



# City of Grand Island

Tuesday, August 11, 2015

Council Session

## Item S-1

### **Discussion Concerning the Proposed Fiscal Year 2015-2016 City of Grand Island and Community Redevelopment Authority (CRA) Budgets**

*This item relates to the aforementioned Public Hearing item E-2.*

Staff Contact: Chad Nabity AICP, Regional Planning Director

# **Council Agenda Memo**

**From:** Chad Nabity, AICP, Planning Director

**Meeting:** August 11, 2015

**Subject:** Community Redevelopment Authority 2015-2016  
Annual Budget

**Presenter(s):** Chad Nabity

It is my privilege to present to you the budget for the Community Redevelopment Authority (CRA) for 2015-2016. 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 2015-2016 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 a Redevelopment Authority 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 CRAs 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 sixteen 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 19.18% of the City has been designated blighted and substandard. Council has approved one blight study during the last year for Chief Industries Inc. for property located at the corner of Husker Highway and U.S. Highway 281. The CRA does have a study that completed that include the Veteran's Home and surrounding area that may be submitted for approval by the City

Council when more is known about the final disposition of that property. Council will also consider a study proposed by Middleton Electric for an area east of Webb Road and north of 2<sup>nd</sup> Street before the end of this fiscal year.

## **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 by the Grand Island City Council.** 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 2015-2016**

The CRA is requesting property tax revenues of \$732,050 including \$198,050 for Lincoln Pool Construction and Bonds and \$534,000 for all other CRA programs. The CRA is requesting the same levy that was approved last year. This will allow the CRA to meet obligations, continue with their successful programs, the levies and tax asking have been:

<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>2010-2011</b>	<b>2009-2010</b>	<b>2008-2009</b>	<b>2007-2008</b>
0.026	0.026	0.026	0.026	0.017742	\$0.018076	\$0.020790	\$0.0225655
\$691,245	\$669,384	\$654,437	\$639,405	\$425,000	\$425,000	\$475,000	\$500,000

## **Program Funding**

The CRA 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 2015-2016 budget includes \$200,000 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 the designated areas.
- Facade Development. For the façade development program \$350,000 has been budgeted, including grants and interest buy down; these projects are unidentified at this time. This program has been used extensively in the Downtown part of Redevelopment Area #1 but has also been used in Areas #2 and #6. It is only available in those areas that have a generalized redevelopment plan including commercial façade development. The CRA approved façade projects that used the \$94,000 of the \$200,000 allocated toward the façade program during the 2014-15 fiscal year.

