



City of Grand Island

Tuesday, August 11, 2009

Council Session

Item E4

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

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Chad Nabity, CRA Director

Meeting: August 11, 2009

Subject: Community Redevelopment Authority (CRA) Budget

Item #'s: E-4

Presenter(s): Chad Nabity, CRA Director

COMMUNITY REDEVELOPMENT AUTHORITY 2009-2010 ANNUAL BUDGET

It is my privilege to present to you the budget for the Community Redevelopment Authority for 2009-2010. 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 2009-2010 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 Seven (7) designated Blighted and Substandard Areas within the Grand Island City Limits (see attached map). 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 2009-2010,

The CRA is requesting property tax revenues of \$425,000 down from \$475,000 in 2008-09 and down from \$500,000 in 2007-2008. Historically, the levies and tax askings have been:

2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
\$0.020790	\$0.0225655	\$0.022824	\$0.023625	\$0.024287	\$0.025325	\$0.024721
\$475,000	\$500,000	\$477,204	\$456,540	\$457,391	\$402,431	\$388,713

At the July 21, 2009 meeting, the Community Redevelopment Authority approved the proposed budget establishing a preliminary request of \$0.01950 for each hundred dollars of valuation for an anticipated \$425,000 based on an estimated taxable valuation of \$2,330,443,511.

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 \$150,000 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

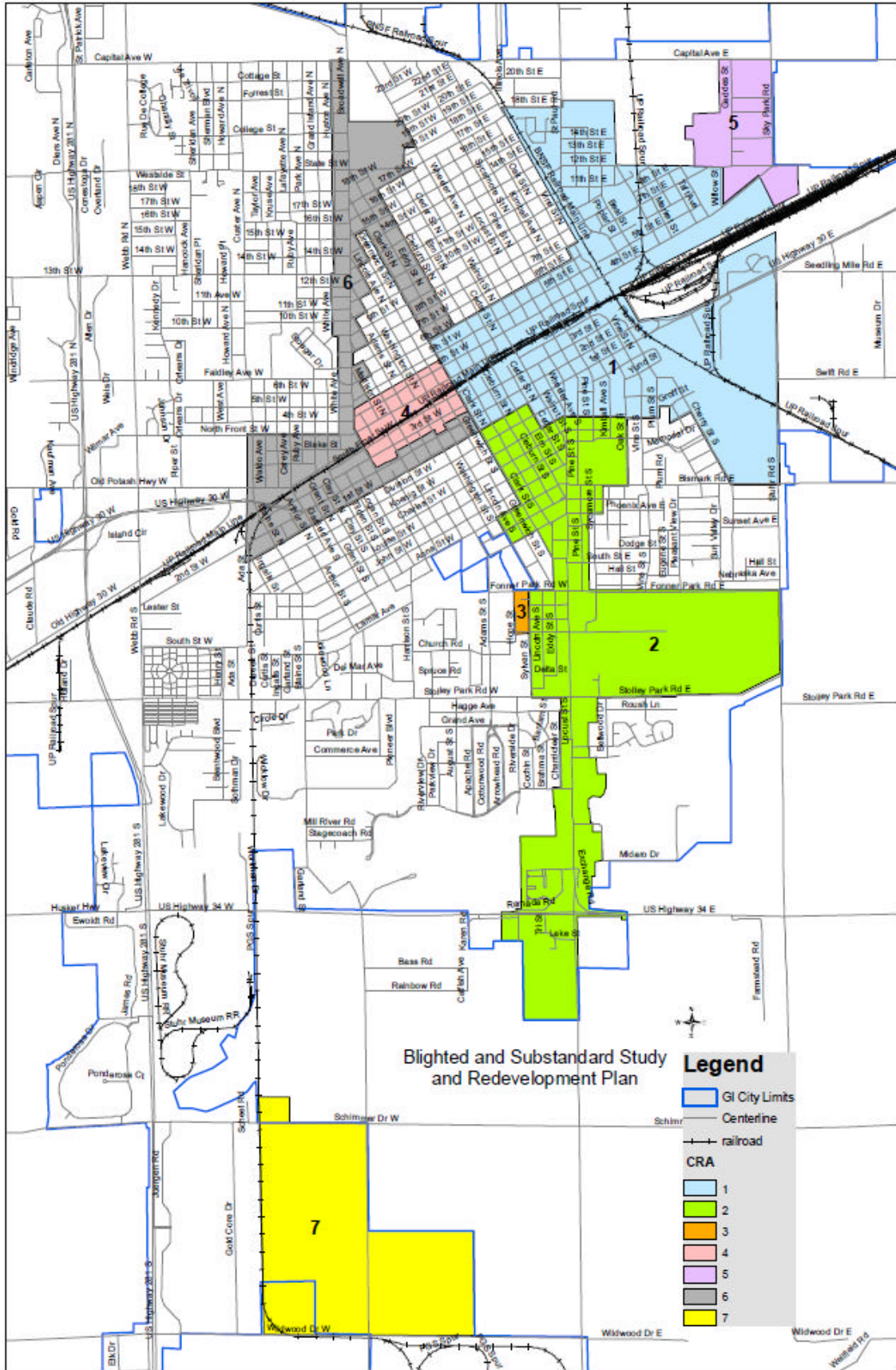
funded by the City and the CRA through an interlocal agreement. Final approvals from the rail road are moving forward and we anticipate that CRA will make the payment on the full project during the 2009-2010 fiscal year. This will be a reimbursement to the City.

