



City of Grand Island

Tuesday, November 27, 2007

Council Session

Item E1

**Public Hearing Concerning a Generalized Redevelopment Plan for
Redevelopment Area #7 as Blighted and Substandard**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP CRA Director
Meeting: November 27, 2007
Subject: Generalized Redevelopment Plan for CRA Area #7
Item #'s: E-1 & I-1
Presenter(s): Chad Nabity, AICP CRA Director

Background

The Grand Island City Council declared this area blighted and substandard at their meeting on September 28, 2007.

The enclosed plan is based on the one prepared by Hanna:Keelan Associates as part of the blight study. Changes were made to this plan by CRA staff due to changes in zoning of the property approved by the City Council in March of this year. CRA staff also updated the generalized costs for public improvements based on estimates provided by city staff.

This study does not specifically approve any TIF projects but does outline the types of activities that could be considered for Tax Increment Financing in this redevelopment area. These activities focus on public improvements to utility, drainage and transportation infrastructure.

The CRA has forwarded the plan to the Regional Planning Commission for a hearing and recommendation. The RPC held their hearing and recommended approval on October 10, 2007. The CRA passed a resolution approving the plan and recommending approval to the City Council at their meeting on October 25, 2007.

Discussion

Approval of this plan set the parameters for TIF projects in the redevelopment area. This study does not specifically approve any TIF projects but does outline the types of activities that could be considered for Tax Increment Financing in this redevelopment area. These activities focus on public improvements to utility, drainage and transportation infrastructure.

Individual projects would need to be presented to the CRA, Planning Commission and City Council prior to approval of TIF. There are significant infrastructure needs in this area and TIF would provide a means of paying for those infrastructure costs and developing the area appropriately.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council Approve the Resolution declaring the attached document the generalized redevelopment plan for CRA Area #7.

Sample Motion

Move to approve the Resolution and generalized redevelopment plan.

GENERAL REDEVELOPMENT PLAN

B. GENERAL REDEVELOPMENT PLAN

EXECUTIVE SUMMARY

Purpose of Plan/Conclusion

The purpose of this General Redevelopment Plan is to serve as a guide for implementation of redevelopment activities within the **Value Added Redevelopment Area, in Grand Island, Nebraska**. Redevelopment activities associated with the Community Development Law, State Statutes, 18-2101 through 18-2154 should be utilized to promote the general welfare, enhance the tax base and the economic and social well being of the Community, and promote the development of any public activities and public events in the Area, along with any and all other purposes, as outlined in the Community Development Law.

A Community Redevelopment Authority (CRA) General Redevelopment Plan must contain the general planning elements required by Nebraska State Revised Statutes, Section 18-2111 re-issue 1991 items (1) through (6). A description of these items are as follows:

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage and building intensities in the area after redevelopment; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

Furthermore, the General Redevelopment Plan must further address the items required under Section 18-2113, "Plan; considerations", which the CRA must consider prior to recommending a redevelopment plan to the Planning Commission and City Council for adoption. These "considerations" are defined as follows:

"...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, sewage, 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."

