOCATION, INCLUDING DEMOLITION OF AN EXISTING STRUCTURE ON THE SITE IN PREPARATION FOR REDEVELOPMENT AND NECESSARY INFRASTRUCTURE AND GRADING IMPROVEMENTS.

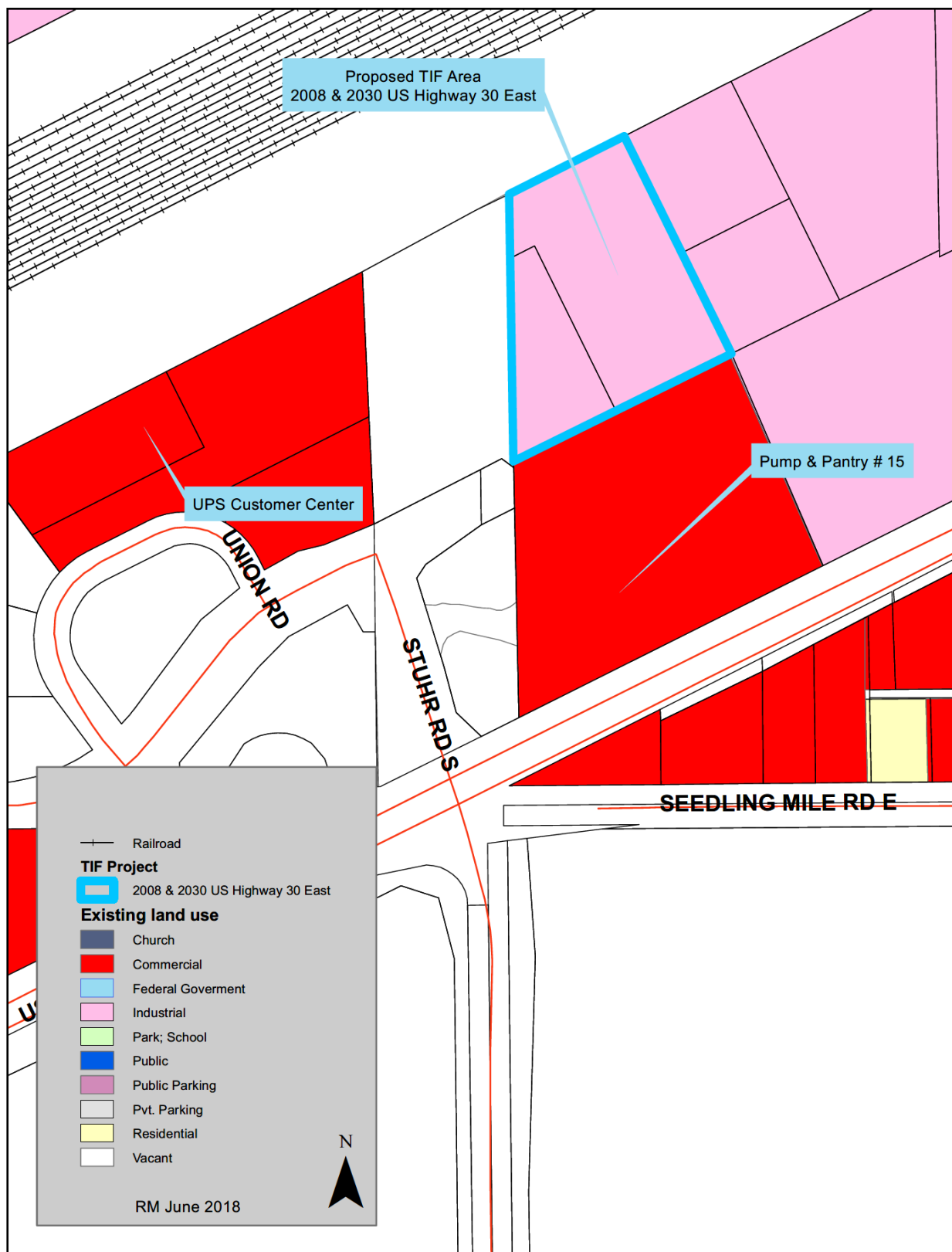
The use of Tax Increment Financing to aid in demolition, site clearance, and necessary infrastructure, grading improvements and private roadways to redevelop 2030 and 2008 E. U.S. Highway 30 (Lots 1 and 2 of Bosselman Brothers Second Subdivision in the City of Grand Island). The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The project will result in the construction of a new cattle pot and truck wash at this location. The developer has indicated that this development would not be considered for at this location without the use of TIF.

