



Community Redevelopment Authority (CRA)

**Wednesday, February 9, 2022
Regular Meeting**

Item I3

**Redevelopment Plan Amendment CRA Area 1 - 313 W. 2nd Street
- Left Click - Properties**

Staff Contact:

**Redevelopment Plan Amendment
Grand Island CRA Area 1
February 2022**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 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 1.

Executive Summary:

Project Description

THE REDEVELOPMENT OF THE BUILDING LOCATED AT 313 W 2ND STREET FOR COMMERCIAL USES, INCLUDING FIRE/LIFE SAFETY IMPROVEMENTS AND BUILDING REHABILITATION AND REMODELING.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of the entire building located at 313 W. 2nd Street. The developer is proposing to renovate commercial retail/office space at this location. This project would not be feasible without the use of TIF.

LEFT CLICK PROPERTIES, LLC purchased the property for \$70,000. The purchase price is included as an eligible TIF activity. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this building.

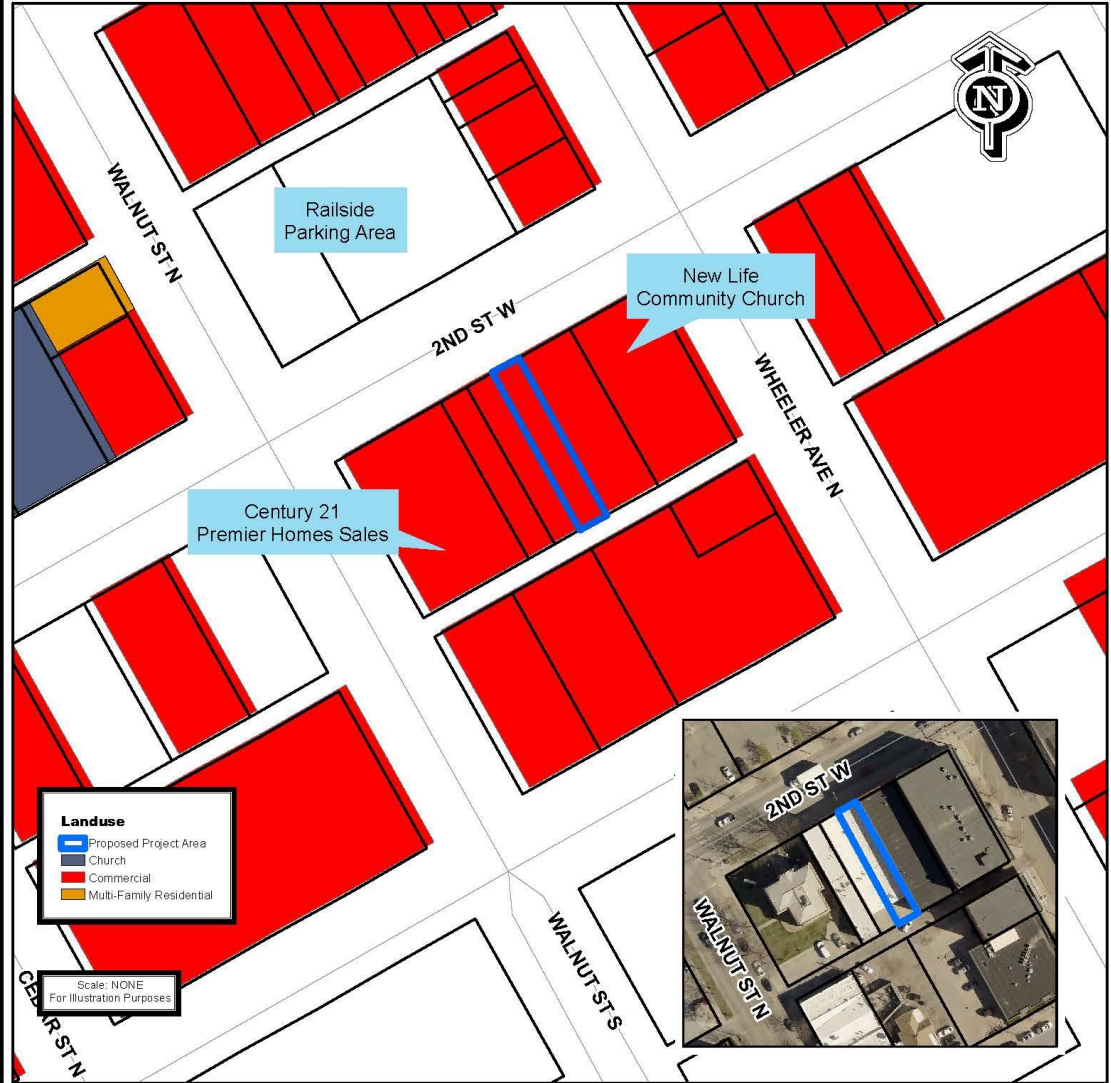
The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2023 towards the allowable costs and associated financing for rehabilitation.

