



# **Hall County Regional Planning Commission**

**Wednesday, September 1, 2021  
Regular Meeting**

## **Item F2**

**Public Works - Redevelopment Plan Amendment - Grand Island -  
Public Hearing concerning an amendment to the redevelopment  
plan for CRA Area No. 5**

**Staff Contact:**

## Agenda Item #5

### PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

August 19, 2021

#### SUBJECT:

*Redevelopment plan amendment for property located in Blight and Substandard Area 5 for a Site Specific Redevelopment Plan for property located south of Capital Avenue and west of Skypark Road, Lots 1-6 of Sunnyside Third Subdivision in Grand Island, in Hall County, Nebraska to support this development. (C-24-2021GI)*

#### PROPOSAL:

Procon Properties LLC, has purchased the vacant lots at the corner of Capital Avenue and Skypark Road and is proposing to redevelop this industrial/commercial property with flex industrial buildings. The property is zoned M-2 Heavy Manufacturing the proposed use is consistent with the current zoning of the property and with the actions of Council when they denied a request to rezone this property for residential uses because of the proximity to the airport.

#### 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. It is anticipated that this property would continue to be used for commercial uses. 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** 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 a variety of industrial, commercial and warehouse/storage 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 here.

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 industrial/commercial development at this location appears to be supported by the plan and past actions of the Grand Island City Council.

**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 5  
July 2021**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 5 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 5.**