Central Nebraska Truck Wash Inc owns the subject property and will operate in conjunction with Midwest Express, Inc., a Grand Island based trucking company providing transportation services to JBS and other Grand Island and regional manufacturers. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the 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, 2019 (should this be 1/1/19?) towards the allowable costs.

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

2030 and 2008 E. U.S. Highway 30

Legal Descriptions: Lots 1 and 2 of Bosselman Brothers Second Subdivision in the City of Grand Island)



Existing Land Use and Subject Property

This plan amendment provides for the issuance TIF Notes, the proceeds of which will be granted to the Redeveloper. The tax increment will be captured for up to 15 tax years the payments for which become delinquent in years 2020 through 2034 inclusive or as otherwise dictated by the contract.

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 new cattle pot and truck wash facility at this location as permitted in the M2 Heavy Manufacturing Zoning District.

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.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (26) (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 rehabilitate the building for permitted uses on this property as defined by the current and effective zoning regulations. **The Hall County Regional Planning Commission held a public hearing at their meeting on _____ and passed Resolution 2018-?? confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.**

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(26) (b)]

a. Land Acquisition:

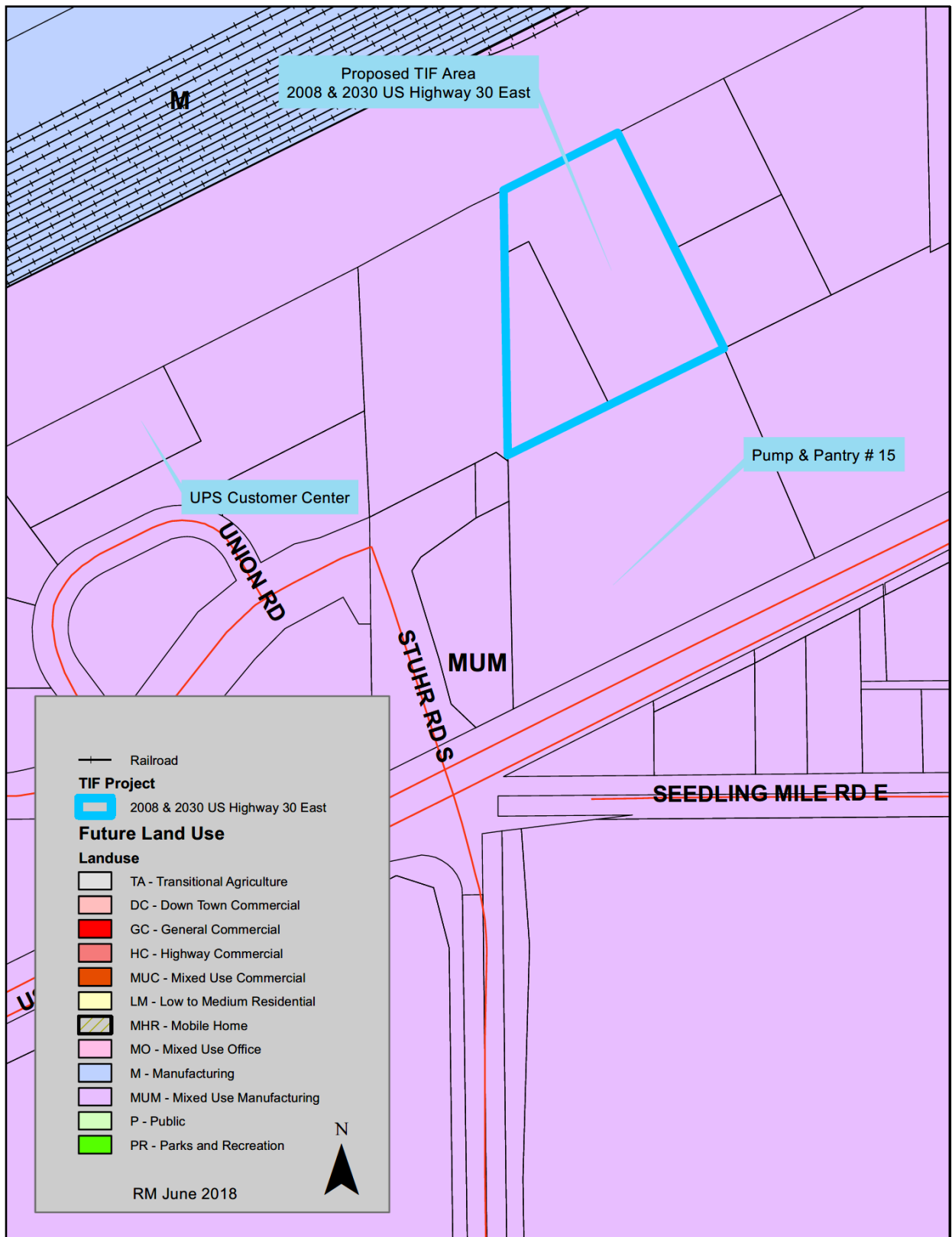
This Redevelopment Plan for Area 18 does not anticipate real property acquisition by the developer. This property was acquired by the developer to support their trucking company in 2015 for \$568,000. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