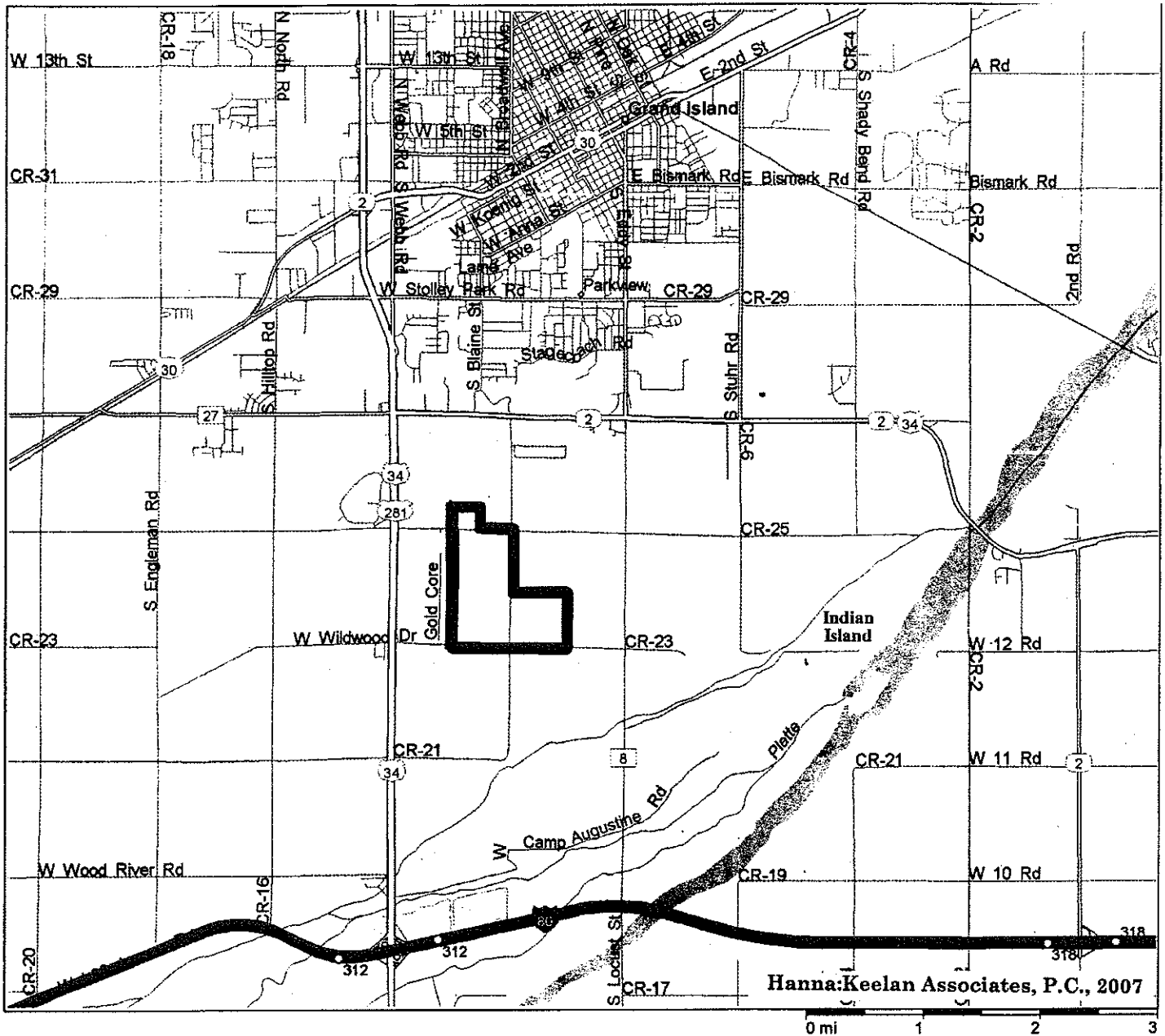
Conclusion

The General Redevelopment Plan applies to the Value Added Redevelopment Area, which consists of the Area included in the Blight and Substandard Area Determination Study.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the, **Redevelopment Area**. In general, the Redevelopment Area consists of an area in the southern portion of Grand Island, adjacent the City's Corporate Limits, along the Highway 281 corridor. The Area is located between Schimmer and Wildwood Drives and is bound on the west by the St. Joseph Branch Railroad, which is located approximately one-half mile east of Highway 281, in Hall County, Nebraska. Beginning at the intersection of the east line of Blaine Street and the north line of Schimmer Drive West, thence south along said east line to its intersection with the north line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence east along said north line to its intersection with the east line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence south along said east line to its intersection with the south line of Wildwood Drive West, thence west along said south line to its intersection with the west line of the St. Joseph Branch Railroad right-of-way, thence north to the north line of Schimmer Drive West, and continuing north along the west line of the St. Joseph Branch Railroad right-of-way approximately 660' (or one-eighth of a mile), thence east approximately 660' and south approximately 660' to the north line of Schimmer Drive West, thence east along said north line to its intersection with the east line of Blaine Street, also the point of beginning.

Illustration 1 delineates the Area in relation to the City of Grand Island. The Redevelopment Area is an estimated 498.5 acres, and includes the right-of-ways of the St. Joseph Branch Railroad and Hall County roads.

CITY CONTEXT MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



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ILLUSTRATION 1

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

Conclusion

The redevelopment planning process for the Redevelopment Area resulted in a comprehensive listing of general planning and implementation recommendations. As previously discussed in the Blight and Substandard Determination Study, there are two major land uses (vacant/agricultural and two farmsteads), with structural and substandard conditions that are nonconforming in nature, detrimental to the health, safety and general welfare of the Community and generally obsolete in respect to the development and living environmental norms of today's Nebraska communities, including the City of Grand Island. To eliminate these conditions and enhance private development activities within the Redevelopment Area, the City of Grand Island needs to endorse the following general planning and redevelopment actions:

1. **Rezone the Redevelopment Area to conform to the City of Grand Island's Industrial Zoning Regulations.**
2. **Upgrading of bridges, culverts and storm water drainage ditches to facilitate development in the Redevelopment Area.**
3. **Reconfiguration of intersections along Hall County roads to provide adequate turning lanes, road widths and sufficient right-of-ways, to support anticipated volumes of truck traffic to the proposed Ethanol Production Facility.**
4. **Extend municipal water and sanitary sewer systems from the perimeter of the Redevelopment Area into the proposed Ethanol Production Facility site and maintain and/or replace the current electrical system in the Area.**
5. **Removal of abandoned and dilapidated structures and associated debris.**
6. **Create a partnership with the State and Hall County to facilitate the needed road and intersection improvements, as well as for the extension of all appropriate utilities to service the Area.**
7. **Remove excessive debris from the Redevelopment Area. Parcels with excessive debris exist in specific locations of the Redevelopment Area.**
8. **Develop a plan for the screening and/or buffering of industrial sites with outside storage of materials from the view along Wildwood and Schimmer Drives.**

9. **Capture property taxes through the provision of Tax Increment Financing. Capture the annual increase in the total tax base throughout the Redevelopment Area. This will establish a source of funding for public improvements including, but not limited to, infrastructure needs such as water, sewer streets and sidewalks, parking improvements and general landscaping and signage enhancements.**

Implementation

Both a time-line and budget should be developed for the implementation of the Redevelopment Plan. Each of these processes should be designed in conformance with the resources and time available to the City. A reasonable time-line to complete the redevelopment activities identified in the Plan would be five to 10 years.

