



Hall County Regional Planning Commission

Wednesday, November 6, 2019
Regular Meeting

Item F2

**Public Hearing - Redevelopment Plan Grand Island Area 17
Prararia Ventures Prataria Commons Phase 2**

Staff Contact:

Agenda Item #6

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

October 22, 2019

SUBJECT:

Redevelopment plan amendment for property located in Blight and Substandard Area 17 for a Site Specific Redevelopment Plan for property located south of Husker Highway and west of Prairie View Street, Prairie Commons Phase 2 in Grand Island, in Hall County, Nebraska to support this development. (C-04-2022GI)

PROPOSAL:

Chief Industries/Prataria Ventures is proposing to office buildings on three lots just west of the new hospital. The property is zoned R-O residential office and the proposed use is consistent with the current zoning and future land use of the property.

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 a commercial uses for the traveling public at the intersection of two major roads in the City. This area has already been declared blighted and substandard by the CRA, the Hall County Regional Planning Commission and 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 RO Residential Office. The RO zoning district allows a variety of office uses.

The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan calls commercial development transitioning to residential to the west.

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 commercial 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 amendment as submitted. A resolution is attached for your consideration.

_____ Chad Nabity AICP, Planning Director

**Redevelopment Plan Amendment
Grand Island CRA Area 17
October 2019**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 17 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific project in Area 17.

Executive Summary:

Project Description

PHASE 2 OF THE REDEVELOPMENT OF PROPERTY LOCATED SOUTH OF HUSKER HIGHWAY AND WEST OF U.S. HIGHWAY 281 THE PROJECT SITE CONSISTS OF 3 LOTS WITHING THE PRAIRIE COMMONS 3RD SUBDIVISION IMMEDIATELY WEST OF THE NEW HOSPITAL.. THE PROJECT WILL CONSIST OF SITE WORK AND GRADING TO PROMOTE AND ENHANCE DRAINAGE ACROSS THE SITE, INTALLATION OF PUBLIC AND PRIVATE ROADS, SEWER, WATER AND OTHER UTILITY INFRASTRUCTURE TO SUPPORT DEVELOPMENT OF THE SITE. THIS PHASE OF THIS DEVELOPMENT WILL CONSIST OF THE CONSTRUCTION 3 BUILDINGS FOR MULTIPLE USERS ON 3 LOTS. THE BUILDINGS ARE A COMBINATION OF 1 AND 2 STORY BUIDINGS RANGING IN SIZE FROM 6400 SQUARE FEET TO 20,500 SQUARE FEET FOR OFFICE USES.

The use of Tax Increment Financing to aid in necessary infrastructure and grading improvements to redevelop the southwest corner of Husker Highway and U.S. Highway 281 currently platted as Prairie Commons Third 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 economically feasible. The first phase of this development including the Hospital and Medical Office Building to the east of this site is currently underway. It was anticipated when that project was approved that subsequent phases of the remainder of the site would include housing, office space and retail development. This second phase will extend the office development. The developer has indicated that this development would not be considered nor financially feasible for at this location without the use of TIF.

