



# **Hall County Regional Planning Commission**

**Wednesday, October 6, 2021  
Regular Meeting**

## **Item F1**

**Public Hearing - Redevelopment Plan - Grand Island - Public Hearing Concerning a redevelopment plan for CRA Area No. 32 to allow for redevelopment of property located south of Old Potash Highway and west of North Road in Grand Island, Hall County, Nebraska.**

**Staff Contact:**

## **Agenda Item #4**

### **PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:**

September 24, 2021

#### **SUBJECT:**

*Redevelopment plan for property located in Blight and Substandard Area 32 for a Site Specific Redevelopment Plan for property located south of Old Potash Highway and west of North Road, part of the NE ¼ of the NE ¼ of Section 23, Township 11 north, Range 10 west of the 6<sup>th</sup> PM (26 acres more or less) being platted as Jaxson Subdivision in Grand Island, in Hall County, Nebraska to support this development. (C-01-2022GI)*

#### **PROPOSAL:**

3MJR LLC, has an option to purchase this property as shown in the plan and is proposing to redevelop this property with 192 units of age restricted rental units in buildings with 3 or 5 apartments per building. The property currently zoned LLR Large Lot Residential Zone but an application is pending to change the zoning to RD Residential Development Zone if this project is approved. The RD zone and proposed density of 192 units on 26 acres or 7.38 units per acre is well within the planned low to medium density residential future land use designation on this property in the Comprehensive Development Plan. Typical low to medium density development would be 4 to 14 units per acre.

#### **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 be used for residential 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 future land use map and the proposed zoning for this area within the City of Grand Island. This is evident by the fact that the property is planned for low to medium density zoning and the 7.38 units per acre fall in the mid range between 4 and 14 units per acre. The proposed RD zone limits the size and style of units to be built to what has been proposed and approved with the development.

The Regional Planning Commission recommendation is limited to the appropriateness of the proposed use at this location. The Grand Island Comprehensive Plan calls low to medium density residential 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 age restricted residential 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 32 September 2021**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 32 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 32.**

### **Executive Summary:**

#### **Project Description**

THE REDEVELOPMENT APPROXIMATELY 26 ACRES OF PROPERTY LOCATED BETWEEN WEST OF NORTH ROAD AND SOUTH OF OLD POTASH HIGHWAY NORTHWEST GRAND ISLAND FOR THE DEVELOPMENT OF 192 UNITS OF 55 PLUS AGE RESTRICTED HOUSING IN THREE AND FIVE UNIT BUILDINGS.

