



City of Grand Island

Tuesday, February 24, 2015

Council Session

Item E-3

**Public Hearing on Amendment to the Redevelopment Plan, a
Portion of CRA Area 1, for Downtown Upper Story Residential
Life Safety Grant**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: February 24, 2015

Subject: Amendment to Redevelopment Plan for CRA Area #1
Pertaining to Downtown Upper Story Residential Grants

Item #'s: E-3 & I-2

Presenter(s): Chad Nabity, AICP CRA Director

Background

Enclosed you will find a Redevelopment Plan Amendment for CRA Area 1 that will authorize the CRA to issue grants for upper story residential development in Downtown Grand Island as defined within the plan.

The 2014-2015 CRA Budget included a line item of \$200,000 to support the development of upper story residential development in Downtown Grand Island. Grand Island City Council and the CRA each authorized \$100,000 toward this effort. The goal of this program is to encourage the development of 50 new residential units in Downtown Grand Island. The intent of this program if used and successful is to continue funding the program for 5 years through the 2019 budget year.

The attached plan does anticipate that the developers of these projects will avail themselves of all available assistance to make the projects successful including the use of Tax Increment Financing but this plan does not authorize the use of TIF. This plan only authorizes the CRA to make grants of up to \$20,000 for two plus bedroom units and \$15,000 for single bedroom units. All units receiving these grants must be new residential units and only those units created on the second story or above are eligible for the grants. The CRA may authorize a grant of less than \$20,000 per unit at their discretion.

The CRA reviewed the proposed development plan on January 14, 2015 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting that was held on February 18, 2015.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on February 18, 2015. The Planning Commission approved Resolution 2015-02 in support of the proposed amendment, declaring the proposed

amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.

Discussion

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment and enter that testimony and a copy of the plan amendment into the record of this action.

Council is being asked to approve a resolution approving the amended redevelopment plan for CRA Area 1 that authorizes the CRA to create a grant program to subsidize and encourage the development of upper level housing in a specified area of Redevelopment Area 1 as shown in the plan. This program would be authorized for a period of not to exceed 5 years or as long as both the CRA and City of Grand Island set aside funds for the program. The CRA would be the sole authority for making grants but would begin reporting results in April of 2016 and would make a report to Council each year thereafter.

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 and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

Sample Motion

Move to approve the resolution as submitted.

**Redevelopment Plan Amendment
Grand Island CRA Area 1
October 2014**

The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 1 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the creation of a grant program to further the development of upper story housing in buildings within the identified boundaries of this plan in Area 1.

**Executive Summary:
Project Description**

THE CREATION OF GRANT PROGRAM TO FOSTER THE DEVELOPMENT OF UPPER STORY RESIDENTIAL UNITS IN AND NEAR THE DOWNTOWN CORE IT IS THE GOAL OF THE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT, DOWNTOWN PROPERTY OWNERS, THE GRAND ISLAND CITY COUNCIL AND THE CRA TO DEVELOP 50 UPPER STORY RESIDENTIAL UNITS WITHIN THIS AREA BY THE END OF 2019.

Primary funding for this program will be provided through an appropriation from the City of Grand Island General Fund to be approved each year during the budget process and a set aside for grant purposes from the CRA General Budget. During the 2014-15 fiscal year each entity has agreed to contribute \$100,000. It is anticipated that this level of funding can continue through the 2018-19 fiscal year.

The plan does not authorize the use of Tax Increment Financing (“TIF”). It is anticipated that TIF will be part of some of these projects. A separate application and redevelopment plan will be required for all projects utilizing TIF. This plan does anticipate and recognize that many if not all of these projects will also require the use of TIF to be feasible.