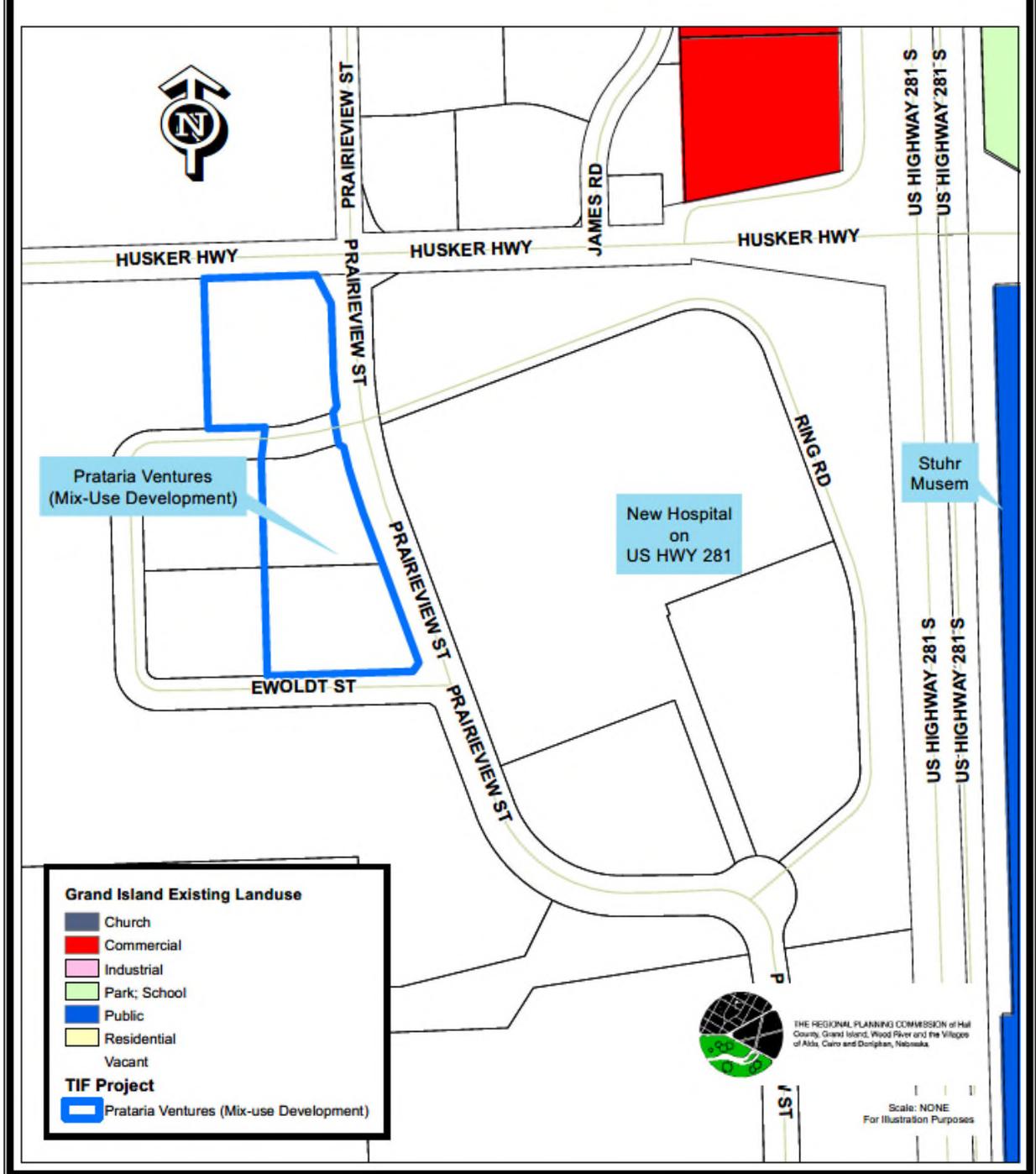
Prataria Ventures L.L.C., a wholly owned subsidiary of Chief Industries, Inc., owns the subject property. Chief Industries was founded in 1954 and is headquartered in Grand Island. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the site work and redevelopment. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2021 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”)

Legal Descriptions: Lot 1 of Block 1, and Lots 2 and 3 of Block 2 of Prairie Commons
Third Subdivision in the City of Grand Island, Hall County, Nebraska.

Proposed Zoning Change Existing Landuse Map

Prairie Commons Third Subdivision, Block 1 Lot 1, Block 2 Lot 2 & Lot 3 in the City of Grand Island, Nebraska



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 2021 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 incremental value for the first phase will be created by the construction commercial/office buildings ranging in size from 6400 square feet to 20,500 square feet. This area is planned for commercial development with the Grand Island Comprehensive Plan and is currently zoned RO Residential Office, a variety of office and medical uses are permitted in this 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 June 9, 2015.[§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 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 November 6, 2019 and passed Resolution 2020-03 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(13) (b)]

a. Land Acquisition:

This Redevelopment Plan for Area 17 does not anticipate real property acquisition by the developer. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