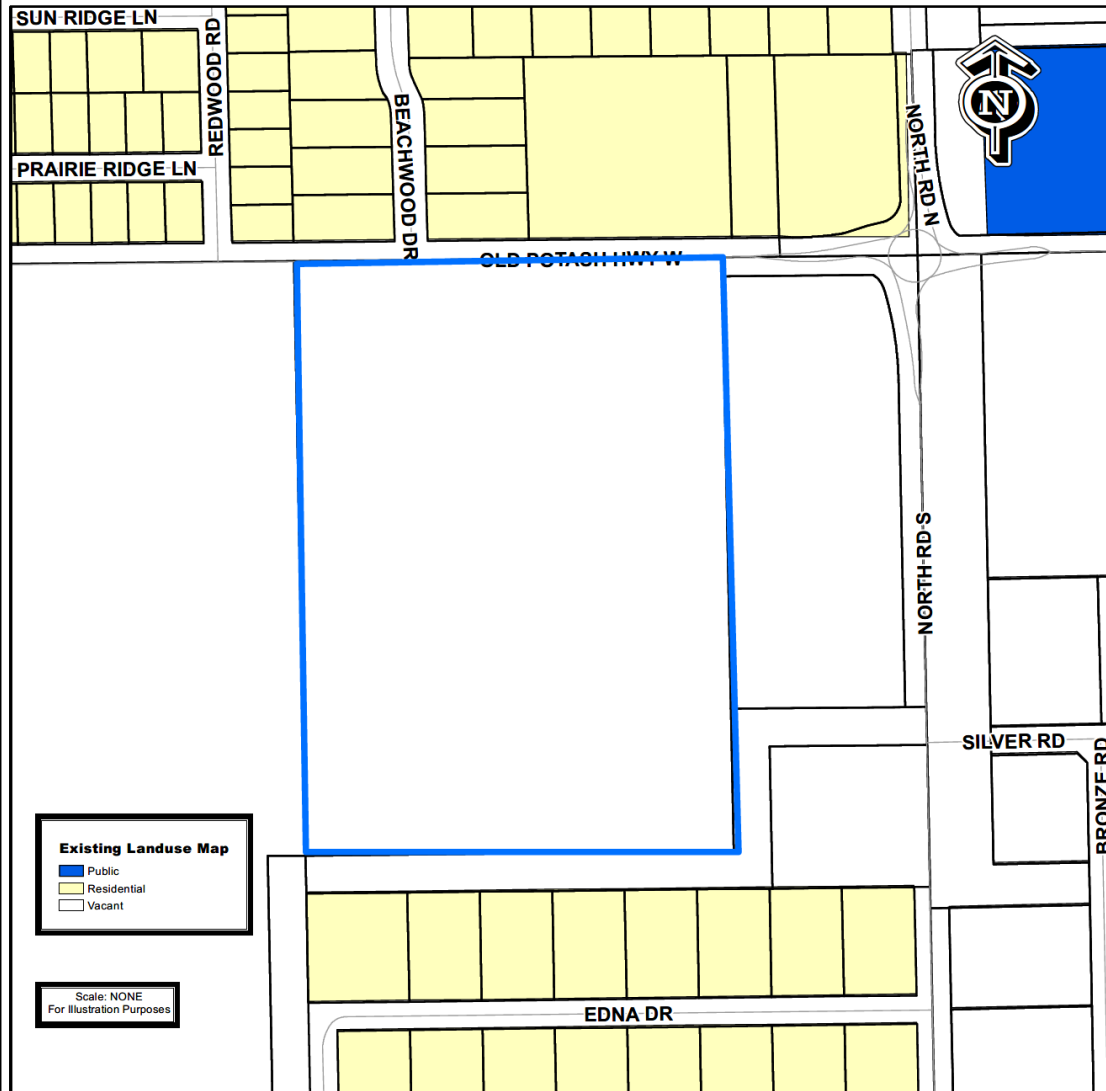
The use of Tax Increment Financing to aid in redevelopment expenses associated with platting and installing the necessary infrastructure (streets, sanitary sewer, water, and storm sewer) for the development of 192 units of age restricted housing in 48 three and five unit buildings on property being platted as Jaxson Subdivision in northwest Grand Island. The use of Tax Increment Financing is an integral part of the development plan and necessary to make this project affordable. The 2020 Housing Study for the City of Grand Island identified a need of 222 owner occupied and 237 rental units for the 55+ population by 2024. This project with rents commensurate with market conditions would not be possible without the use of Tax Increment Financing.

3MJR LLC – has an option to purchase this property that will expire in November of 2021 if the project is not approved. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the construction of units. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over multiple 15 year periods beginning January 1, 2022 towards the allowable costs and associated financing for the development of this property.

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

**Legal Descriptions:** Property being platted as Jaxson Subdivision in the City of Grand Island, Hall County, Nebraska. Parcel Number 400200929

# **BLIGHT & SUBSTANDARD AREA # 32 - PROJECT SITE EXISTING LANDUSE MAP**



THE REGIONAL PLANNING COMMISSION of Hall  
County, Grand Island, Wood River and the Villages  
of Alda, Cairo and Doniphan, Nebraska

**Existing Land Use and Subject Property**

**The tax increment will be captured for the tax years the payments for which become delinquent in years 2022 through 2049 inclusive. The TIF contract will be structured so it can be amended each year for up to twelve years to add the housing units to be completed during that year. No single property will be eligible for TIF for a period of more than 15 years.**

