

# City of Grand Island

Tuesday, March 24, 2020 Council Session

## Item E-3

Public Hearing on Redevelopment Plan for CRA Area #16 located at 2300 W. Capital Avenue (Nebraska Veterans Home Property)

Council action will take place under Resolutions item I-1.

**Staff Contact: Chad Nabity** 

## Council Agenda Memo

From: Chad Nabity, AICP CRA Director

Meeting: March 24, 2020

**Subject:** Site Specific Redevelopment Plan for CRA Area #16

**Presenter(s):** Chad Nabity, AICP CRA Director

### **Background**

This Redevelopment Project is intended provide for the redevelopment of the buildings and property of the Veterans Home Campus in Grand Island, Nebraska. To honor the history and sacrifices of our veterans by preserving historic elements of property. To enhance the partnership between the State and the City regarding this site by facilitating the transfer of this property from the State to the White Lotus Group. To facilitate the transfer it is proposed that the State will give the property to the CRA and the CRA will in turn transfer the property to the White Lotus Group. The State is not permitted to transfer the property directly to White Lotus Group as they are a private company. The State can, however, transfer the property to the CRA and the CRA is authorized under state law to transfer property to a redeveloper. This redevelopment plan does not authorize the use of Tax Increment Financing.

The State requested development proposals during the summer of 2019. Several proposals were received and reviewed by representatives from the State and selected members of the Grand Island community. White Lotus Group was selected as the most responsible entity for redevelopment. In accordance with the redevelopment law statutes, the CRA advertised for development proposals for this area prior to their December meeting and received a single proposal from White Lotus Group, the same developer recommended by the State and community representatives.

They reviewed this proposed development plan allowing acquisition and transfer of the property on March 2, 2020 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on March 11, 2020. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on March 11, 2020. The Planning Commission approved Resolution 2020-05 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of

Grand Island. The CRA approved Resolution 333 forwarding the redevelopment plan along with the recommendation of the planning commission to the City Council for consideration.

### **Discussion**

Tonight, Council will hold a public hearing to take testimony on the proposed plan and to enter into the record a copy of the plan that would authorize the CRA to enter into a contract with the State and White Lotus Group to facilitate the transfer of the Veterans Home campus.

Council is being asked to approve a resolution approving the redevelopment plan for CRA Area #16 and authorizes the CRA to execute a contract for acquisition and transfer of the Veterans Home property. This plan does not authorize the use of TIF or any other financing by any entity.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

- 1. Move to approve the resolution
- 2. Refer the issue to a Committee
- 3. Postpone the issue to future date
- 4. Take no action on the issue

### Recommendation

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

## **Sample Motion**

Move to approve the resolution as submitted.

#### **Grand Island Veteran's Home Redevelopment Project**

#### January 2020

State of Nebraska (State), HELP Foundation of Omaha Inc. (White Lotus), a non-profit corporation affiliated with White Lotus Group of Omaha, Nebraska, the Grand Island Community Redevelopment Authority (CRA) and the City of Grand Island, Nebraska (City) intend to complete a transaction providing for the redevelopment of the Grand Island Nebraska Veterans Home property in Grand Island. Nebraska.

#### **Executive Summary:**

The State of Nebraska owned and operated a state Veteran's Home (Soldiers and Sailors Home) in north central Grand Island between 1888 and 2019. In January of 2019 the resident veterans were relocated to a new facility in Kearney, Nebraska. Following the move to the new facility (during the summer of 2019) the Nebraska Department of Administrative Services (DAS) sought redevelopment proposals for the 48 acre site of containing the buildings and facilities. A committee consisting of DAS employees, Grand Island residents, and community leaders reviewed proposals as submitted and selected White Lotus Group of Omaha partnering with Chief Industries and O'Connor Enterprises as the most responsible applicant and the best team for redevelopment of the site.