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

The property is located at 313 W. 2nd Street in Grand Island Nebraska, the attached map identifies the subject property and the surrounding land uses.

Legal Descriptions: The West 1/3 of Lot two (2) in Block Eighty-One (81) in the Original Town, now City of Grand Island, Hall County, Nebraska.

TAX INCREMENT FINANCING - 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 2023 through 2037 inclusive.

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 rehabilitation of this portion of the building for commercial and residential uses as permitted in the B3 Heavy Business Zoning District.

Statutory Pledge of Taxes.

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the Authority hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§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 March 2, 2022 and passed Resolution 2022-XX 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:

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 and will be including acquisition as an eligible activity. 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. Demotion of internal structures to accommodate the redevelopment is anticipated and permitted.

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 Downtown Commercial development; this includes housing and commercial uses within the same structure. 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)]

TAX INCREMENT FINANCING - PROJECT SITE FUTURE LANDUSE MAP



THE REGIONAL PLANNING COMMISSION of Hall
County, Grand Island, Wood River and the Villages
of Aldo, Cairo and Doniphan, 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 area is zoned B3-Heavy Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The developer is rehabilitating the existing building. The developer is not proposing to increase the size of the building and current building meets the applicable regulations regarding 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.
- Electric utilities are sufficient for the proposed use of this building.
- No other utilities would be impacted by the development.
- The developer will be responsible for replacing any sidewalks damaged during construction of the project.

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. This property is vacant and has not been used for any residential purposes. [§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 developer purchased the property for \$70,000. The estimated costs of rehabilitation of this property is \$280,150. Other construction and soft costs are \$36,464. Legal, Developer and Audit Fees of \$5,600 for reimbursement to the City and the CRA for costs to prepare the contract and monitor the project over the course of the development are included in the eligible expenses. The total of eligible expenses for this project exceeds \$392,214.

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 \$71,629 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, 2023 through December 2038.

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. This will accomplish the goal of both the Railside Business Improvement District and the Grand Island City Council of refurbishing street level commercial space that has been underutilized for several years.

8. Time Frame for Development

Development of this project is anticipated to be completed by August 2022. Excess valuation should be available for this project for 15 years beginning with the 2023 tax year.

9. Justification of Project

This building in downtown Grand Island was built in 1920 and will be preserved with this project. The primary use of the street level space is commercial and is consistent with the long term development plans for Downtown.

10. Cost Benefit Analysis Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Redevelopment Project, including:

Project Sources and Uses. Approximately \$71,629 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This property has requested a Façade grant. This investment by the Authority will leverage \$255,202 in private sector financing; a private investment of \$1.94 for every TIF or grant dollar invested.

Use of Funds Description	Source of Funds			
	TIF Funds	Façade Grant	Private Funds	Total
Site Acquisition	\$70,000			\$70,000
Renovation Costs		\$59,783	\$220,367	\$280,150
Contingency			\$14,008	\$14,008
Architectural & Engineering	\$1,629		\$95	\$1,724
Financing fees/ audit			\$8,232	\$8,232
Legal/ TIF contract			\$12,500	\$12,500
Total	\$71,629	\$59,783	\$255,202	\$386,614

Tax Revenue. The property to be redeveloped is anticipated to have a January 1, 2023, valuation of approximately \$300,621. Based on the 2020 levy this would result in a real property tax of approximately \$4,775. It is anticipated that the assessed value will increase by \$216,895 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$ 2,653 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:	\$83,726
Estimated value after completion	\$300,621
Increment value	\$216,895
Annual TIF generated (estimated)	\$4,775
TIF bond issue	\$71,629

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

The redevelopment project area currently has an estimated valuation of \$83,726. The proposed redevelopment will create additional valuation of \$216,895. No tax shifts are anticipated from the project outside of the use of TIF to support the redevelopment. It is not anticipated that any additional tax burdens will be assumed by public entities as a result of this 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 in any significant way. Fire and police protection are available and should not be negatively impacted by this development. The addition of life safety elements to this building including fire sprinklers and a second exit actually reduce the chances of negative impacts to the fire department.

(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 commercial space options in the downtown area consistent with the planned development in Downtown Grand Island.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Grand Island area. This will provide refurbish Downtown commercial space options for business owners who wish to relocate to the Downtown area.

(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 as it will likely not result in any increased attendance. All of the units to be developed are intended for commercial uses only.