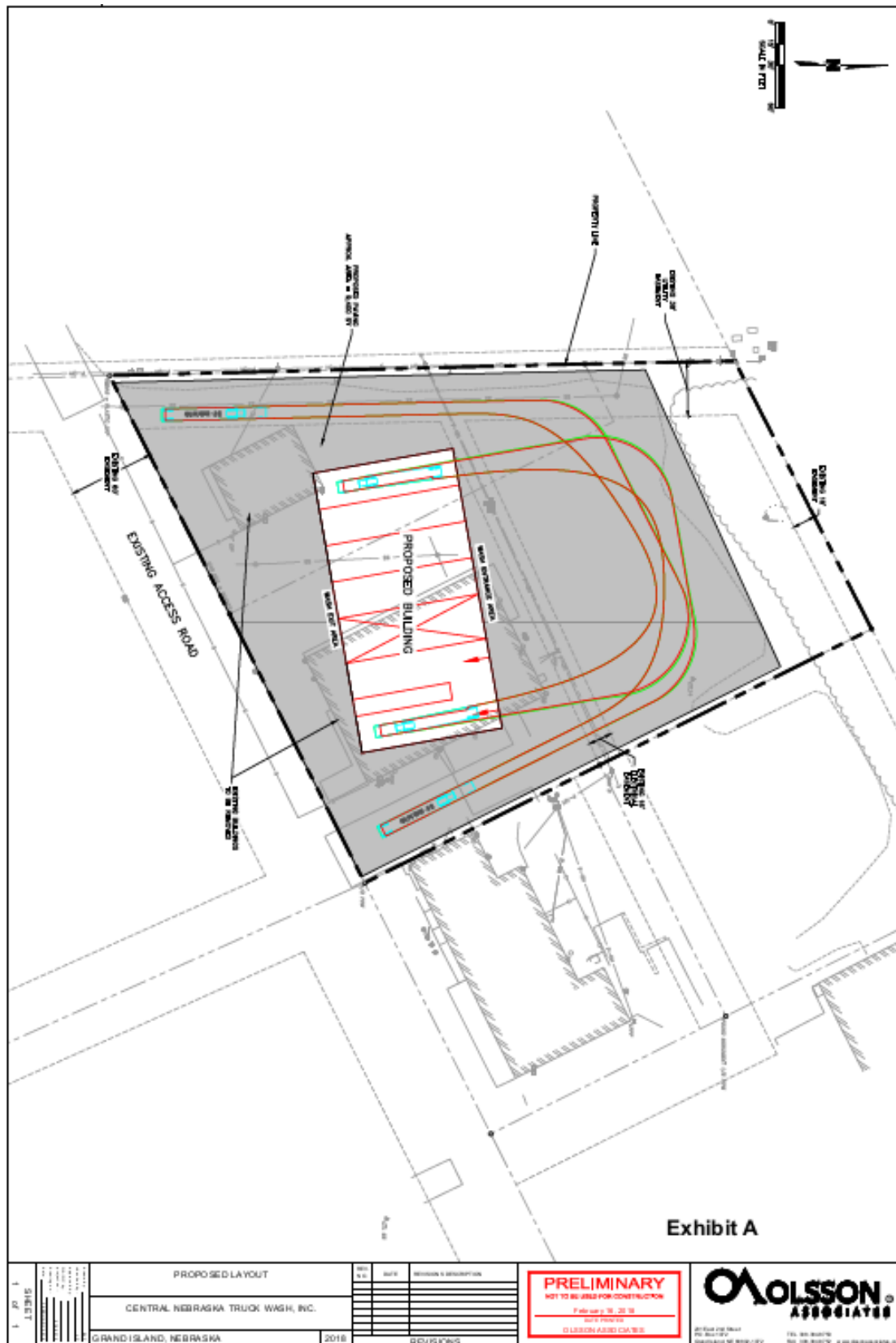
The project to be implemented with this plan provides for the demolition and removal of the existing structures and concrete on the property.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and surrounding properties are planned for mixed use manufacturing. The property south of Old Highway 30 is owned by the Union Pacific Rail Road. [§18-2103(26) (b) and §18-2111] A site plan of the area after redevelopment is also attached as Exhibit A. [§18-2111(5)]



City of Grand Island Future Land Use Map



Proposed Site Plan as developed.