Various funding sources exist for the preparation and implementation of a capital improvement budget designed to meet the funding needs of proposed redevelopment activities. These include City and federal funds commonly utilized to finance street improvement funds, i.e. Community Development Block Grants, special assessments, general obligation bonds and Tax Increment Financing (TIF). The use of TIF for redevelopment projects in the Redevelopment Area is deemed to be an essential and integral element of the Redevelopment Area and use of TIF in connection with such projects is contemplated by the Plan and such designation and use of TIF will not constitute a substantial modification to the Plan.

The City agrees, when approving the Plan, to the utilization of TIF by the Grand Island Community Redevelopment Authority for redevelopment projects and agrees to pledge the taxes generated in redevelopment projects for such purposes in accordance with the Act.

Any redevelopment program receiving TIF is subject to a Cost Benefit Analysis. TIF, as a source of public financing, ultimately impacts taxing authorities in the City of Grand Island and Hall County. Proposed redevelopment projects using TIF must meet the cost benefit analysis and the "But For" test. Accordingly, "But for TIF" a redevelopment project could not be fully executed and constructed in the Community.

1. Future Land Use Patterns

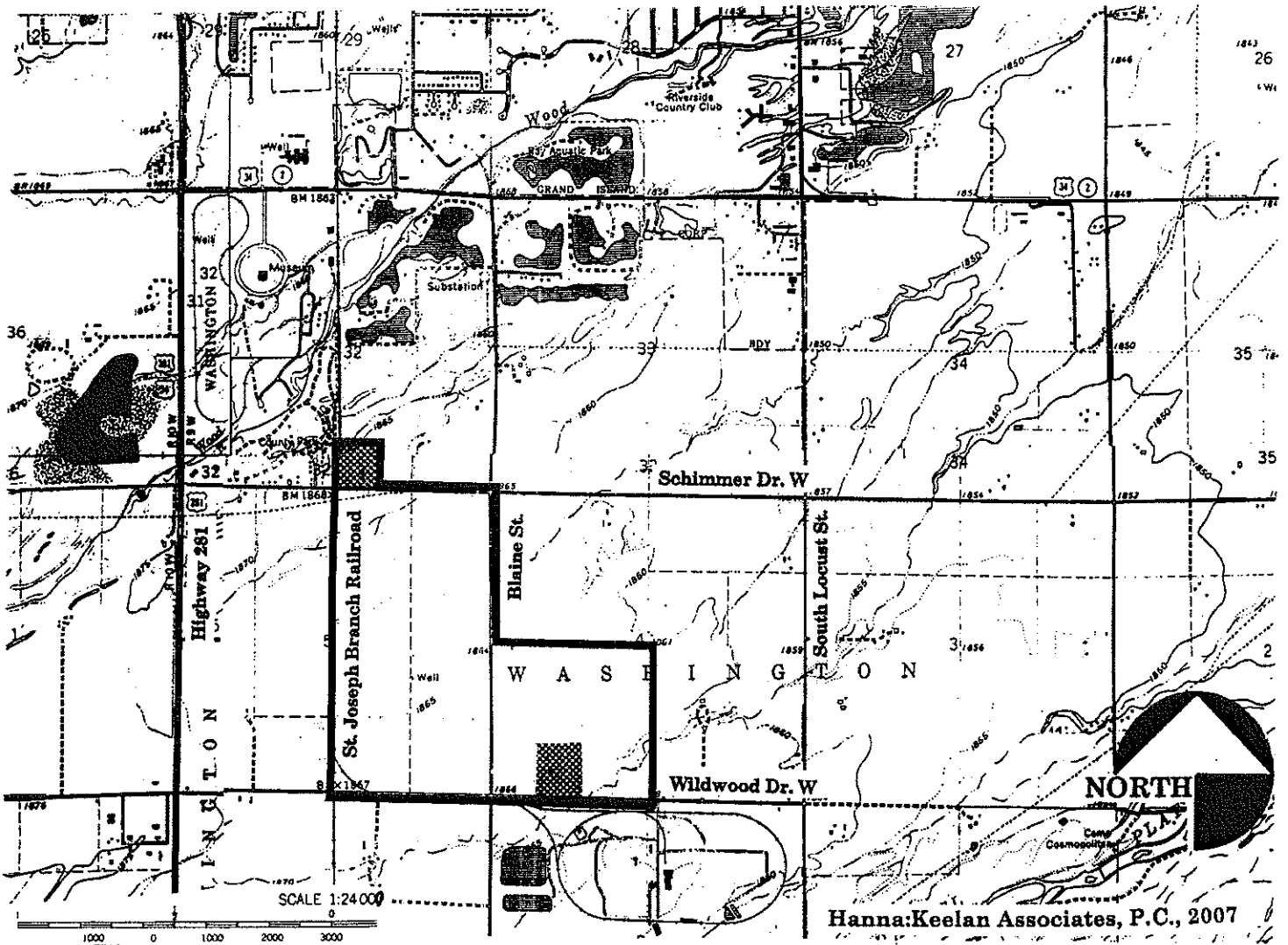
The existing land use patterns within the Redevelopment Area were depicted in **Illustration 2** and described, in detail, in the Blight and Substandard Determination Study. In general, the Redevelopment Area consists of three land use types. The primary land uses are vacant/agricultural, farmstead and right-of-ways of the Highway and Railroad corridors.

