



City of Grand Island

Tuesday, August 12, 2008

Council Session

Item E5

**Public Hearing on Community Redevelopment Authority (CRA)
Budget**

Staff Contact: Chad Nabity

COMMUNITY REDEVELOPMENT AUTHORITY

2008-2009 ANNUAL BUDGET

It is my privilege to present to you the budget for the Community Redevelopment Authority for 2008-2009. This plan and budget continues the high-quality services that have enabled the CRA to partner with the City of Grand Island, private developers and businesses, and with property owners in the blighted and substandard areas to make Grand Island vibrant, clean, safe, and attractive.

The CRA budget for 2008-2009 is offered to you with a review of the responsibilities of the CRA. Those responsibilities and abilities are outlined in State Statutes and are summarized, in part, as follows:

The creation of Redevelopment Authorities was authorized by the Nebraska Legislature in order to provide communities with the ability to address certain areas of a city in need of improvement and development. Powers granted to Community Redevelopment Authorities are outlined in Chapter 18 of the Statutes and include the ability to expend funds to acquire substandard or blighted areas, make public improvements, and assist with development and redevelopment projects in specified areas. The Authority has virtually the same powers as any political subdivision, including borrowing money, issuing bonds, undertaking surveys and appraisals and asking for a levy of taxes.

A five-member board, appointed by the Mayor with the approval of the City Council, governs the CRA. The CRA is administered by a Director and devotes the overwhelming share of its resources to highly visible and effective programs. The CRA funds its programs primarily through assessments on taxable properties within the Grand Island city limits.

BLIGHTED AND SUBSTANDARD AREAS

There are five (7) designated Blighted and Substandard Areas within the Grand Island City Limits. The City Of Grand Island has the authority to designate up to 35% of the community a blighted and substandard. At present 16.66% of the City has been designated blighted and substandard.

CRA MISSION

The CRA's mission is to reduce, slow or eliminate blighting influences on property in those areas that have been designated as blighted and substandard. They do this by encouraging new investment and improved infrastructure in older areas of the community through the use of tax increment financing. They also take an active role in purchasing and demolishing properties that need to be cleared. This property is then made available for redevelopment.

FISCAL RESOURCES

General Revenues For 2008-2009,

The CRA is requesting property tax revenues of \$475,000 down from \$500,000 in 2007-08. Historically, the levies and tax askings have been:

2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
\$0.0225655	\$0.022824	\$0.023625	\$0.024287	\$0.025325	\$0.024721
\$500,000	\$477,204	\$456,540	\$457,391	\$402,431	\$388,713

At the July 7, 2008 meeting, the Community Redevelopment Authority approved the proposed budget establishing a preliminary request of \$0.020935 for each hundred dollars of valuation for an anticipated \$475,000 based on an estimated taxable valuation of \$2,268,944,277.

Program Funding

The Community Redevelopment Authority has the ability to assist private developers and governmental entities with the commercial, residential or mixed-use redevelopment projects throughout the City. Specific detail on projects is as follows:

- Purchase of Dilapidated Properties/Infrastructure. The 2008-2009 budget includes \$100,000 for the acquisition of substandard properties in the blighted and substandard areas and for the provision of infrastructure. The Authority will consider any property within a designated area.
- Facade Development \$200,000 has been budgeted for the façade development program, including grants and interest buy down these projects are unidentified at this time. This program has been used extensively in the Downtown area but is available to all blighted and substandard areas.
- Train Horns: A total amount of \$240,000 has been reserved for participation in the way side horn project in Downtown Grand Island. This project is a joint project funded by the City and the CRA through an interlocal agreement. \$140,000 was reserved from the 2007-08 other projects funds for this project.
- Other Projects: \$500,000 has been reserved for other projects in the blights and substandard areas. This funding can be assigned to specific projects including but not limited to infrastructure improvements in the blighted and substandard areas that would support larger redevelopment plans.

CONCLUSION

A continued aggressive approach toward redevelopment will be the focus for the CRA in 2008-2009. The investments this community has made in housing, redevelopment efforts, infrastructure and economic development, bode well for the future of the community.

This budget reflects the continued and changing needs of the community. The Community Redevelopment Authority is to be commended for the difference their dedication and vision is making in this community.

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2008 - 2009 BUDGET

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
CONSOLIDATED					
Beginning Cash	1,139,803	1,309,485	952,497	952,497	937,422
REVENUE:					
Property Taxes	635,183	699,422	722,796	722,796	697,796
Loan Proceeds	8,785	-			
Interest Income	30,243	45,272	10,000	30,000	10,000
Land Sales	-	14,837	50,000	-	50,000
Other Revenue	1,938	6,506	-	-	-
TOTAL REVENUE	676,149	766,037	782,796	752,796	757,796
TOTAL RESOURCES	1,815,952	2,075,522	1,735,293	1,705,293	1,695,218
EXPENSES					
Auditing & Accounting	6,263	4,900	8,000	6,500	8,000
Legal Services	3,530	5,500	10,000	5,000	10,000
Consulting Services	-	999	10,000	5,000	10,000
Contract Services	49,804	48,430	40,000	40,000	40,000
Printing & Binding	-	-	1,000	800	1,000
Other Professional Services	-	3,429	6,000	5,500	6,000
General Liability Insurance	-	-	250	250	250
Postage	-	-	-	125	200
Legal Notices	908	303	800	900	800
Licenses & Fees	-	-	-	-	-
Travel & Training	-	70	1,500	500	1,000
Other Expenditures	(50)	14	500	200	500
Office Supplies	114	32	500	200	500
Supplies	-	-	300	100	300
Land	160,608	15,137	100,000	50,000	100,000
Façade Improvement	100,020	127,300	200,000	180,000	200,000
South Locust	3,900	-	-	-	-
2nd Street BID					55,000
Outstanding Façade Improvement Grants					218,000
Horns					240,000
Other Committed Projects					45,750
Other Projects	-	706,680	500,000	250,000	500,000
Property Taxes BID Fees					-
Property Management					-
Bond Principal	96,736	112,739	128,002	128,002	128,002
Bond Interest	84,634	97,492	94,794	94,794	94,794
TOTAL EXPENSES	506,467	1,123,025	1,101,646	767,871	1,660,096
INCREASE(DECREASE) IN CASH	169,682	(356,988)	(318,850)	(15,075)	(902,300)
ENDING CASH	1,309,485	952,497	633,647	937,422	35,122
LESS COMMITMENTS			-	-	-
AVAILABLE CASH	1,309,485	952,497	633,647	937,422	35,122
CHECKING	607,077	481,867	183,647	487,422	(264,878)
INVESTMENTS	702,405	470,630	450,000	450,000	300,000
Total Cash	1,309,482	952,497	633,647	937,422	35,122