**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 development of the property for residential uses and the construction of three and five unit buildings for persons 55 and older.**

**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 or any amendment to the redevelopment contract, consistent with this Redevelopment Plan. The plan anticipates that each phase of the development will constitute new effective date for the purposes of determining the period of fifteen years. 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 22, 2021.[§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 October 6, 2021 and passed Resolution 2021-01 confirming that this project is consistent with the Comprehensive Plan for the City of Grand Island. The Grand Island Public School District has submitted a formal request to the Grand Island CRA to notify the District any time a TIF project involving a housing subdivision and/or apartment complex is proposed within the District. The school district was notified of this plan amendment prior to it being submitted to the CRA for initial consideration.

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

***a. Land Acquisition:***

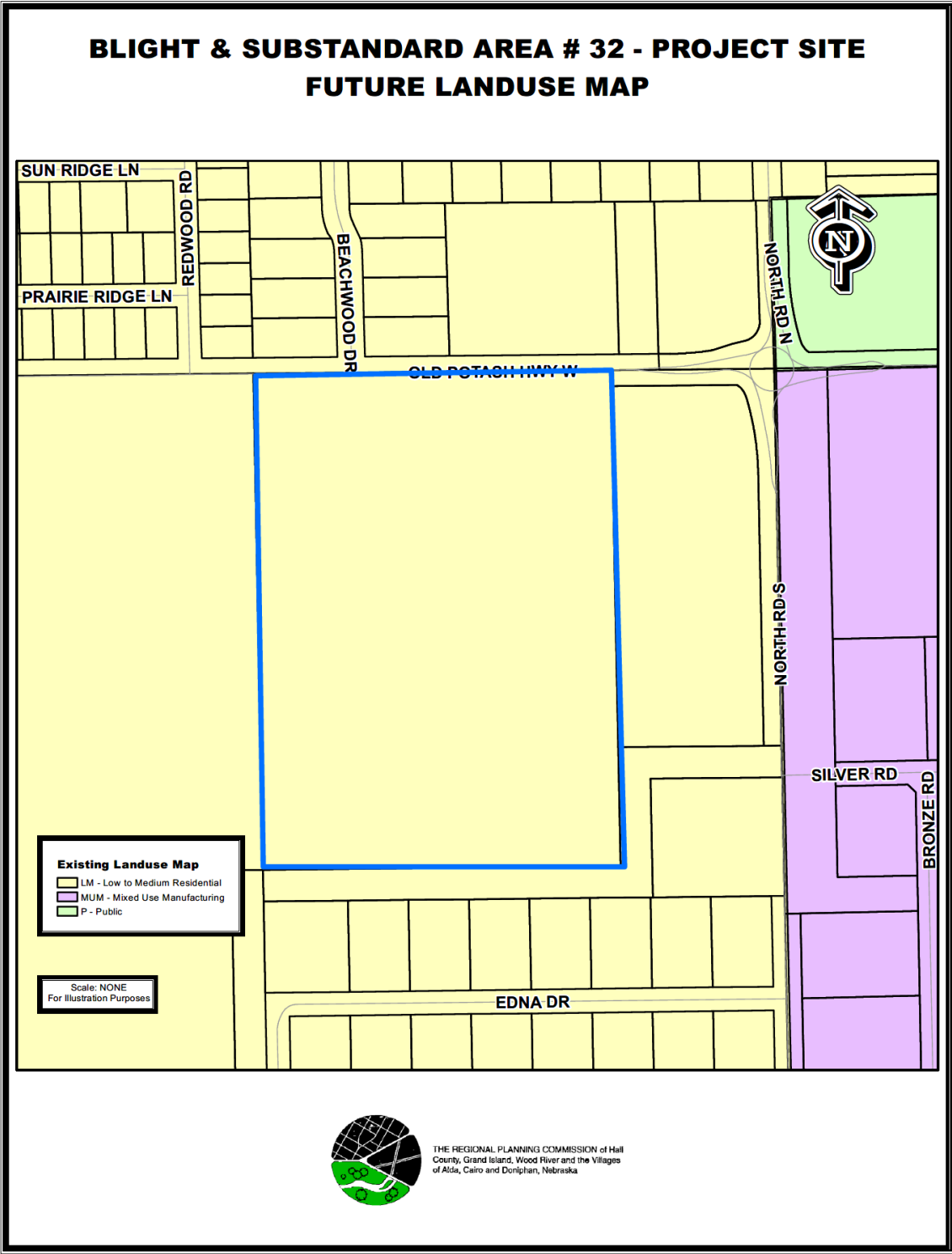
This Redevelopment Plan for Area 32 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