(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 Council, the Downtown BID, the CRA, and Grow Grand Island to create additional upgraded commercial spaces within downtown Grand Island.

Time Frame for Development

Development of this project is anticipated to be completed August 2022. The base tax year should be calculated on the value of the property as of January 1, 2022. 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 or an amount not to exceed \$71,629 the projected amount of increment based upon the anticipated value of the project and current tax rate. Left Click Properties applied for and received a façade improvement grant of \$59,783. Based on the estimates of the

expenses of the rehabilitation the developer will spend at least \$326,813 on TIF eligible activities in excess of other grants given.



BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST

Project Redeveloper Information

Business Name:

Address:

Telephone No.: _____ Fax No.: _____

Email: _____

Contact:

Application Submission Date: _____

Brief Description of Applicant's Business:

Legal Description/Address of Proposed Project

Community Redevelopment Area Number

Present Ownership Proposed Project Site:

Is purchase of the site contingent on Tax Increment Financing Approval? Yes No

Proposed Project: Building square footage, size of property, description of buildings –
materials, etc. Please attach site plan, if available.

If Property is to be Subdivided, Show Division Planned:

VI. Estimated Project Costs:

Acquisition Costs:

A. Land	\$ _____
B. Building	\$ _____

Construction Costs:

A. Renovation or Building Costs:	\$ _____
B. On-Site Improvements:	
Sewer	\$ _____
Water	\$ _____
Electric	\$ _____
Gas	\$ _____
Public Streets/Sidewalks	\$ _____

Private Streets	\$ _____
Trails	\$ _____
Grading/Dirtwork/Fill	\$ _____
Demolition	\$ _____
Other	\$ _____
Total	\$ _____

Soft Costs:

A. Architectural & Engineering Fees:	\$ _____
B. Financing Fees:	\$ _____
C. Legal	\$ _____
D. Developer Fees:	\$ _____
E. Audit Fees	\$ _____
F. Contingency Reserves:	\$ _____
G. Other (Please Specify)	\$ _____

TOTAL \$ _____

Total Estimated Market Value at Completion: \$ _____

Source for Estimated Market Value _____

Source of Financing:

A. Developer Equity:	\$ _____
B. Commercial Bank Loan:	\$ _____
C. Tax Credits:	
1. N.I.F.A.	\$ _____
2. Historic Tax Credits	\$ _____
3. New Market Tax Credits	\$ _____
4. Opportunity Zone	\$ _____
D. Industrial Revenue Bonds:	\$ _____
E. Tax Increment Assistance:	\$ _____
F. Enhanced Employment Area	\$ _____

G. Nebraska Housing Trust Fund \$ _____
H. Other \$ _____

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

Estimated Real Estate Taxes on Project Site Upon Completion of Project:
(Please Show Calculations)

Project Construction Schedule:

Construction Start Date:

Construction Completion Date:

If Phased Project:

_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete
_____	Year	_____	% Complete

XII. Please Attach Construction Pro Forma

XIII. Please Attach Annual Income & Expense Pro Forma
(With Appropriate Schedules)

TAX INCREMENT FINANCING REQUEST INFORMATION

Describe Amount and Purpose for Which Tax Increment Financing is Requested:

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing
for Proposed Project:

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

Post Office Box 1968
Grand Island, Nebraska 68802-1968
Phone: 308 385-5240
Fax: 308 385-5423
Email: cnabity@grand-island.com

Estimated Project Costs:

Acquisition Costs:

A. Land	\$0
B. Building	\$70,000

Construction Costs:

A. Renovation or Building Costs:	\$280,150
B. On-Site Improvements:	
Sewer	\$0
Water	\$0
Electric	\$0
Gas	\$0
Public Streets/Sidewalks	\$0
Private Streets	\$0
Trails	\$0
Grading/Dirtwork/Fill	\$0
Demolition	\$0
Other: Parks/Public Space	\$0
Total	\$280,150

Soft Costs:

A. Architectural & Engineering Fees:	\$1,724
B. Financing Fees: Construction	\$8,232
C. Legal	\$12,500
D. Developer Fees:	\$0
E. Audit Fees	\$0
F. Contingency Reserves:	\$14,008
G. Other: TIF fees/Misc fees	\$0
TOTAL	\$36,464

Total Estimated Market Value at Completion: \$324,552

Source of Financing:

A. Developer Equity:	\$	64,910
B. Commercial Bank Loan:		\$261,920
E. Tax Increment Assistance:	\$	-
H. Other: Façade grant	\$	59,783
Total	\$	386,614

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

RESOLUTION NO. 381

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 February, 2022

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

By _____
Chairperson

ATTEST:

Secretary

Left Click Properties CRA Area #1

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

RESOLUTION NO. 382

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 an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within Redevelopment Area 1, from Left Click Properties, (The "Developer") for redevelopment of property located at 313 W. 2nd Street in Grand Island Nebraska also described as the west 1/3 of Lot two (2) in Block Eighty-One (81) in the Original Town, now 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 1;

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, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, 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 9th day of February, 2022.