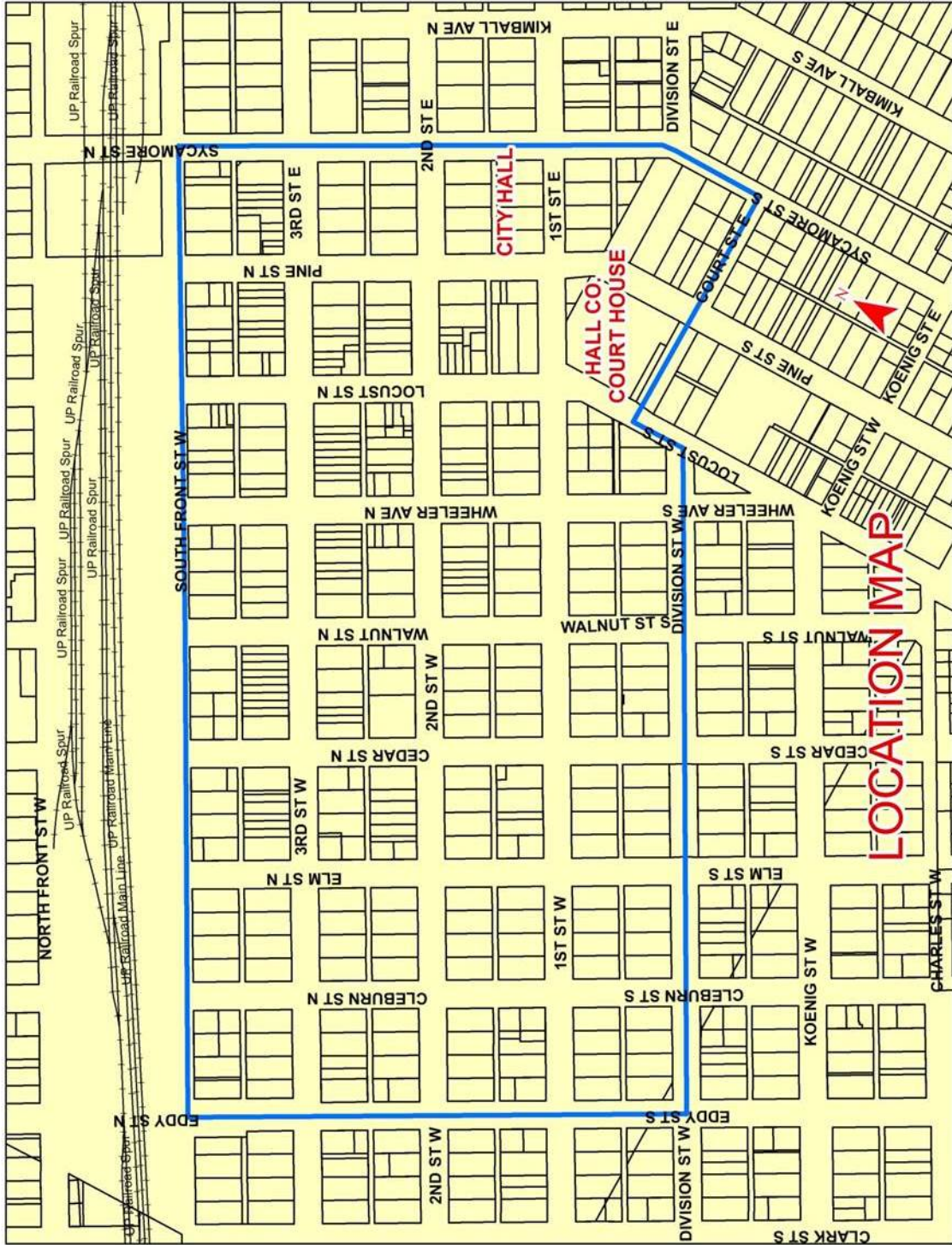
Acquisition, site work, rehabilitation and construction of all improvements will be paid for by the developer. The developer is responsible for and will provide evidence that they can secure adequate debt financing to cover the costs associated with each project. The CRA may grant funds as provided for in the CRA Annual Budget to developers of up to \$20,000 per two plus bedroom unit and \$15,000 per single bedroom unit developed on an upper floor of a building. These funds may only be granted for new residential units within the project area. Grants made under this program are to be paid to the developer upon completion of the project and upon the developer showing evidence of such completion including certificates of occupancy, building inspection reports, approval of the fire marshal, paid invoices and evidence of actual costs.

**UPPER STORY RESIDENTIAL LIFE SAFETY IMPROVEMENTS GRANTS
SHALL BE LIMITED TO THE FOLLOWING GEOGRAPHIC AREA:**

Property Description (the “Redevelopment Project Area”)

This property is bounded at the east side by Sycamore Street, the north side by South Front Street, the west side by Eddy Street and on the south side by Division Street, Locust Street and Court Street as shown on the attached maps identifying the area and the surrounding land uses.

- **Legal Descriptions** Beginning at the center of the intersection of Court Street and Sycamore street proceeding along the centerline of Sycamore Street in a northerly direction to the center of the intersection of Division Street and Sycamore Street and continuing along the centerline of Sycamore Street in a northwesterly direction to the center of the intersection of Sycamore Street and South Front Street; thence following the centerline of South Front Street in a southwesterly direction to the center of the intersection of Eddy Street and South Front Street; thence following the centerline of Eddy Street in a southeasterly direction to the center of the intersection of Eddy Street and Division Street; thence following the centerline of Division Street in a northeasterly direction to the center of the intersection of Division Street and Locust Street; thence in following the centerline of Locust Street in a northerly direction to the center of the intersection of Locust Street and Court Street; thence following the centerline of Court Street in an easterly direction to the point of beginning.



Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on December 19, 2000.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.

2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides a mechanism for funding life safety and infrastructure necessary to fully utilize existing buildings in downtown Grand Island for upper story residential uses.

3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]

a. Land Acquisition:

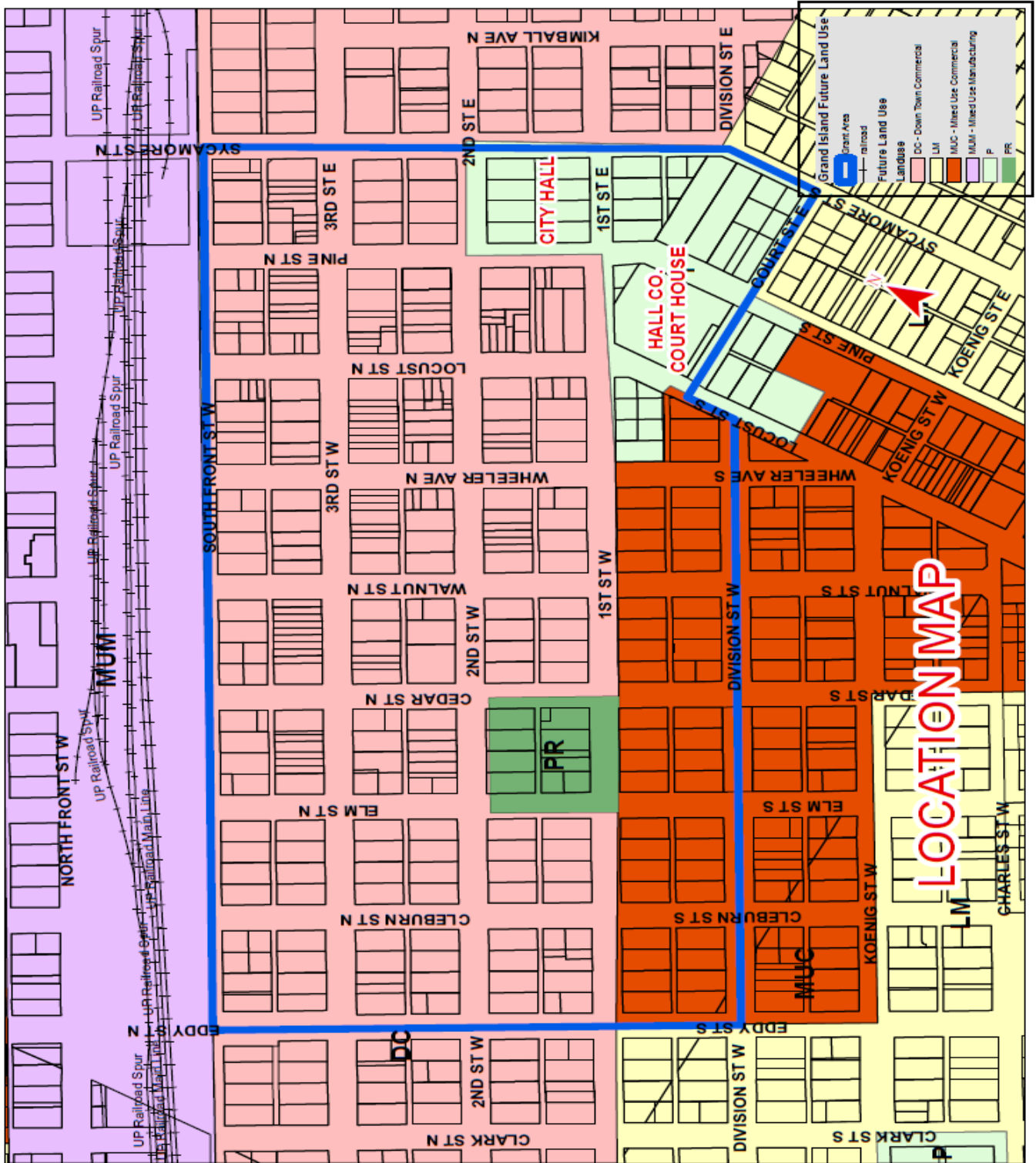
The Redevelopment Plan for Area 1 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority.

b. Demolition and Removal of Structures:

The projects to be implemented with this plan do not provide directly for the demolition of structures. Some internal demolition may be necessary for redevelopment but the primary purpose of this plan is to encourage redevelopment and reuse of existing buildings in downtown Grand Island.

c. Future Land Use Plan

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for downtown commercial development and public uses. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



Grand Island Future Land Use Map

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.

