



City of Grand Island

Tuesday, July 22, 2003

Council Session

Item G10

#2003-204 - Approving Amendment to Community Redevelopment Authority (CRA) Redevelopment Plan and Authorizing Tax Increment Financing for Former City Hall Redevelopment

This item relates to the aforementioned Public Hearing.

At the June 3, 2003 meeting of the Community Redevelopment Authority, the CRA adopted Resolution #48 providing for an amendment to the Redevelopment Plan for Blight and Substandard Area #1, approving a redevelopment contract and giving notice of intent to enter into a redevelopment contract. A local development company, Procon, is redeveloping the property at 208 North Pine Street for use as an office building. The former City Hall has been vacant since October 1993. CRA Resolution #48 was provided to the City Council in the June 24, 2003 Agenda Packet. The proposed redevelopment contract provides for the use of tax increment financing for the redevelopment project. Tax increment financing is a mechanism whereby the increased property taxes for the improved property are used to pay for the improvements. The anticipated tax increment financing for this project is \$169,267.00.

State Statutes require that amendments to the Redevelopment Plan, to address specific projects, be considered by the Community Redevelopment Authority and Regional Planning Commission, in addition to the City Council. The Regional Planning Commission considered the Amendment at their meeting of July 2, 2003 and recommended approval. Notification of the proposed Amendment and Redevelopment Project was provided to all taxing entities and appropriate neighborhood associations.

A copy of the Redevelopment Contract is on file at the City Clerk's Office or the Chamber Office for public inspection.

Staff Contact: Doug Walker

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA

PROCON DEVELOPMENT COMPANY, LLC
REDEVELOPMENT PROJECT

September 1, 2003

CLOSING STATEMENT

I. Sources and Uses

A.		Loan Amount	\$169,267.00
B.	Capitalized Interest (June 15 and December 15, 2004)	\$15,284.00	
C.	Costs and Fees (payable to Authority)	\$ 5,000.00	
	Total Reductions	\$20,284.00	
		E. Grant Amount	<u>\$148,983.00</u>

II. Disbursements at Closing

A.	From Home Federal Savings and Loan Association, National Association to Redevelopment Authority for deposit to Redevelopment Authority Account (Procon Development Company, LLC)	\$169,267.00
B.	From Redevelopment Authority to Procon Development Company, LLC	\$148,983.00
C.	From Redevelopment Authority (Procon Account) to Redevelopment Authority (General Account)	\$ 5,000.00

III. Loan Payments (from Procon Development Company, LLC to
Redevelopment Authority, reduced by funds on
deposit with Redevelopment Authority

June 15, 2004 (interest)	\$ 9,360.00
December 15, 2004 (interest)	\$ 5,924.00
June 15, 2005 and each December 15 and June 15 thereafter	\$ 9,580.96

RESOLUTION 2003-204

RESOLUTION OF THE CITY OF GRAND ISLAND, NEBRASKA, APPROVING AN AMENDMENT TO A REDEVELOPMENT PLAN FOR THE CITY AND AGREEING TO THE PLEDGE OF TAXES IN A REDEVELOPMENT AREA FOR THE BENEFIT OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND (PROCON DEVELOPMENT COMPANY, LLC).

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 1997, 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. 1 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, if any, 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, if any, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan.

WHEREAS, there has been presented to the City by the Authority for approval a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan, as described on the attached Exhibit B.

WHEREAS, the City published notices of a public hearing and mailed notices as required pursuant to Section 18-2115 of the Act and has, on the date of the Resolution held a public hearing on the proposal to amend the Redevelopment Plan to include the Redevelopment Project described on the attached Exhibit B;

NOW, THEREFORE, be it resolved by the City Council of the City of Grand Island, Nebraska:

1. The Redevelopment Plan of the City approved for the area described on the attached Exhibit A, including the Redevelopment Project legally described on the attached Exhibit B, is hereby determined to be feasible and in conformity with the general plan for the development of the City of Grand Island as a whole and the Redevelopment Plan, including the Redevelopment Project identified on the attached Exhibit B, is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined, based on the analysis conducted by the Authority, that (a) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of notice of intent to enter into the Redevelopment Contract in accordance with Section 18-2119 of the Act and of the recommendations of the Authority and the Planning Commission with respect to the Redevelopment Contract;
2. Approval of the Redevelopment Plan is hereby ratified and reaffirmed, as amended by this Resolution, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act;
3. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in the Redevelopment Project included or authorized in the Plan which is legally described in the attached Exhibit B shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be January 1, 2004 as follows:
 - a. That proportion 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 (as defined in the Act) 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 proportion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to, is pledged 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 of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such 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.

- c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Hall County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to each Redevelopment Project.
- 4. The City hereby finds and determines that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purposes of accomplishing, in accordance with the general plan for development 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 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 a healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreation 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 22, 2003.

RaNae Edwards, City Clerk