- Other Projects: \$800,000 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. The authority is specifically looking at financing “Bucket TIF” projects in residential neighborhoods that have already been declared blighted and substandard. This process will allow the CRA to help make significant improvements in the quality of housing available in these neighborhoods. The CRA has used this funding item in the past to fund additional façade improvement projects and to make grants to fund specific projects for the: Business Improvement District, the Grand Parks Department, Fonner Park, The Central Nebraska Humane Society, St. Stephens, Habitat for Humanity and other community groups for specific projects that meet the mission of the CRA.

CONCLUSION

A continued aggressive approach toward redevelopment will be the focus for the CRA in 2009-2010. The investments this community has made in housing, redevelopment efforts, infrastructure and economic development, bode well for the future of the community.

Given the current climate regarding taxes, development and redevelopment, the CRA is requesting a less revenue during the upcoming year. The CRA expects to spend a significant portion of their unspent funds during the coming year. It is hoped that they will be able to do this in a manner that will enable them to recapture those dollars at a later date.



Blighted and Substandard Study and Redevelopment Plan

Legend

- GI City Limits
- Centerline
- railroad
- CRA
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COMMUNITY REDEVELOPMENT AUTHORITY
FY 2009 - 2010 BUDGET

CONSOLIDATED	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Beginning Cash	1,309,485	952,497	1,236,622	892,522	1,035,860
REVENUE:					
Property Taxes	699,422	750,800	697,796	717,783	667,783
Loan Proceeds	-				
Interest Income	45,272	41,968	10,000	15,579	8,000
Land Sales	14,837	15,152	50,000	47,335	50,000
Other Revenue	6,506	-	-	16,054	-
TOTAL REVENUE	766,037	807,920	757,796	796,751	725,783
TOTAL RESOURCES	2,075,522	1,760,417	1,994,418	1,689,273	1,761,643
EXPENSES					
Auditing & Accounting	4,900	5,000	8,000	6,500	7,500
Legal Services	5,500	2,143	10,000	6,000	10,000
Consulting Services	999	-	10,000	-	10,000
Contract Services	48,430	34,362	40,000	35,000	40,000
Printing & Binding	-	568	1,000	-	1,000
Other Professional Services	3,429	4,112	6,000	3,000	5,000
General Liability Insurance	-	-	250	250	250
Postage		142	250	200	200
Legal Notices	303	828	800	800	800
Licenses & Fees	-	-	-	-	-
Travel & Training	70	-	1,500	-	1,000
Other Expenditures	14	-	500	250	500
Office Supplies	32	105	500	150	500
Supplies	-	-	300	300	300
Land	15,137	33,090	100,000	129	100,000
Façade Improvement	127,300	207,871	200,000	155,551	150,000
South Locust	-	-	-	-	-
Other Projects	706,680	-	500,000	15,000	800,000
Property Taxes BID Fees				-	-
2nd Street BID				150,000	-
Outstanding Façade Improvement Grants				-	132,250
Railroad Horns				-	240,000
Other Committed Projects				37,500	17,700
Property Management				-	-
Bond Principal	112,739	142,543	128,002	161,611	161,611
Bond Interest	97,492	93,031	94,794	81,172	81,172
TOTAL EXPENSES	1,123,025	523,795	1,101,896	653,413	1,759,783
INCREASE(DECREASE) IN CASH	(356,988)	284,125	(344,100)	143,338	(1,034,000)
ENDING CASH	952,497	1,236,622	892,522	1,035,860	1,860
LESS COMMITMENTS		-	-	-	-
AVAILABLE CASH	952,497	1,236,622	892,522	1,035,860	1,860
CHECKING	481,867	786,622	442,522	130,860	(298,140)
INVESTMENTS	470,630	450,000	450,000	905,000	300,000
Total Cash	952,497	1,236,622	892,522	1,035,860	1,860