The area is zoned primarily B3- Heavy Business zone. No zoning changes are anticipated with this project. The B3 Zoning District allows for residential uses with no restrictions on density. A small section along Division Street is zoned RO Residential Office. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

e. Site Coverage and Intensity of Use

The majority of the property is zoned B3 and could accommodate a building of up to 100% of the property [§18-2103(b) and §18-2111]

f. Additional Public Facilities or Utilities

Sewer and water are available to support this development. Water mains and fire service lines may need to be improved or added to support the proposed upper story development.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. [§18-2103.02]

This plan does not authorize the use of TIF so relocation assistance does not apply.

5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]

CRA Board Members including Sue Pirnie, and Tom Gdowski either own or work for entities that own property within this area. Prior to applying for any funds either through a grant or TIF on those properties proper disclosure and review will be made. It is anticipated that new CRA members approved during the five year scope of this plan may also have an interest in Downtown properties that could benefit from this program and would need to make property disclosures along with their application for funding.

Tom Gdowski works for Equitable Bank and their main offices are in the Yancey Hotel Building. Sue Pirnie is planning to purchase the Kaufman Building.

6. Section 18-2114 of the Act requires that the Authority consider:

a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.

The developer will provide and secure all necessary financing.

b. Statement of proposed method of financing the redevelopment project.

The developer will provide all necessary financing for the project. The Authority will assist the project by granting money from this life safety program at a maximum rate of \$20,000 per 2 or more bedroom unit and \$15,000 per single bedroom unit. Only upper story housing units will be eligible for this grant.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan since it focuses on new residential development.

7. Section 18-2113 of the Act requires:

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider 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, sewerage, 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.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of downtown properties in a way that encourages the mixed use development common to downtowns around the country. New residential development will raise property values and provide a stimulus to keep surrounding properties properly maintained and support additional commercial development within the Downtown. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

8. Time Frame for Development

This redevelopment plan is to be approved for a 5 year period beginning with the 2014-15 fiscal year and ending in the 2018-19 fiscal year. The effectiveness of this program including grants made, units created, vacancy rate, rental rates and increase in property valuation will be evaluated in April of each year beginning in April of 2016. It is anticipated that this plan and the money appropriated to support the plan will result in the development of 50 new upper story residential units within the project area by 2019.

9. Justification of Project

One of the keys to redeveloping any downtown area is to encourage enough 24 hour population in the area to support a wide variety of retail and personal services. Downtown Grand Island has struggled with encouraging appropriate development that fully utilizes the existing buildings since major retailers moved to the suburban malls. The addition of new residential units will provide beneficial uses for the upper stories of downtown buildings while at the same time increasing the number of people and population density of the neighborhood round the clock. This should lead to an increase in development and investment to support this core population and the entire community with specialized retail, dining and entertainment options. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

10. Cost Benefit Analysis This plan does not permit the use of TIF. Any project using TIF will need to be approved with a separate plan amendment that will include a cost benefit analysis.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;

The 2014 Housing Study conducted by Hanna:Keelan Associates for the Grand Island Area Economic Development Corporation and The Grand Island Community Redevelopment Authority has identified that 138 additional housing units should be developed in Downtown Grand Island over the next 5 years. These units will specifically support the growing office and professional sector in Downtown by providing the kind of living units young professionals moving from other cities to Grand Island desire and expect.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and

(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

Additional Downtown housing will increase the ability of all companies in the Grand Island area to recruit young people to their company by providing for an urban lifestyle that is currently lacking in Grand Island. This activity will increase Grand Island's ability to compete for talented individuals.

Time Frame for Development

It is anticipated that all projects within this plan will make application for grant funds during the 2014-2019 fiscal years. All projects should begin within 6 months of approval unless otherwise identified within the grant award.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF GRAND ISLAND, NEBRASKA**

RESOLUTION NO. 186

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

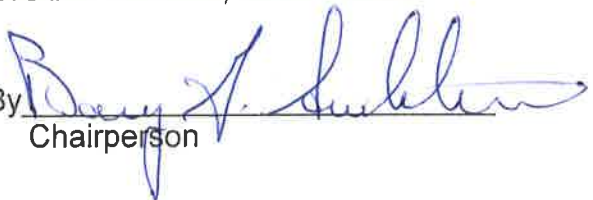
WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 14 day of January, 2015.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
GRAND ISLAND, NEBRASKA.

By 
Chairperson

ATTEST:


Secretary

Downtown Upper Story Residential Life Safety Grant Program