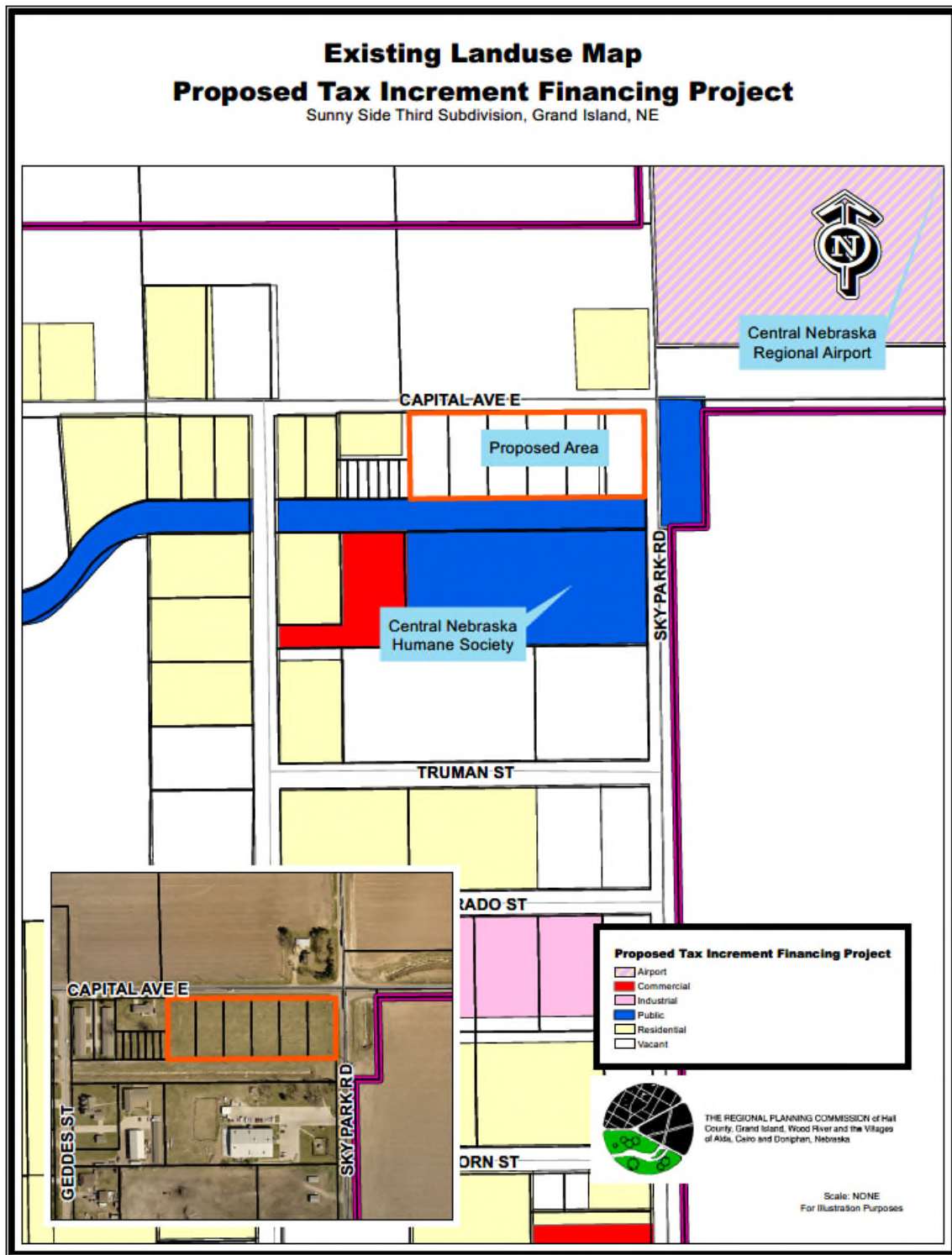
**Executive Summary:**

**Project Description**

THE REDEVELOPMENT PROPERTY LOCATED SOUTH OF CAPITAL AVENUE AND WEST OF SKYPARK ROAD FOR COMMERCIAL/INDUSTRIAL, INCLUDING ACQUISITION OF PROPERTY, SITE WORK, SANITARY SEWER, STORM SEWER AND STREETS AND DEMOLITION OF AN EXISTING STRUCTURE AND CONSTRUCTION 4 NEW MULTIUSE INDUSTRIAL STORAGE BUILDINGS (54,000 SQ FT) SUITABLE FOR SMALL COMMERCIAL OPERATIONS/WATERHOUSING AND COMMERCIAL/PERSONAL STORAGE.

**The use of Tax Increment Financing to aid in expenses associated with redevelopment of the property located at south of Capital Avenue and west of Skypark Road from its current state as vacant undeveloped underserved property to commercial/industrial property with multiple flex buildings capable of supporting commercial and industrial uses ranging from small commercial trade offices and workspace to commercial warehousing. 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 developing a vacant piece of property that has been subdivided and within the Grand Island city limits for more than 100 years. This property is not currently served by sanitary sewer. Sanitary sewer will be extended to serve the property. The property is zoned for heavy manufacturing. The proposed uses are consistent with the zoning, comprehensive plan and proximity to the airport. This project as proposed would not be possible without the use of TIF.**

Procon Properties LLC has acquired the property and adjusted the property lines to accommodate the proposed development. The property has remained vacant and undeveloped since it was platted as Sunny Side Subdivision 1887. The developer is responsible for and has provided evidence that they can secure adequate debt-financing to cover the costs associated with this project. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated for up to 15 years for a period beginning January 1, 2023 towards the allowable costs and associated financing project.



**Existing Land Use and Subject Property**

TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:

Property Description (the “Redevelopment Project Area”)  
Hall County Assessor Parcels 4000095793, 400095769, 400095726, 40095661, 40095645 and 400095145.

**Legal Descriptions:** All of Lots 1-6 of Sunny Side Third Subdivision in the City of Grand Island, Hall County, Nebraska.

**The tax increment will be captured for the tax years for which the payments become delinquent in years 2023 through 2043 inclusive with no property extending beyond the 15 maximum.**

**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 development and construction of the industrial flex buildings over an anticipated period of five years.**

**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 up to 15 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 January 11, 2005.[§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 substantially consistent with the Comprehensive Plan. Sunny Side Third Subdivision is zoned for Heavy Manufacturing and the Grand Island City Council has on a previous occasion denied a request to rezone this property for residential use due to its proximity to the Central Nebraska Regional Airport. **The Hall County Regional Planning Commission held a public hearing at their meeting on September 1, 2021 and passed Resolution 2021-07 confirming that this project will be consistent with the Comprehensive Plan for the City of Grand Island as amended.**