Illustration 4, Future Land Use Map, recommends land uses that stimulate future growth opportunities in the Redevelopment Area, while creating compatible land uses resulting in the efficient use of the physical features of the landscape. The recommended future land use classifications are generally in conformance with the "City of Grand Island Comprehensive Plan."

In the Future Land Use Map, "value-added" agricultural/industrial land uses are recommended to be utilized throughout the Redevelopment Area, except for the portion of the Area containing the farmstead north of Schimmer Drive, which is recommended for large lot single family residential development. Additional railway and road access corridors will need to be constructed within the Area, and the existing Blaine Street will need to be paved and upgraded to support heavy truck traffic associated with the proposed Ethanol Production Facility.

It is recommended that substantially deteriorated structures, throughout the Redevelopment Area, and those too deteriorated to rehabilitate, be replaced with new "value-added" industrial uses in conformance with the Future Land Use Map.

**EXISTING LAND USE MAP
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**



LEGEND



-  FARMSTEAD
-  VACANT / AGRICULTURAL

ILLUSTRATION 2

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

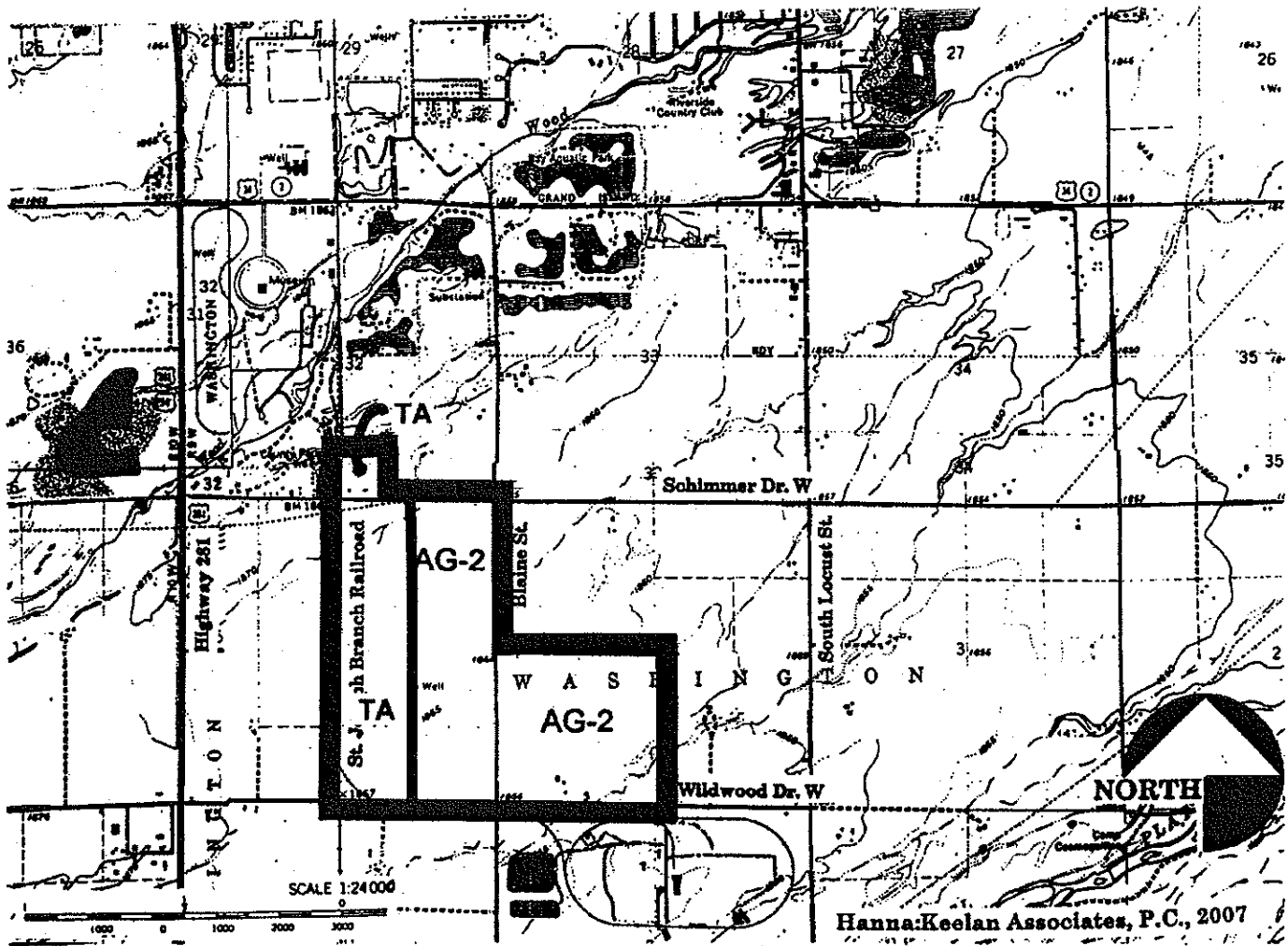
2. Future Zoning Districts

The Existing Zoning Map, **Illustration 3**, indicates that the entire Value Added Redevelopment Area is within the City of Grand Island's Planning Jurisdiction and is currently zoned A-2 Agricultural and TA Transitional Agricultural, according to information provided by the City of Grand Island Planning Office. The City of Grand Island has annexed the portion of the Redevelopment Area that the proposed Ethanol Production Facility will utilize, however, two zoning classifications including TA Transitional Agricultural and AG-2 Secondary Agricultural are utilized to control development options within the Area. It is recommended that the City rezone the entire area to one zoning classification that permits the Ethanol Facility as a Principle Permitted Use. Currently, only the AG-2 allows ethanol facilities as a Specially Permitted Use. The site is recommended to be re-zoned an industrial zoning classification in which ethanol facilities are permitted. This will require a Public Hearing by both the City Planning Commission and the City Council.

The recommended Future Zoning Map, for the Redevelopment Area, is identified in **Illustration 5** of this General Redevelopment Plan.

The City of Grand Island currently has four industrial zoning districts: M-1 Light Manufacturing, M-2 Heavy Manufacturing, M-3 Mixed Use Manufacturing and ME Industrial Estates. The City will need to select one of these zoning districts to apply to the proposed Ethanol Production Facility site. The City may need to amend the selected zoning district to allow the proposed Facility as a permissive use. Often, financial institutions and investment companies require that properties in which they have holdings be a permissive use within the zoning district, as opposed to a conditional or special use permit, in case, for one reason or another, the conditional or special use permit be pulled or revoked in the future.