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2008 - 2009 BUDGET

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
CRA					
GENERAL OPERATIONS:					
Property Taxes	475,338	491,210	500,000	500	475,000
Interest Income	29,873	44,921	10,000	30,000	10,000
Land Sales	-	14,837	50,000	-	50,000
Other Revenue	1,938	4,251		-	
TOTAL	507,149	555,219	560,000	30,500	535,000
GILI TRUST					
Property Taxes	64,088	64,571	65,780	65,780	65,780
Interest Income			-	600	
Other Revenue		324		560	
TOTAL	64,088	64,895	65,780	66,940	65,780
CHERRY PARK LTD II					
Property Taxes	60,549	61,006	59,180	59,180	59,180
Interest Income	228	237		160	-
Other Revenue		68		-	
TOTAL	60,777	61,311	59,180	59,340	59,180
GENTLE DENTAL					
Property Taxes	3,307	3,251	4,202	4,202	4,202
Interest Income	6	4		3	-
Other Revenue	-	846		447	
TOTAL	3,313	4,101	4,202	4,652	4,202
PROCON TIF					
Property Taxes	8,785	17,631	19,162	19,162	19,162
Interest Income	87	27		65	
Other Revenue	-	931		734	
TOTAL	8,872	18,589	19,162	19,961	19,162
WALNUT HOUSING PROJECT					
Property Taxes	31,901	61,753	74,472	74,472	74,472
Interest Income		83		100	
Other Revenue		86		6,289	
TOTAL	31,901	61,922	74,472	80,861	74,472
TOTAL REVENUE	676,100	766,037	782,796	262,254	757,796

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2008 - 2009 BUDGET

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
EXPENSES					
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting	6,263	4,900	8,000	6,500	8,000
Legal Services	3,523	5,500	10,000	5,000	10,000
Consulting Services	-	999	10,000	5,000	10,000
Contract Services	49,804	48,430	40,000	40,000	40,000
Printing & Binding	-	-	1,000	800	1,000
Other Professional Services	-	3,429	6,000	5,500	6,000
General Liability Insurance	-	-	250	250	250
Postage			0	125	200
Legal Notices	908	303	800	900	800
Licenses & Fees			0		
Travel & Training	-	70	1,500	500	1,000
Other Expenditures	(50)	-	500	200	500
Office Supplies	114	32	500	200	500
Supplies	-	-	300	100	300
Land	160,608	15,137	100,000	50,000	100,000
PROJECTS					
Façade Improvement	100,020	127,300	200,000	180,000	200,000
South Locust	3,900	-	0	-	-
2nd Street BID					55,000
Outstanding Façade Improvement Grants					218,000
Horns					240,000
Other Committed Projects					45,750
Other Projects	-	706,680	500,000	250,000	500,000
Property Taxes BID Fees					-
Property Management					-
TOTAL CRA OPERATING EXPENSES	325,090	912,780	878,850	545,075	1,437,300
GILI TRUST					
Bond Principal	40,318	43,604	47,158	47,158	51,001
Bond Interest	25,462	22,176	18,622	18,622	14,779
Other Expenditures		4			
TOTAL GILI EXPENSES	65,780	65,784	65,780	65,780	65,780
CHERRY PARK LTD II					
Bond Principal	31,635	34,131	36,824	36,824	39,729
Bond Interest	27,545	25,049	22,356	22,356	19,451
TOTAL CHERRY PARK EXPENSES	59,180	59,180	59,180	59,180	59,180
GENTLE DENTAL					
Bond Principal	1,820	1,949	2,127	2,127	2,276
Bond Interest	2,382	2,253	2,075	2,075	1,926
TOTAL GENTLE DENTAL	4,202	4,202	4,202	4,202	4,202
PROCON TIF					
Bond Principal	8,249	8,333	8,838	8,838	9,467
Bond Interest	10,912	10,829	10,324	10,324	9,695
TOTAL PROCON TIF	19,161	19,162	19,162	19,162	19,162
WALNUT HOUSING PROJECT					
Other Expenditures	10	10			
Bond Principal	14,714	24,722	33,055	33,055	39,151
Bond Interest	18,332	37,185	41,417	41,417	35,321
TOTAL WALNUT HOUSING PROJECT	33,056	61,917	74,472	74,472	74,472
TOTAL EXPENSES	506,469	1,123,025	1,101,646	767,871	1,660,096