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

By _____
Chairperson

ATTEST:

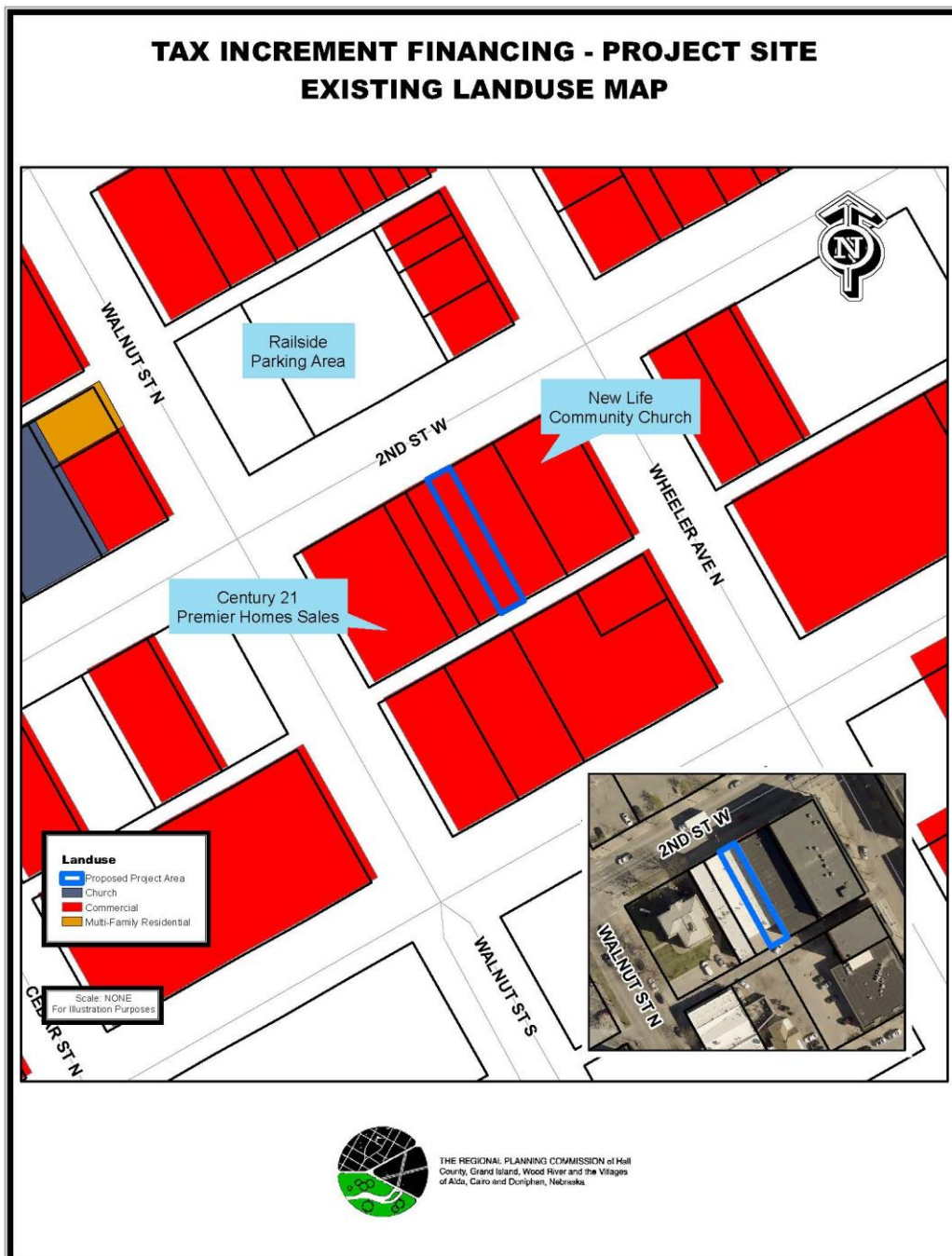
Secretary

Lift Click Properties CRA Area #1

Exhibit 1

Legal Description:

The west 1/3 of Lot two (2) in Block Eighty-One (81) in the Original Town, now City of Grand Island, Hall County, Nebraska (Parcel Number: 400006901 or Address: 313 W 2nd Street) in the City of Grand Island, Hall County, Nebraska.



Lift Click Properties CRA Area #1