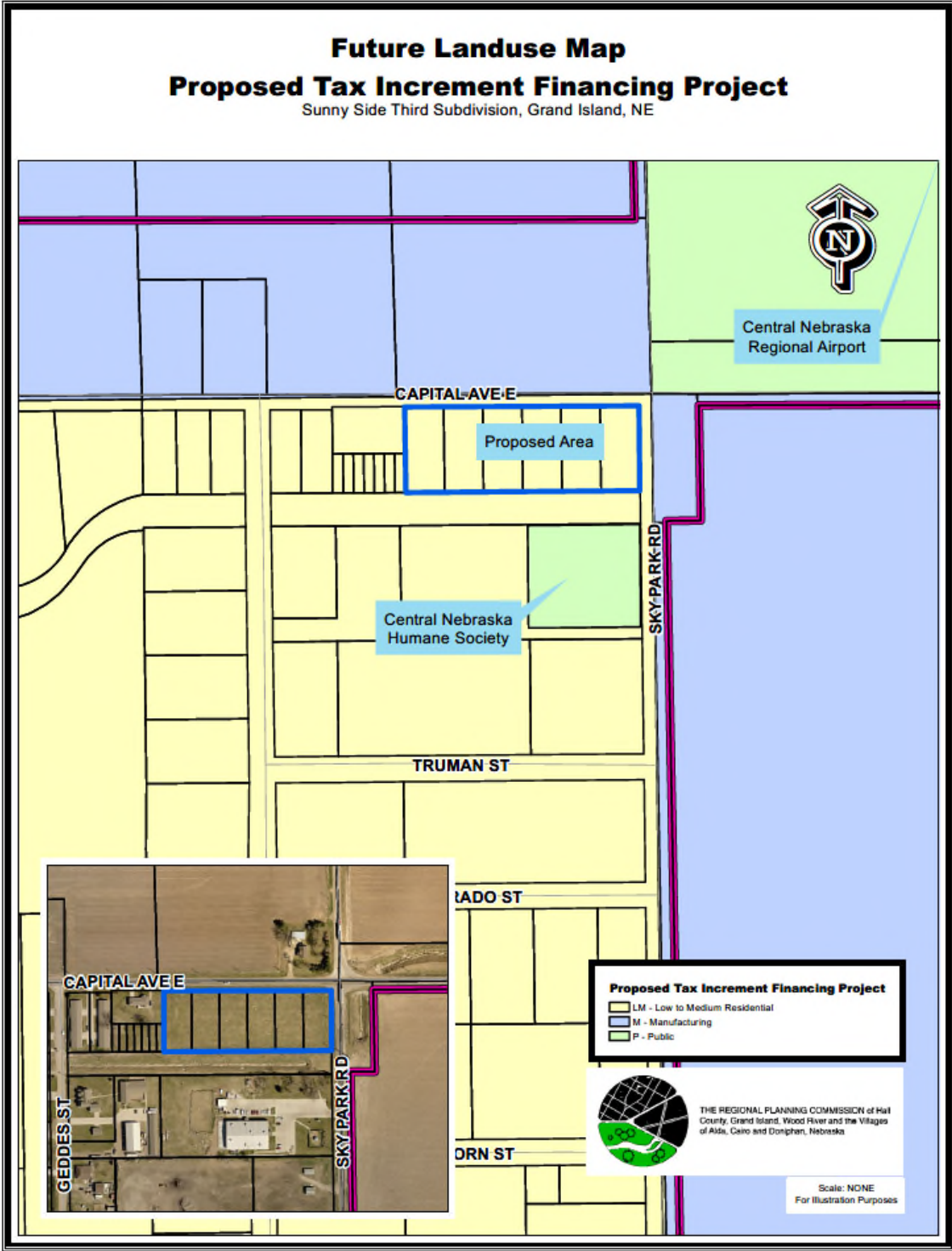
**3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]**

#### ***a. Land Acquisition:***

The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. The developer has acquired the property. There is no proposed acquisition by the authority.

#### ***b. Demolition and Removal of Structures:***

This property is vacant and no structures will be demolished or removed.



City of Grand Island Future Land Use Map



*c. Future Land Use Plan*

See the attached map from the 2004 Grand Island Comprehensive Plan. The Central Nebraska Regional Airport is located to the north and east of this property. All of the properties to the north, east and south are planned for manufacturing development and Council has previously denied a request to change this property to a residential zoning district at the request of Airport management. This property is in private ownership. [§18-2103(b) and §18-2111]

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

The area is zoned M-2 Heavy Manufacturing 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 property is zoned M2 Heavy Manufacturing. Up to 65% of the property can be covered with structures. The proposed plans are consistent with the expected site coverage and intensity of use. [§18-2103(b) and §18-2111]

*f. Additional Public Facilities or Utilities*

Sewer and water are available to support this development. Sewer will be extended through this property with this development. Water is available to the subdivision, and will be extended to all of the lots.

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

No other utilities would be impacted by the development.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. The existing house on this property was vacant prior to consideration of this plan. No relocation is contemplated or necessary. [§18-2103.02]**

**5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]** No members of the authority or staff of the CRA have any interest in this property. Pinnacle Bank is considering financing of this project if it is approved and CRA Member Bart Qualsett, is President of the local branch of Pinnacle Bank.