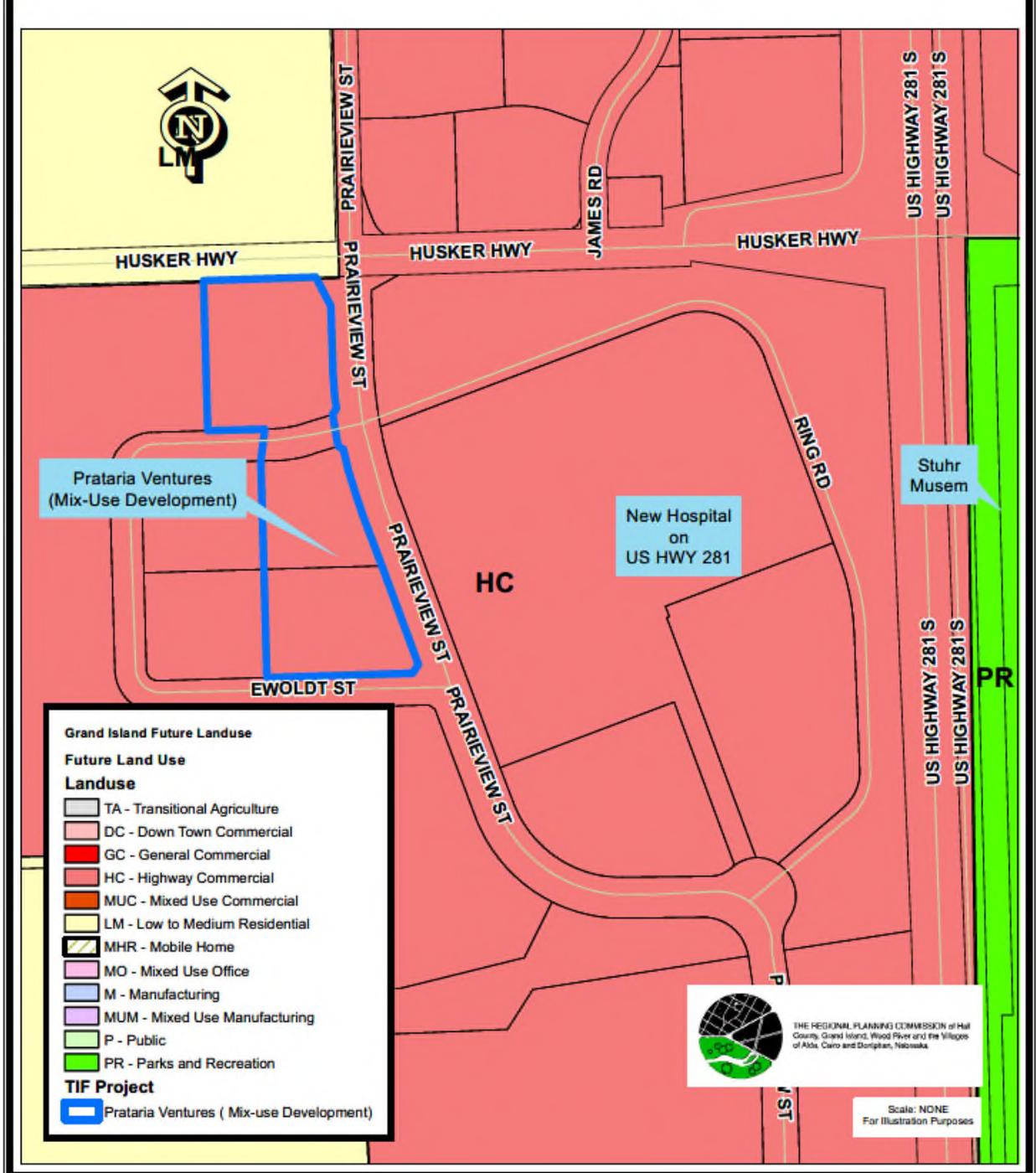
The project does not provide for the demolition or removal of any existing structures.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. This property is in private ownership and is planned for commercial uses [§18-2103(b) and §18-2111]. A site plan of the area after the proposed redevelopment is also attached. [§18-2111(5)]

Propozed Zoning Change Future Landuse Map

Prairie Commons Third Subdivision, Block 1 Lot 1, Block 2 Lot 2 & Lot 3 in the City of Grand Island, Nebraska



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 property is currently platted as Prairie Commons Third Subdivision. The property will be developed in substantial compliance with the existing plat. No changes in zoning are anticipated for the expected uses.

No other planning changes contemplated. [§18-2103(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 districts. The RO zoning district would allow up to 75% coverage. [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Sufficient capacity exists within these systems to support this development at completion. Sewer, water will be extended throughout the site. The developer will be responsible for engineering and installation of all required utilities. Said utilities are expected to become part of the city infrastructure and will be accepted into the city systems after construction and inspection. Electric infrastructure will be extended throughout the site according to typical commercial installation requirements. Natural gas and communications infrastructure will be installed according to the agreements formed with the private companies that provide those services. The City of Grand Island will secure all necessary easements for utility infrastructure with the platting and development processes. [§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. No individuals or businesses 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 ownership interest in this property at this time.

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 is showing a purchase price of this property of 1,147,000. The cost of property acquisition is not included as a TIF eligible expense but is included in the sources and uses of funds and overall investment calculations. Costs for site preparation

including, grading and fill is estimated at \$211,500. Utility extensions, storm water, sewer electrical and water are estimated at \$536,000, Building plans and engineering are expected to cost \$595,000. The cost of public roads is \$310,000 and private streets is \$222,600. An additional \$30,000 of expenses for legal work, fees and financial tracking of this project are also included as eligible expenses for a total maximum TIF request of \$1,905,100. It is estimated based on the proposed increased valuation to \$8,199,624 will result in \$178,697 of increment generated annually. Based on a TIF Bond of \$1,800,000 this project should pay off prior to the end of the 15 year period.