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2009 - 2010 BUDGET

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
CRA					
GENERAL OPERATIONS:					
Property Taxes	491,210	493,602	475,000	475,000	425,000
Interest Income	44,921	41,561	10,000	15,000	8,000
Land Sales	14,837	-	50,000	47,335	50,000
Other Revenue	4,251	1,300	-	7,077	
TOTAL	555,219	536,463	535,000	544,412	483,000
GILI TRUST					
Property Taxes	64,571	66,410	65,780	65,780	65,780
Interest Income	-	-	-	-	-
Other Revenue	324	1,108	-	277	
TOTAL	64,895	67,518	65,780	66,057	65,780
CHERRY PARK LTD II					
Property Taxes	61,006	62,743	59,180	59,180	59,180
Interest Income	237	251	-	349	-
Other Revenue	68	-	-	-	-
TOTAL	61,311	62,994	59,180	59,529	59,180
GENTLE DENTAL					
Property Taxes	3,251	3,497	4,202	4,202	4,202
Interest Income	4	3	-	1	-
Other Revenue	846	947	-	702	
TOTAL	4,101	4,447	4,202	4,905	4,202
PROCON TIF					
Property Taxes	17,631	18,138	19,162	19,162	19,162
Interest Income	27	53	-	36	
Other Revenue	931	972	-	-	-
TOTAL	18,589	19,163	19,162	19,198	19,162
BRUNS PET GROOMING					
Property Taxes	-	9,536		4,986	4,986
GIRAD VET CLINIC					
Property Taxes	-	3,242		4,940	4,940
GEDDES ST APTS - PROCON					
				1,195	1,195
SOUTHEAST CROSSINGS					
				8,866	8,866
WALNUT HOUSING PROJECT					
Property Taxes	61,753	93,632	74,472	74,472	74,472
Interest Income	83	100	-	193	
Other Revenue	86	10,825	-	7,998	
TOTAL	61,922	104,557	74,472	82,663	74,472
TOTAL REVENUE	766,037	807,920	757,796	796,751	725,783

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2009 - 2010 BUDGET

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
EXPENSES					
CRA					
GENERAL OPERATIONS:					
Auditing & Accounting	4,900	5,000	8,000	6,500	7,500
Legal Services	5,500	2,143	10,000	6,000	10,000
Consulting Services	999	0	10,000	-	10,000
Contract Services	48,430	34,362	40,000	35,000	40,000
Printing & Binding	-	568	1,000	-	1,000
Other Professional Services	3,429	4,112	6,000	3,000	5,000
General Liability Insurance	-	0	250	250	250
Postage		142	250	200	200
Legal Notices	303	828	800	800	800
Licenses & Fees		0			
Travel & Training	70	0	1,500	-	1,000
Other Expenditures	-	0	500	250	500
Office Supplies	32	105	500	150	500
Supplies	-	0	300	300	300
Land	15,137	33,090	100,000	129	100,000
PROJECTS					
Façade Improvement	127,300	207,871	200,000	155,551	150,000
South Locust	-	0	-	-	-
2nd Street BID		0		150,000	-
Outstanding Façade Improvement Grants		0		-	132,250
Railroad Horns		0		-	240,000
Other Committed Projects		0		37,500	17,700
Other Projects	706,680	0	500,000	15,000	800,000
Property Taxes BID Fees		0		-	-
Property Management		0		-	-
TOTAL CRA OPERATING EXPENSES	912,780	288,221	879,100	410,630	1,517,000
GILI TRUST					
Bond Principal	43,604	47,158	51,001	51,001	51,001
Bond Interest	22,176	18,622	14,779	14,779	14,779
Other Expenditures	4				
TOTAL GILI EXPENSES	65,784	65,780	65,780	65,780	65,780
CHERRY PARK LTD II					
Bond Principal	34,131	36,824	39,729	39,729	39,729
Bond Interest	25,049	22,356	19,451	19,451	19,451
TOTAL CHERRY PARK EXPENSES	59,180	59,180	59,180	59,180	59,180
GENTLE DENTAL					
Bond Principal	1,949	2,127	2,276	2,276	2,276
Bond Interest	2,253	2,075	1,926	1,926	1,926
TOTAL GENTLE DENTAL	4,202	4,202	4,202	4,202	4,202
BRUNS PET GROOMING					
		9,536		4,986	4,986
GIRARD VET CLINIC					
		3,242		4,940	4,940
PROCON TIF					
Bond Principal	8,333	10,601	9,467	9,467	9,467
Bond Interest	10,829	8,561	9,695	9,695	9,695
TOTAL PROCON TIF	19,162	19,162	19,162	19,162	19,162
GEDDESST APTS - PROCON					
				1,195	1,195
SOUTHEAST CROSSINGS					
				8,866	8,866
WALNUT HOUSING PROJECT					

COMMUNITY REDEVELOPMENT AUTHORITY
 FY 2009 - 2010 BUDGET

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Other Expenditures	10				
Bond Principal	24,722	33,055	39,151	39,151	39,151
Bond Interest	37,185	41,417	35,321	35,321	35,321
TOTAL WALNUT HOUSING PROJEC	61,917	74,472	74,472	74,472	74,472
TOTAL EXPENSES	1,123,025	523,795	1,101,896	653,413	1,759,783