**EXISTING ZONING MAP
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**



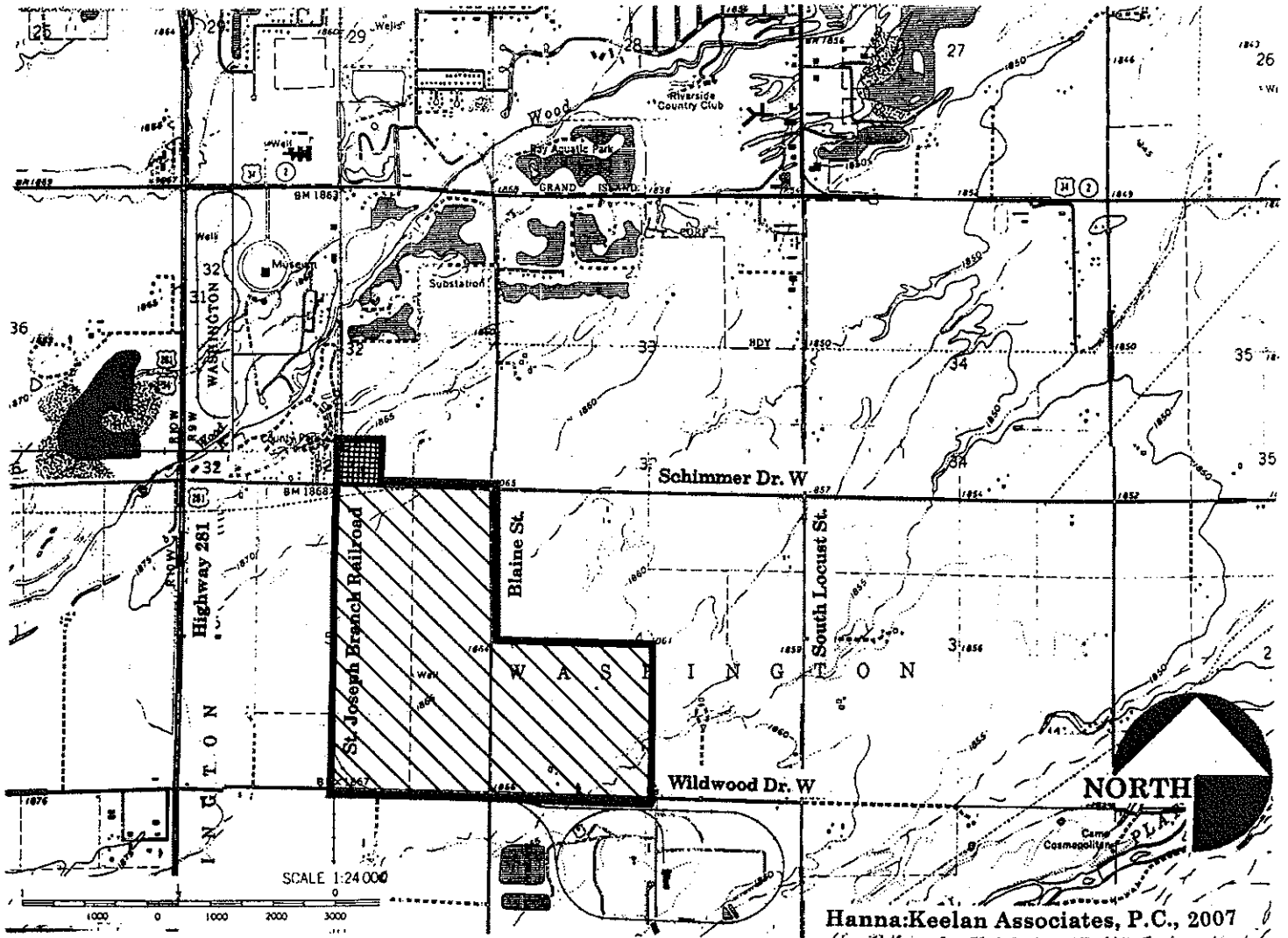
LEGEND

- TA TRANSITIONAL AGRICULTURAL DISTRICT
- AG-2 SECONDARY AGRICULTURAL DISTRICT

ILLUSTRATION 3

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

FUTURE LAND USE MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



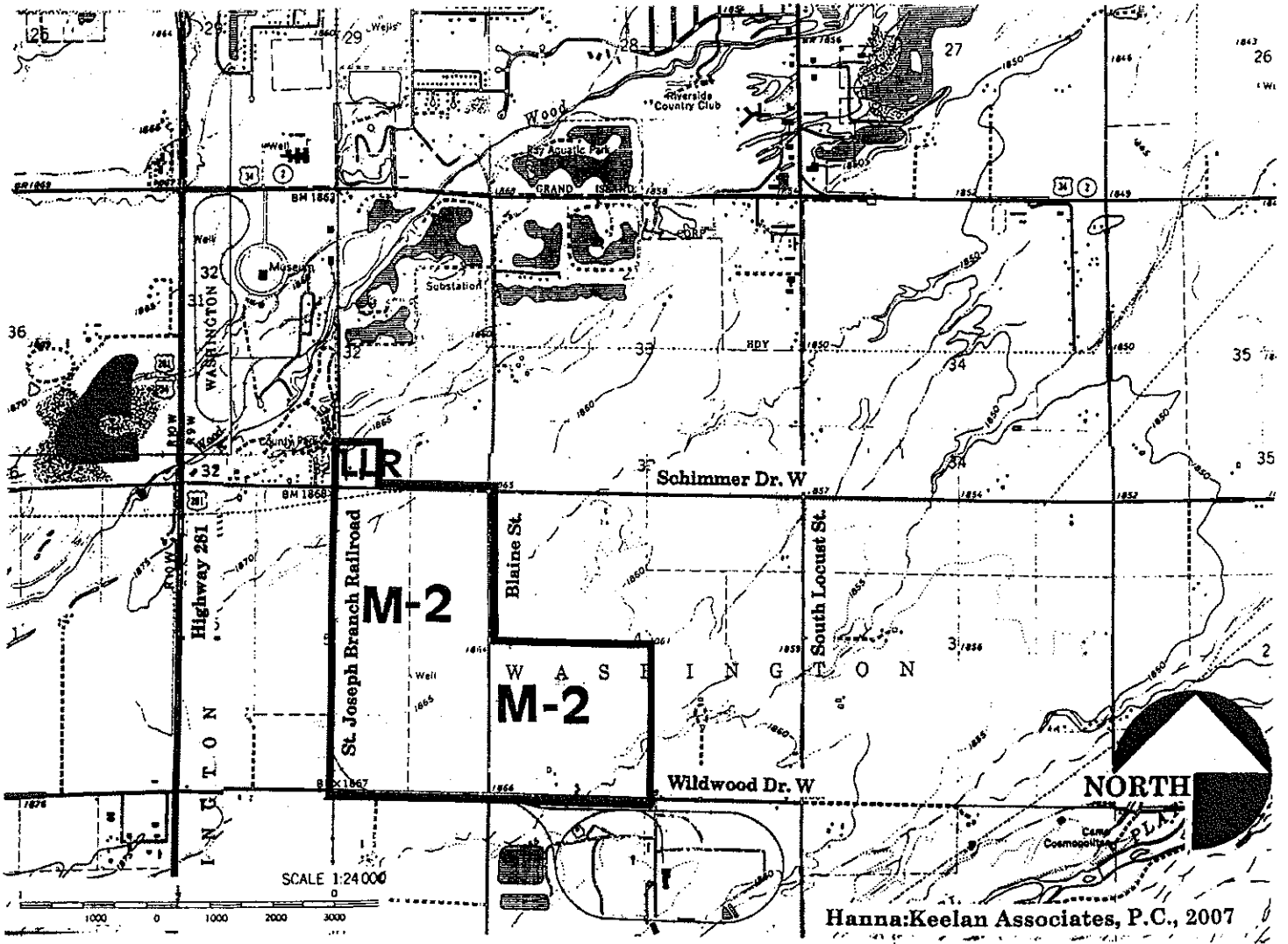
LEGEND

-  HEAVY INDUSTRIAL
-  LARGE LOT RESIDENTIAL

ILLUSTRATION 4

Grand Island Value Added Redevelopment Area
General Redevelopment Plan

FUTURE ZONING MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



LEGEND

- M-2 HEAVY MANUFACTURING DISTRICT
- LLR LARGE LOT RESIDENTIAL

ILLUSTRATION 5

Grand Island Value Added Redevelopment Area
General Redevelopment Plan

3. Recommended Public Improvements

The primary purpose for a General Redevelopment Plan, accompanied with the Blight and Substandard Determination Study, is to allow for the use of public financing in a specific area. This public financing is planned and implemented to serve as a "first step" for public improvements and encourage private development within the Redevelopment Area. The most common form of public improvements occur with infrastructure, specifically roads, water, sanitary sewer and storm sewer systems, and recreational uses. The primary infrastructure concerns in the Redevelopment Area are road improvements, and the need for improvements and extensions of underground water, storm water and sanitary sewer systems.

The Redevelopment Area contains conditions that would benefit from public improvements and private redevelopment. The Area is currently comprised of two farmsteads and vacant/agricultural uses, which are bound on the south by Wildwood Drive, and Schimmer Drive on the north, both of which connect to Highway 281, approximately one-half mile west of Redevelopment Area #7. The St. Joseph Branch Railroad corridor serves as the Area's western boundary. Blaine Street serves as a main north-south arterial within the Redevelopment Area, connecting the northern and southern boundaries of the Area. Primary redevelopment activities should focus on extending municipal water, sewer and electrical systems to support industrial development.

The Field Survey indicated that most portions of the arterial roads are in "good" or "fair" condition. However, to facilitate industrial development, roads providing access into the Area will need to be hard surfaced to support heavy truck traffic. Blaine Street, the main north-south road in the Area, is presently a gravel surfaced county road, with open storm water ditches along the sides. Wildwood Drive may need to be widened at appropriate road and highway intersections to allow designated turning lanes for semi-truck traffic associated with the Ethanol Processing Facility.