In June of 2019 the Grand Island City Council declared the Veteran's Home property included in CRA Area #16 to be Substandard and Blighted in accordance with the Nebraska Community Development Law (Act).

In November of 2019 the CRA solicited the general public for redevelopment proposals for a portion of CRA Area #16 including the Veterans Home Campus. One proposal was received, from the White Lotus Group and their partners; in December of 2019 the CRA passed Resolution 328 notifying the Grand Island City Council of the intent of the CRA to enter into a redevelopment contract with the White Lotus Group upon approval of a redevelopment plan and other agreements as needed.

In December of 2019 the DAS Vacant Building and Excess Land (VBEL) Committee met and declared the remaining 58 acres of the Veteran's Home campus to be vacant and excess making it available for acquisition and redevelopment.

It is the intent of the City, the State and White Lotus to facilitate the transfer of the Veteran's Home Property to the White Lotus Group using CRA and powers granted to the CRA and the City under the Act and this redevelopment plan is being proposed for that express purpose.

#### **Project Description**

This Redevelopment Project is intended provide for the redevelopment of the buildings and property of the Veterans Home Campus in Grand Island, Nebraska. To honor the history and sacrifices of our veterans by preserving historic elements of property. To

Veterans Home Campus Property Transfer Redevelopment Plan

enhance the partnership between the State and the City regarding this site by facilitating the transfer of this property from the State to the White Lotus Group.

The City has approved a blight study and determined that the Veterans Home Campus is located within a blighted or substandard area (Area 16). This Redevelopment Plan recognizes that the Veterans Home Campus is located within a blighted or substandard area, thereby enabling the City to undertake a redevelopment project pursuant to the Act.

The Property transfer is anticipated to occur after April 1, 2020 upon agreement of all parties and following approval of this plan by the City Council and more than 30 days after the execution of a redevelopment contract between White Lotus and the CRA. At that time, the following actions are contemplated:

- 1. The State shall transfer the property in fee simple by warranty or special deed to the CRA. The State is transferring the property the CRA pursuant to Neb. Rev. Stat. §18-2138.
- 2. The CRA shall transfer the property in fee simple by warranty or special deed to White Lotus. Such transfer shall be subject to significant covenants requiring White Lotus to redevelop the property. Section 18-2118 of the Act provides that the CRA may transfer real estate at "fair value for uses in accordance with a redevelopment plan. In determining fair value, the CRA is required to:

Take into account and give consideration to the uses and purposes required by such plan; the restrictions upon, and the covenants, conditions, and obligations assumed by the redeveloper of such property; the objectives of the redevelopment plan for the prevention of the recurrence of substandard and blighted areas; and such other matters as the authority shall specify as being appropriate. Neb. Rev. Stat. 18-2118

The CRA has reviewed the appraisal provided by the DAS for the property and reviewed the significant costs required to rehabilitate the property pursuant to this Redevelopment Plan. The covenants in the redevelopment contract will require an investment by White Lotus in excess of the value of the property. Therefore, the CRA intends to transfer the property to White Lotus, immediately upon receiving title pursuant to Section 18-2107(4) of the Act empowering the CRA to make "grants......to...private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan". The CRA will impose covenants on the property but shall not receive financial consideration for the transfer of title to White Lotus.

3. White Lotus shall accept the property in an "as is, where is" condition indemnifying the CRA from any liability the CRA may have incurred during its period of ownership.

Veterans Home Campus Property Transfer Redevelopment Plan

In exchange for the property White Lotus will proceed with the redevelopment of the property as proposed subject to the covenants established in the redevelopment contract. Changes to the redevelopment plan may be approved by the CRA and City Council.