**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 estimated costs for this project including acquisition are \$4,555,456. Site acquisition was \$135,000. Site improvements including: site work and grading, utility improvements, sidewalks and other flat concrete of \$1,144,984 Architectural and Engineering planning services of \$188,125 and are included as a TIF eligible expense. Legal, Developer and Audit Fees including a reimbursement to the City and the CRA of \$8,150 are included as TIF eligible expense. The total of eligible expenses for this project is \$1,476,259.

**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 \$1,307,858 from the proceeds of the TIF. Actual benefit of the TIF after applying an interest rate of 4.5% to the project will be \$949,796. 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, 2023 through December 2043.

***c. Statement of feasible method of relocating displaced families.***

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

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

#### **8. Time Frame for Development**

Development of this project is anticipated to be completed between September 2021 and December of 2023. Excess valuation should be available for this project for up to 15 years on each phase of the development beginning with the 2023 tax year.

#### **9. Justification of Project**

This property has been in the Grand Island municipal limits and largely undeveloped for more than 100 years. The proximity to the airport further restricts the development potential of this property. The proposed use for flex industrial buildings is consistent with the current zoning and provides a buffer between the airport and surrounding residential development.

**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.** Public funds from tax increment financing in the amount of \$1,307,858 provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$3,247,598 in private sector financing and equity investment; a private investment of \$2.48 for every TIF dollar invested.

| <b>Use of Funds.</b>       | <b>Source of Funds</b> |                      |                    |
|----------------------------|------------------------|----------------------|--------------------|
| <b>Description</b>         | <b>TIF Funds</b>       | <b>Private Funds</b> | <b>Total</b>       |
| Site Acquisition           | \$135,000              |                      | \$135,000          |
| Building Costs             |                        | \$2,274,367          | \$2,274,367        |
| Sewer                      | \$238,027              | \$74,734             | \$312,761          |
| Water                      | \$32,551               |                      | \$32,551           |
| Electric                   | \$225,535              | \$246,906            | \$472,441          |
| Public Streets/Sidewalks   | \$282,347              | \$490,847            | \$773,194          |
| Site preparation/Dirt Work | \$198,123              | \$16,921             | \$215,044          |
| Architecture/Engineering   | \$188,125              |                      | \$188,125          |
| Financing Fees             |                        | \$ 80,000            | \$ 80,000          |
| Legal/TIF Contract         | \$ 6,000               |                      | \$ 6,000           |
| other (Landscaping)        |                        | \$63,823             | \$63,823           |
| Govt. Fees and Expenses    | \$2,150                |                      | \$2,150            |
| <b>TOTALS</b>              | <b>\$1,307,858</b>     | <b>\$3,247,598</b>   | <b>\$4,555,456</b> |

**Tax Revenue.** The property to be redeveloped has January 1, 2020, valuation of approximately \$86,893. Based on the 2020 levy this would result in a real property tax of approximately \$1,803. It is anticipated that the assessed value will increase by \$4,202,957 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$87,191 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 2021 assessed value:           | \$ 1,803     |
| Estimated taxable value after completion | \$ 4,289,940 |
| Increment value                          | \$ 4,202,957 |
| Annual TIF generated (estimated)         | \$ 87,191    |
| TIF bond issue                           | \$ 1,307,858 |

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

The redevelopment project area currently has an estimated valuation of \$87,191. The proposed redevelopment will create additional valuation of \$4,202,957. 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;***

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. The Grand Island Public School system was notified of this application prior to consideration of this plan by the Grand Island CRA, Regional Planning Commission or City Council. Fire and police protection are available and should not be negatively impacted by this development though any additional development and population may impact time of service.

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

The initial construction of these units will provide jobs. It is possible that some smaller trade related firms would locate in one of these units.

***(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.

***(e) Impacts on student populations of school districts within the City or Village:***

This development will not have an impact on the Grand Island School system as there is no residential development intended with this proposal.

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

This property was first subdivided in 1887 and there has been no development on it since that time. A review of the aerial photography of the City of Grand Island shows no development in 1937 the earliest photos and none on any photos since that time.

**Time Frame for Development**

Development of this project is anticipated to be completed during between October of 2021 and December of 2024. The base tax year should be calculated on the value of the property as of January 1, 2021. Excess valuation should be available for this project for

15 years beginning in 2023 with taxes due in 2024. 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 on each phase or an amount not to exceed \$1,307,858. The developer will spend \$1,476,259 on eligible activities based on the estimates presented.

**Resolution Number 2021-07**

**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 lots 1-6 of Sunnyside Third Subdivision at Capital Avenue and Skypark Road-Procon Properties 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:** September 1, 2021.

**HALL COUNTY REGIONAL PLANNING  
COMMISSION**

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Secretary