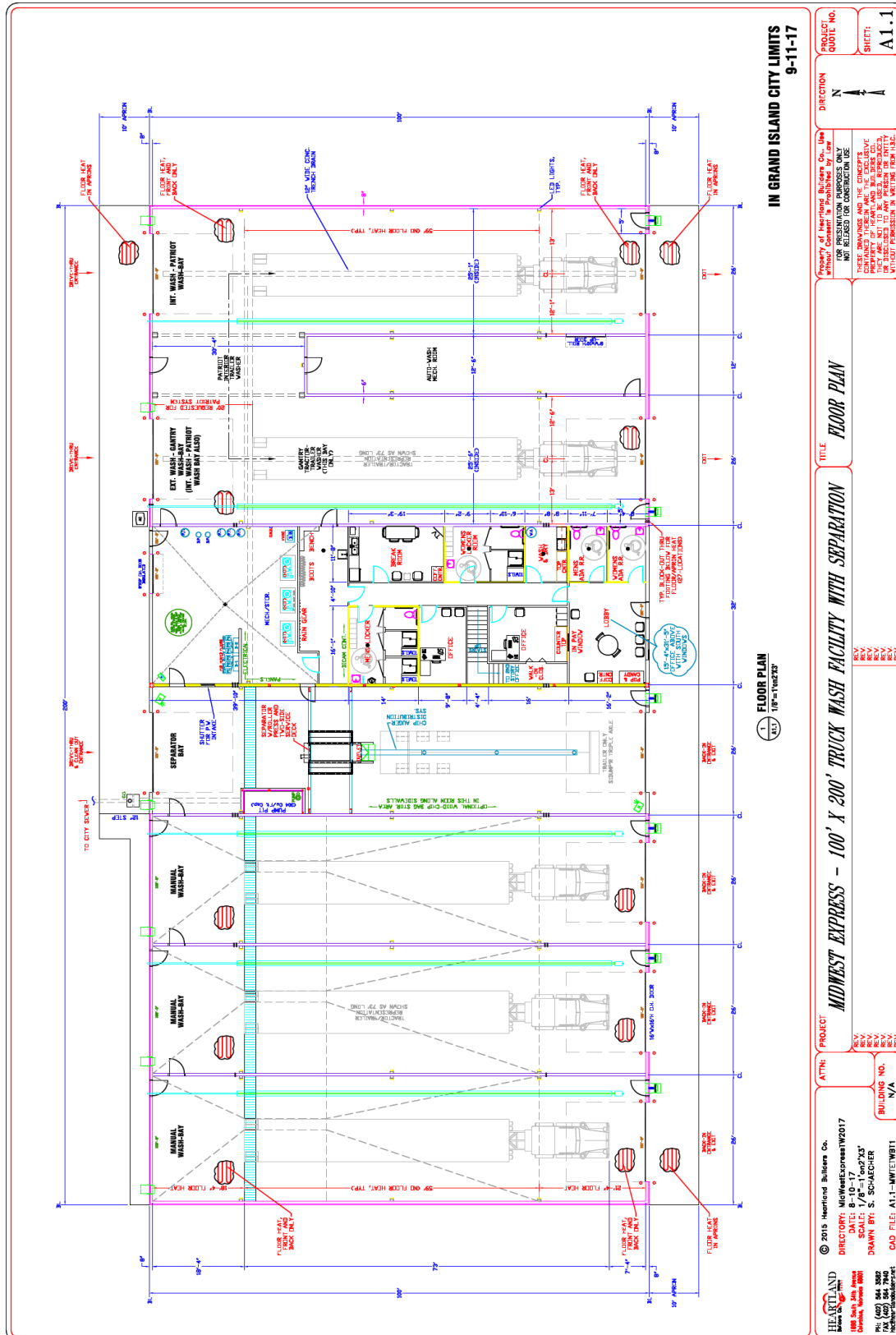


Exhibit A

Floor Plan of Proposed Building

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

The area is zoned M2 Heavy Manufacturing 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(26)(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is proposing to build on the site within the constraints allowed by the current zoning district. The M2 zoning district allows for up to 65% of each lot to be covered with buildings. The proposed cattle pot and truck wash will cover approximately 20,000 square feet or 16.4% of the lot. [§18-2103(26)(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. No new services are anticipated with this development. However, the Redeveloper will install new gas, sewer, water and electrical lines to the new buildings. Those improvements will be on site and not impact the city's main lines. . [§18-2103(26)(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. No individuals or families will be relocated due to this development. [§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 has 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 purchased this property in 2015 for \$568,000. This purchase price is a TIF eligible expense due to changes in the state statutes in during the 2018 legislative session. Demolition of the existing buildings is estimated at \$58,609 and is a TIF eligible expense. Site preparation including grading, dirt work, and paving of private road ways to serve the cattle pot and truck wash is estimated at \$967,769. Architecture, engineering planning, survey, legal expenses and fees for the project are estimated at \$86,512. Utility connections and extensions are estimated to cost \$166,170 and are a TIF eligible expense. The total of eligible expenses for this project is \$ 1,848,060.

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 \$849,240 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, 2020 through December 2034. The developer will use the TIF Note to secure debt financing in the amount of \$596,524 with \$849,240 to be paid to the note holder during the term of the financing.

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 blighted conditions including demolition of obsolete building and reuse/redevelopment of property within the City Limits.

8. Time Frame for Development

Development of this project is anticipated to be completed between August of 2018 and December of 2019. Excess valuation should be available for this project for 15 years beginning with the 2020 tax year.

9. Justification of Project

Demolition, extension of utilities and substantial site grading are necessary to facilitate rebuilding at this site. The redevelopment of this property by Central Nebraska Truck Wash Inc. will result in greater investment by the company in their Grand Island location and will expand their fulltime employee base within the community. The proposed use as a cattle pot (trailer washout) meets a community need to serve the JBS Plant located on the south side of U.S. Highway 30 and the trucking community supported by that facility.

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 \$849,240 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 \$4,243,375 in private sector financing and investment; a private investment of \$5.00 for every TIF dollar invested.

Use of Funds.			
Description	TIF Funds	Private Funds	Total
Acquisition	\$ 568,000		\$568,000
Demolition	\$58,609		\$58,609
Site Preparation and Paving	\$41,287	\$926,482	\$967,769
Utilities			
Sewer, Water, Electric	\$166,170		\$166,170