# REDEVELOPMENT PROJECT SHALL BE LIMITED TO THE FOLLOWING GEOGRAPHIC AREA:

#### **Property Description (the "Redevelopment Project Area")**

**Legal Description:** MISCELLANEOUS TRACTS 5-11-9 TO THE CITY OF GRAND ISLAND 58.78AC~

PIN:

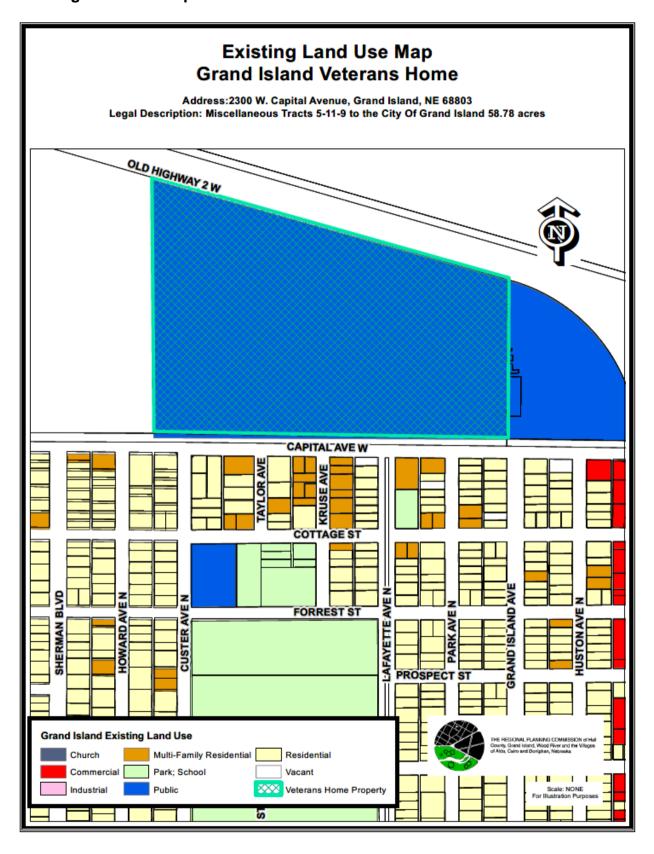
Commonly Known as: Grand Island Veterans Home Campus

Address: 2300 and 2206 Capital Ave, Grand Island NE



Veterans Home Campus Property Transfer Redevelopment Plan

### **Existing Land Use Map**



Veterans Home Campus Property Transfer Redevelopment Plan

#### 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. Redevelopment Project Area 16 was declared to be declared blighted and substandard by action of the Grand Island City Council.[§18-2109] with the passage of Resolution #2019-201 on June 25, 2019. Such declaration was made after a public hearing in 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 Project is consistent with the Comprehensive Plan of Grand Island and no changes in the Comprehensive Plan elements are intended. Documentation of compliance with the Comprehensive plan was provided by the Hall County Regional Planning Commission at a public hearing at their meeting on March 11, 2020 wherein the Commission passed Resolution 2020-05 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island.

# <u>The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]</u>

### (a) Land Acquisition:

The Redevelopment Plan specifically grants authority for the CRA to acquire this property with the intent of transferring the property to White Lotus immediately upon acquisition and paying such costs as may be required to accomplish the maintenance and transfer of the property.