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

The project to be implemented with this plan does not provide for the demolition and removal any structures on this property.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. All of the area around the site in private ownership is planned for low to medium density residential development. This property is in private ownership. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



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 area is zoned LLR Large Lot Residential but the future land use map calls for low to medium density residential. The applicant has submitted a plan for a residential development zone that would not exceed the density allowed in the medium density zoning district (14 units per acre on 26 acres would be 364 units). The plan for the residential development zone will be presented to planning commission and council along with the request for TIF. New private streets are anticipated and needed to support this project and it is anticipated that TIF revenues will offset the costs of those improvements. No changes are anticipated in building codes or other ordinances. No other planning changes contemplated. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The proposed zoning as an RD zone allows for up to 42 units per acre if approved. The proposed development will be 7.38 units per acre. The proposed development if approved as submitted will meet those coverage and intensity of use requirements of the RD zone. [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Sanitary sewer and water are available to support this development. Both sanitary sewer and water will need to be extended throughout the site. TIF revenues will be used to offset the cost of these public utility improvements.

Electric utilities are sufficient for the proposed use of this property. Electric lines, transformers, and conduit will need to be extended throughout the property.

No other publicly owned 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. This property is vacant and has been vacant for more than 1 year; 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.

**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 purchase price of the property is \$780,870 as an eligible expense. The estimated costs of utilities including sewer, water and electric is \$3,054,580. The cost of grading, and streets/trail/sidewalks and drainage is \$4,289,446. Planning activities including engineering, architecture, legal fees and government fees are estimated at \$157,148. The total of the eligible expenses for this project is estimated by the developer at over \$8,280,000.

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 \$7,460,038 from the proceeds of the TIF. 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, 2022 through December 2047.

***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. 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. This will accomplish the goal of increasing the number of residential units within the City of Grand Island and encouraging infill development.

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

Development of this project is anticipated to begin in the 2022 year. The subdivision will likely be built in six phases with approximately 8 buildings per phase and two phases at a time. The developer is anticipating construction of 32 units per year though this may be adjusted for market demand. It is anticipated that the units in this development will be built in 2034 with the tax increment on those homes extending to 2049. Excess valuation should be available for the first homes built with this project for 15 years beginning with the 2023 tax year.

## **9. Justification of Project**

The 2020 housing study for the City of Grand Island projected that by 2024 we would need an additional 1361 new housing units, 222 of those should be 55+ owner occupied and 237 should be 55+ rental units. Between January 1 of 2020 and July of 2021 permits for 305 new housing units had been issued. The current housing market, a combination of the cost of producing housing and the prevailing wages, has not created a situation that gives the markets sufficient incentive to build the number housing units required to meet community needs. This lack of housing options impacts a variety of other areas within the community including work force development, overcrowding, maintenance of residential units and rents. This project will create new housing options for the 55+ citizens of Grand Island and will likely result in the sale of existing homes around the city.

**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.* (2019), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$7,460,038 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 \$27,654,611 in private sector financing; a private investment of \$3.71 for every TIF dollar invested.

