



# City of Grand Island

Tuesday, June 25, 2013

Council Session

## Item G-6

**#2013-189 - Approving Authorizing the CRA to Enter into an Amended Contract for Tax Increment Financing with Todd and Kelly Enck for Previously Approved Project Located on the Corner of Blake and Darr Streets**

Staff Contact: Chad Nabity

# **Council Agenda Memo**

**From:** Chad Nabity, AICP

**Meeting:** June 25, 2013

**Subject:** Amendment to Redevelopment Contract for Todd and Kelly Enck Project at Blake and Darr

**Item #'s:** G-6

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

## **Background**

In December of 2008, the Grand Island City Council approved an amendment to the redevelopment plan for property referred to as CRA Area #6 that permitted the CRA to enter into contract for Tax Increment Financing (TIF) with Todd and Kelly Enck to acquire property, demolish the existing structure and build 2 duplex units at the corner of Blake and Darr Streets in Grand Island, Nebraska.

## **Discussion**

The contract for TIF was approved by the Grand Island Community Redevelopment Authority following Council's approval of the redevelopment plan amendment for a period of 10 years and a total not to exceed \$54,650. The total of \$54,650 was the total of the eligible expenses attributed to the project. In order to make this project work the developer planned on receiving that full benefit of \$54,650. The contract could have been approved for a period of 15 years according to state statutes and most contracts for TIF approved in Grand Island have been approved for the full 15 years. This project did not have enough eligible expenses to use the full 15 years of anticipated TIF revenues.

Due to the timing of the project, the completion date of the project and the timing of assessment process this project will not produce \$54,650 worth of TIF revenues during the course of the 10 year contract. The extension requested here will not increase the amount of TIF the project is eligible for it will just allow enough time for the project to receive the full benefit that was anticipated at the time the contract was approved.

Council is being asked to approve a resolution that would authorize the CRA to approve a contract for this project that would allow the developer to capture the full \$54,650 that was expected at the time the application was made. This will be done by extending the

time that this project is eligible for TIF to the maximum of 15 years from the date of the original contract.

The developer has completed all of the improvement anticipated by this project and made a substantial difference in the character of the neighborhood with these improvements.

### **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 recommends that the Council approve the Resolution allowing it to enter into this amended contract.

### **Sample Motion**

Move to approve the resolution as submitted.

## RESOLUTION 2013-189

WHEREAS, the City of Grand Island, Nebraska, a municipal corporation and city of the first class, has determined it be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 2007, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared Redevelopment Area No. 6 of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act, and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan pursuant to the Act and submitted its recommendations, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, following consideration of the recommendations of the Authority to the Planning Commission, the recommendations of the Planning Commission to the City, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan; and

WHEREAS, it has been determined that the initial end date of the original contract will not provide the funding necessary to cover the necessary expenses of redeveloping this property, and

WHEREAS, an extension of the contract date not to exceed the 15 years that would have initially been permitted would allow the developer to received the necessary funding to cover the necessary expenses.

NOW, THEREFORE, be it resolved by the City Council of the City of Grand Island, Nebraska that the Grand Island Community Redevelopment Authority is authorized to enter into an amended contract for Tax Increment Financing for the housing project on Blake and Darr Streets described in the plan amendment approved by the Grand Island City Council on December 16, 2008.

- - -

Approved as to Form	▣ _____
June 24, 2013	▣ City Attorney

Adopted by the City Council of the City of Grand Island, Nebraska, June 25, 2013.

---

Jay Vavricek, Mayor

Attest:

---

RaNae Edwards, City Clerk