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

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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 \$1,800,000 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, 2021 through December 2034 or such term as identified within the approved contract with no portion to exceed a term of 15 years. The developer will use the TIF Note to secure debt financing in an amount not to exceed \$1,800,000 to be paid to the note holder during the term of the financing.

c. Statement of feasible method of relocating displaced families.

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 and substandard conditions within the area.

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

8. Time Frame for Development

Development of this project is anticipated to be completed between December of 2019 and December of 2020. Excess valuation should be available for this project for 15 years beginning with the 2021 tax year. This is the second phase of development of this property and it is anticipated that additional projects will be brought forward for separate consideration on other lots within this and adjacent subdivisions.

9. Justification of Project

Extension of utilities, substantial site grading and installation of streets are necessary to facilitate redevelopment of this site. The redevelopment of this property by Prataria Ventures, LLC, will result in increased employment opportunities. This is development is a continuation of efforts to extend development south along U.S. Highway 281 toward U.S. Interstate 80. The Grand Island City Council has made in the past made it clear through previous decisions that they support development toward the I-80/281 interchange.

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 project, including:

Project Sources and Uses. A maximum of \$1,800,000 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 \$11,632,000 in private sector financing and investment; a private investment of \$6.46 for every TIF dollar investment. It is estimated this will pay off in less than 15 years.

Use of Funds. Description	Source of Funds		
	TIF Funds	Private Funds	Total
Site Acquisition		\$1,147,000	\$1,147,000
Utilities	\$536,000		\$536,000
Public Streets	\$310,000		\$310,000
Private Streets	\$117,500	\$105,100	\$222,600
Site preparation/Dirt Work	\$211,500		\$211,500
Façade Enhancement		\$352,000	\$352,000
Financing Fees		\$645,000	\$645,000
Legal and Plan	\$30,000	\$119,000	\$149,000
Architecture/Engineering	\$595,000		\$595,000
Building Costs		\$8,612,000	\$8,612,000
Parking Lot		\$281,900	\$281,900
Contingency		\$270,000	\$270,000
Other		\$100,000	\$100,000
TOTALS	\$1,800,000	\$11,632,000	\$13,432,000

Tax Revenue. The property to be redeveloped is has a January 1, 2019, valuation of approximately \$34,624. Based on the 2019 levy this would result in a real property tax of approximately \$773. It is anticipated that the assessed value will increase by \$8,165,000 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$182,387 annually resulting in approximately \$2,736,000 of increment over the 15 year period. 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 2019 assessed value:	\$ 34,624
Estimated value after completion	\$ 8,199,624
Increment value	\$ 8,165,000
Annual TIF generated (estimated)	\$ 178,697
TIF bond issue	\$ 1,800,000

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

The redevelopment project area currently has an estimated valuation of \$34,624. The proposed extension improvements at this location will result in at least an additional \$8,165,000 of taxable valuation based on the Hall County Assessor's office evaluation of the project. 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. The project will not add any tax burdens to taxing entities. Therefore no tax shifts will occur.

(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 uses at this site would provide for expansion of office jobs within the and compete with similar located in and locating in the City.

(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 is unlikely to have an impact on other employers and employees within the city.

(e) Impacts on the student population of school districts within the city or village; and

This project is unlikely to create any direct increase in cost for schools in the area.

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

This project will continue growth along the 281 corridor in the direction of I-80.

Time Frame for Development

Development of this project is anticipated to be completed between Winter of 2019 and Winter of 2020. The base tax year should be calculated on the value of the property as of January 1, 2020. Excess valuation should be available for this project for 15 years beginning in 2022 with taxes due in 2021. 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 \$1,800,000 the projected amount of increment based upon the anticipated value of the project and current tax rate.

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

RESOLUTION NO. 321

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

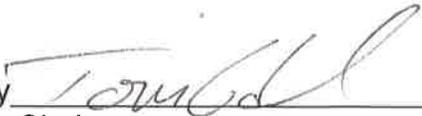
WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

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 9th day of October, 2019

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

By 
Chairperson

ATTEST:


Secretary

Prairie Commons Phase 2 Prataria Ventures

Resolution Number 2020-03

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 Phase 2 of Prairie Commons for Prataria Ventures 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 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: November 6, 2019.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: _____
Chair

By: _____
Secretary