Conclusions

The Grand Island Community Redevelopment Authority (CRA) and the City of Grand Island should seek funding sources to create a revolving loan and/or grant program for the rehabilitation infrastructure and improvement of utility services and public uses in the Redevelopment Area. To encourage development, the Consultant recommends investment in all mechanical infrastructure systems, throughout the entire Redevelopment Area. Prior to the transportation network improvements, the City and the CRA should develop a plan in conjunction with the City's Capital Improvement Plan and the One- and Six-Year Street Plan, to accommodate efficient infrastructure development and improvements.

The combination of the recommendations listed above are to aid the City of Grand Island and the CRA in creating a viable and sustainable living environment in this central Nebraska community, under the general provisions of the Nebraska Community Development Law, Chapter 18, Article 21 of the Statutes of State of Nebraska. This Plan does not intend the displacement of families or persons residing in the Area. If necessary for proper redevelopment activities, the City will conduct the necessary relocation of property owners.

The following identifies estimated costs for the improvement of various infrastructure features in Redevelopment Area.

Normal Street Replacement

Costs are dependent on street width and thickness of pavement or overlay. Concrete paving of 6" thick with integral curbs costs an estimated \$45 per square yard. Asphalt overlay has a cost of \$3 per square yard, per inch of thickness of asphalt overlay.

The cost to construct a 6" thick, 30' wide concrete street is \$150 per linear foot

The cost to construct a 6" thick, 60' wide concrete street is \$300 per linear foot

The cost to construct a 2" thick, 30' wide asphalt overlay is \$20 per linear foot

The cost to construct a 2" thick, 60' wide asphalt overlay is \$40 per linear foot

Ramped Curb Cuts

\$1,250 each

Sanitary Sewer

\$50 to \$60 per linear foot

Water Valves

\$750 each

Fire Hydrants

\$2,500 each

Overlay of Parking Lots

Asphalt overlay costs \$3 per square yard per inch of thickness of asphalt overlay.

Therefore the cost of a 2" overlay of a 150' x 150' parking lot is \$15,000.

Paved Alleys

The cost for paved alleys is dependent on alley width and pavement thickness. A 6" thick concrete alley would cost \$45 per square yard.

The cost of a 6" thick, 16' wide concrete alley is \$80 per linear foot.

The cost of a 6" thick, 20' wide concrete alley is \$100 per linear foot.

Storm Sewers

The cost of Storm Sewers is dependent upon the size of the storm sewer pipe and on the number of inlets required. A breakdown of approximate unit prices is as follows:

15" RCP costs \$22 per linear foot	18" RCP costs \$26 per linear foot
24" RCP costs \$35 per linear foot	30" RCP costs \$44 per linear foot
36" RCP costs \$52 per linear foot	42" RCP costs \$61 per linear foot
48" RCP costs \$70 per linear foot	Inlets cost and estimated \$2,500 each

Therefore, assuming 470 linear feet of 30" storm sewer and four inlets per block, a block of storm sewer would cost approximately \$30,680.

This General Redevelopment Plan identifies several community and economic development activities for the entire Redevelopment Area, in Grand Island, Nebraska. The major components of this General Redevelopment Plan will be accomplished as individual projects, however, a comprehensive redevelopment effort is recommended. Just as the redevelopment efforts should be tied together, so should the funding sources to ensure a complete project. The use of state and federal monies, local equity and tax incentives coupled with private funding sources, can be combined for a realistic and feasible funding package. The following provides a summary listing of the types of funding to assist in implementing this General Redevelopment Plan. Each selected redevelopment project should be accompanied with a detailed budget of both sources and uses of various funds.

- Building Improvement District
- Tax Increment Financing
- LB 840 or LB 1240
- Historic Preservation Tax Credits
- Low Income Housing Tax Credits
- Sales Tax
- Community Development Block Grants - Re-Use Funds
- Local Lender Financing
- Owner Equity
- Small Business Association-Micro Loans
- Community Assistance Act
- Donations and Contributions
- Intra-modal Surface Transportation Efficiency Act

Private Foundations

American Express Foundation
Kellogg Corporate Giving Program
Marietta Philanthropic Trust
Monroe Auto Equipment Company Foundation
Norwest Foundation
Piper, Jaffray & Hopwood Corporate Giving
Target Stores Corporate Giving
Pitney Bowes Corporate Contributions
Union Pacific Foundation
US West Foundation
Woods Charitable Fund, Inc.
Abel Foundation
ConAgra Charitable Fund, Inc.
Frank M. and Alice M. Farr Trust
Hazel R. Keene Trust
IBP Foundation, Inc.
Mid-Nebraska Community Foundations, Inc.
Northwestern Bell Foundation
Omaha World-Herald Foundation
Peter Kiewit and Sons Inc. Foundation
Thomas D. Buckley Trust
Valmont Foundation
Quivey-Bay State Foundation