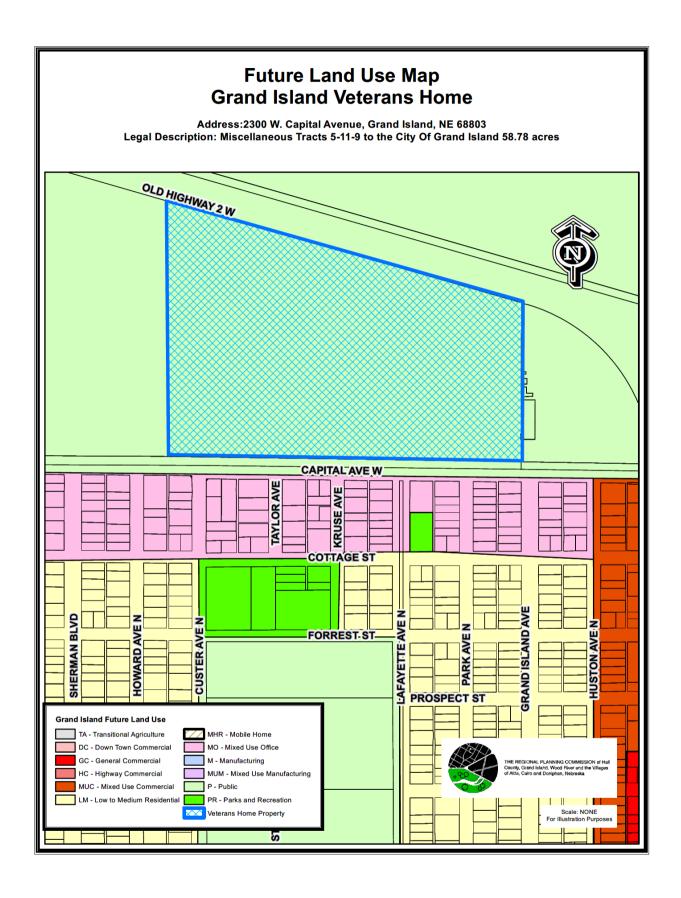
#### (b) Demolition and Removal of Structures:

The project to be implemented pursuant to this Redevelopment Plan will required demolitions. However complete building demolition is not comtemplated. The primary purpose and intent of this project is to provide for adaptive reuse of the existing structures.

#### (c) Future Land Use Plan:

The Veterans Home Campus was designated a public use while the property on the south side of Capital is shown as mixed use office it is appropriate to consider the changes in ownership of the property and extend the mixed use office designation to include the Campus. [§18-2103(b) and §18-2111].

Veterans Home Campus Property Transfer Redevelopment Plan



Veterans Home Campus Property Transfer Redevelopment Plan

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

The Veterans Home Campus is zoned RO Residential Office all of the proposed uses included in the redevelopment proposal are permitted in the RO zoning district. 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 Veterans Home Campus is zoned RO Residential Office and can accommodate the improvements contemplated as part of this Redevelopment Project. [§18-2103(b) and §18-2111] No additional land coverage is contemplated with structures. However additional structures are not prohibited.

(f) Additional Public Facilities or Utilities:

Sewer and water are available to support this development.

No other utilities would be impacted by the development. [§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]

No members of the CRA or City employees hold an interest in property within the Redevelopment Project Area.

#### <u>7. Section 18-2114 of the Act requires that the Authority consider:</u>

(a) Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

It is anticipated that the State of Nebraska will grant the property to the Grand Island Community Redevelopment Authority as an independent political entity in the State of Nebraska. The CRA will then grant the property to White Lotus subject to covenants established in a redevelopment contract. This plan provides for both the acquisition and disposition of the Veterans Home Campus property.

Veterans Home Campus Property Transfer Redevelopment Plan

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

White Lotus Group and their partners will be responsible for providing financing for the project. The City of Grand Island may participate if approvals are granted in authorizing Tax Increment Financing (TIF), Property Assessed Clean Energy program (PACE) Financing and other programs only on prior approval following statutory compliance and redevelopment plan amendment.

(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 negative impact on the Comprehensive Plan for the City of Grand Island. The improvements contemplated under this Redevelopment Plan will raise property values and provide a stimulus to keep surrounding properties properly maintained and support additional development. The intent of the property Redevelopment Plan is to prevent recurring elements of blighting conditions.

#### .Justification of Project

The Grand Island Veteran's Home has been a major source of community pride since its inception. The loss of the Veteran's Home has left a number of unanswered questions about this property and how it will be used. This process including the request for development proposals by the State of Nebraska and by the Grand Island CRA is an attempt to provide direction to the redevelopment, provide benefits to the community, along with preserving the historic nature of the facility.