Use of Funds.	Source of Funds		
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$ 780,870		\$780,870
Building Costs		\$23,122,640	\$23,122,640
Sewer	\$1,658,457		\$1,654,457
Water	\$806,794		\$806,794
Electric	\$589,329		\$589,329
Public Streets/Sidewalks	\$1,319,540	\$822,006	\$2,141,546
Private Streets		\$1,596,432	\$1,596,432
Trails	\$87,413		\$87,413
Site preparation/Dirt Work	\$2,060,487		\$2,060,487
Architecture/Engineering	\$81,800		\$81,800
Financing Fees/ Audit		\$1,511,980	\$1,511,980
Legal/TIF Contract	\$72,248		\$72,248
other (ROW Landscape/Parks)		\$601,553	\$601,553
Govt. Fees and Expenses	\$3,100		\$3,100
<b>Total</b>	<b>\$7,460,038</b>	<b>\$27,654,611</b>	<b>\$35,114,649</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2020, valuation of approximately \$114,694. Based on the 2020 levy this would result in a real property tax of approximately \$2,263. It is anticipated that the assessed value will increase by \$25,805,306 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$497,000 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for the period of the bonds, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2020 assessed value:	\$ 114,694
Estimated value after completion	\$ 25,920,000
Increment value	\$ 25,805,306
Annual TIF generated (estimated)	\$ 497,336
TIF bond issue	\$ \$7,460,038

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

The redevelopment project area currently has an estimated valuation of \$114,694. The proposed redevelopment will create additional valuation of \$25,805,306 over the course of the next twelve years. The project creates additional valuation that will support taxing entities long after the project is paid off along with providing 192 additional housing for persons 55 and older. The tax shift from this project will be equal to the total of the bond principal of \$7,460,038 if fully funded and any associated interest on the bond to be assigned with contract approval.

***(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;***

Existing water and waste water facilities will not be negatively impacted by this development. The electric utility has sufficient capacity to support the development. This is infill development with services connecting to existing line with capacity. This development is unlikely to result in a larger number of students in the Shoemaker Elementary School service area since it is restricted to individuals 55 years old and older. Fire and police protection are available and should not be negatively impacted by this development though there will be some increased need for officers and fire fighters as the City continues to grow whether from this project or others.

Housing of the type proposed is unlikely to attract families to the neighborhood. It is unlikely that this housing bring additional school age children to the area.

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

This will provide additional housing options for the residents of Grand Island. The National Homebuilders Association estimated in a 2008 study that each unit of multifamily housing resulted in 1.16 full time equivalent jobs so this development at 32 units per year would represent an additional 37 FTE's within the city for the next six years.

***(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 different from any other expanding business within the Grand Island area. Grand Island does have tight labor market and part of that is due to the availability and cost of housing. This development may help alleviate some of those pressures.

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

**This development will have a minimal impact on the Grand Island School system and will likely not result in additional students at the elementary and secondary school levels.**

All of the units in this development will be restricted to persons 55 and over. This housing will not provide housing for any school age children. The Grand Island Public School System was notified on August 24, 2021 that the CRA would be considering this application at their September 8, 2021 meeting.

*(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 is consistent the goals of the 2020 Housing Study for the City of Grand Island to create more than 1361 new housing units, 222 of those should be 55+ owner occupied and 237 should be 55+ rental units. Between January of 2020 and July of 2021 the City of Grand Island has issue permits for 305 housing units. The local housing market is not capable of producing the number of units needed at market rate given the costs of building and development.

**Time Frame for Development**

Development of this project is anticipated to be completed during between Spring of 2022 and the end of 2034. The base tax year should be calculated on the value of the property as of January 1, 2022 for the first phase with each phase based on the preceding year's valuation of the property included in the amendment for that year. Excess valuation should be available for this project beginning in 2022 with taxes due in 2023. 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 property or an amount not to exceed \$7,460,038 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 rehabilitation the developer will spend at least \$8,200,000 on TIF eligible activities.

**Resolution Number 2022-01**

**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 the proposed Jaxson Subdivision south of Old Potash Highway and west of North Road-3MJR 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 finding that this development is consistent with the adopted 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