Telecommunications		\$5,316	\$5,316
Arch/Engineering/Planning/Legals/Fees		\$86,512	\$86,512
Building Costs		\$3,112,565	\$3,112,565
Permits	\$15,174		\$15,174
Construction Interest		\$112,500	
TOTALS	\$849,240	\$4,243,375	\$5,092,615

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2018 valuation of approximately \$491,539. Based on the 2017 levy this would result in a real property tax of approximately \$10,640. It is anticipated that the assessed value will increase by \$2,615,615 upon full completion, as a result of the site redevelopment. This

development will result in an estimated tax increase of over \$56,616 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 2018 assessed value:	\$ 491,539
Estimated value after completion	\$ 3,107,154
Increment value	\$ 2,615,615
Annual TIF generated (estimated)	\$ 56,616
TIF bond issue	\$ 849,240

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

The redevelopment project area currently has an estimated valuation of \$491,539. The proposed redevelopment will create additional valuation of \$2,615,615. 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;

This plan provides extension of utilities from the lot to the mains. 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 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 have minimal impact on employers or employees within the redevelopment project area. It will create the opportunity for additional employees within the Grand Island area.

(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. The Grand Island labor market is tight but this will create additional full time jobs in the regions. This will allow a local company to expand in our community.

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

One of the direct results of this project will be the cattle pot or trailer washout. Because of the JBS facility just south of U.S. Highway 30 there is a real and immediate need for a place that livestock haulers can clean out their trailer before getting back on the road. This particular location is close to the JBS plant but not in a highly visible location. It is ideally suited for a use that is needed to support one of the largest employers in Grand Island and the region.

Time Frame for Development

Development of this project is anticipated to be completed between August of 2018 and December of 2019. 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 \$849,520 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the project the developer will spend more than \$1,848,000 on TIF eligible activities.

Resolution Number 2018-10

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 Site Specific Redevelopment Plan for CRA Area 21 requested by Central Nebraska Truck Wash Inc.** 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**”); and

WHEREAS, the Commission held a public hearing on the proposed plan on July 11, 2018, and

WHEREAS, the chair or president of Hall County Board, Grand Island School Board, Central Platte Natural Resources District, Educational Service Unit #10 and Central Community College were notified by certified mail of said hearing, and

WHEREAS, the Commission advertised the time, date and location public hearing in the Grand Island Independent on Saturday June 23rd and Saturday June 30th, and

WHEREAS, there are no Neighborhood Associations registered with the City of Grand Island, 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: July 11, 2018.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: _____
Chair

By: _____
Secretary