Veterans Home Campus Property Transfer Redevelopment Plan

#### 9. 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.

#### 10. Time Frame for Development

It is anticipated that the acquisition of this property from the State of Nebraska would occur on or after April 1, 2020. It is further anticipated that the CRA will transfer the property to White Lotus the same day that it is acquired from the State of Nebraska

Veterans Home Campus Property Transfer Redevelopment Plan

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

#### **RESOLUTION NO. 328**

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 proposal for redevelopment under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area, from White Lotus Group, Chief Industries and O'Connor Enterprises (The "Developer") for redevelopment of former Nebraska Veterans Home Campus located west of Broadwell Avenue and north of Capital Avenue in an area within the city limits of the City of Grand Island, 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 Tax Increment Financing on a project within Redevelopment Area 16;

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, 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 18th day of December, 2019.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND

ISLAND, NEBRASKA.

Chairperson

Secretary

White Lotus Group Nebraska Veterans Home

#### **EXHIBIT A**

### Legal Description and Common Addresses

**Legal Description:** MISCELLANEOUS TRACTS 5-11-9 TO THE CITY OF GRAND ISLAND  $58.78 AC \sim$ 

PIN:

Commonly Known as: Grand Island Veteran's Campus

Address: 2206 Capital Ave, Grand Island NE



White Lotus Group Nebraska Veterans Home

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

#### **RESOLUTION NO. 332**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED REDEVELOPMENT PLAN 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 2<sup>nd</sup> day of March, 2020

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

Chairperson

Secretary

Veterans Home Acquistion

#### **Resolution Number 2020-05**

#### 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 #16 Veterans Home. 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:** March 11, 2020

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: Leslie & Ruge Secretary

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

#### **RESOLUTION NO. 333**

A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; RECOMMENDING APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Mayor and Council of the City of Grand Island, Nebraska (the "City"), upon the recommendation of the Planning Commission of the City of Grand Island, Nebraska (the "Planning Commission"), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"), duly declared the redevelopment area legally described on Exhibit A attached hereto (the "Redevelopment Area") to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan (the "Redevelopment Plan"), has been prepared by Community Redevelopment Authority of Grand Island, Nebraska, (the "Authority") for the purpose of redeveloping Redevelopment Area legally described on Exhibit A, referred to herein as the Project Area (the "Project Area"); and

WHEREAS, pursuant to the Redevelopment Plan, the Authority would agree to acquire property and transfer said property for the purposes specified in the Redevelopment Plan (the "Project"), in accordance with and as permitted by the Act; and

**WHEREAS**, the Authority has made certain findings and pursuant thereto has determined that it is in the best interests of the Authority and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated thereby.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:

Section 1. The Authority has determined that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, 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 in 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 provisions 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 communitive 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.

**Section 2.** The Authority has conducted a prepared a redevelopment plan for the Project and determined that without a grant of the property from the State the project is not feasible

**Section 3.** In compliance with section 18-2114 of the Act, the Authority finds and determines as follows: (a) the Redevelopment Area constituting the Redevelopment Project will be acquired by the

Authority and transferred from the Authority to the selected Redeveloper as agreed on by the Authority and the State and the Authority shall receive no proceeds from disposal to the Redeveloper; and (b) the method of acquisition of the real estate shall be by private contract by the and not by condemnation. No families will be displaced from the Redevelopment Project Area as a result of the project.

**Section 4.** The Authority hereby recommends to the City approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

**Section 5.** All prior resolutions of the Authority in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 6. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED this 18th day of April, 2020.

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND NEBRASKA

ATTEST:

Sacratar

#### **EXHIBIT A**

#### LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

**Legal Description:** MISCELLANEOUS TRACTS 5-11-9 TO THE CITY OF GRAND ISLAND 58.78AC~

PIN: 400145359

Commonly Known as: Grand Island Veterans Home Campus

Address: 2300 and 2206 Capital Ave, Grand Island NE

## EXHIBIT B

#### FORM OF REDEVELOPMENT PLAN