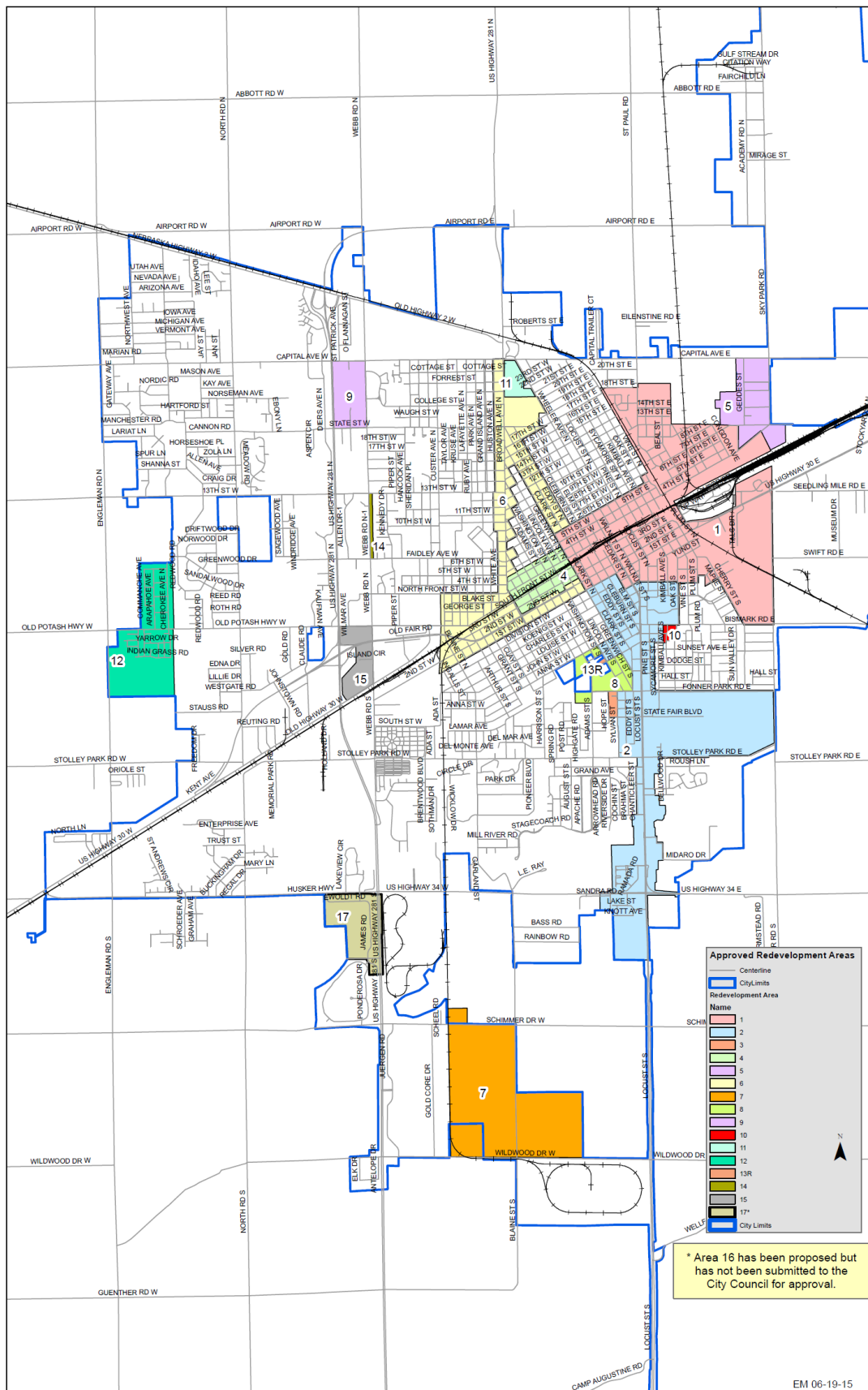
- Life Safety and Infrastructure Grants. This is a proposed program to encourage upper story residential development in Downtown Grand Island. The CRA has budgeted \$285,000 in this line item but is also showing revenue of \$100,000 from the City of Grand Island General Fund. It is anticipated that this program would be a multi-year program to encourage the development of 50 additional residential units over the course of a 5 year period. The redevelopment plan for this program was approved by Council in February of 2015. The CRA received one request this last year for funding and approved \$175,000 worth of commitments including \$115,000 from the upper story residential program and \$60,000 from other projects for garden level residential improvements in the Labor Temple Building. A total of 11 housing units were funded. The proposed budget line carries over the \$85,000 of unspent funding for upper story residential. If a majority of this funding is not committed during the 2015-16 fiscal year the program will be reevaluated for effectiveness and may be modified or discontinued.
- Other Projects. In the blighted and substandard areas \$450,000 has been reserved for other projects. In the 2014-15 fiscal year this funding was used:
  - to provide funding for remodeling the Downtown Business Improvement Board offices that are moving into the building next to the Kaufmann Plaza.
  - to provide funding life safety improvements for the garden level apartments being constructed in the Labor Temple Building.

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 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 Districts, the Grand Island 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

This budget provides for measured funding of redevelopment efforts during the 2015-2016 fiscal year. The investments this community has made in housing, redevelopment efforts, infrastructure and economic development bode well for the future of the community.

The CRA will also continue to examine the community to identify areas that might benefit from a Blighted and Substandard declaration and to review and recommend approval of redevelopment plan amendments for tax increment financing projects on both large and small scale developments. All of the tools used by the CRA are necessary for them to accomplish their mission: **to reduce, slow or eliminate blighting influences on property in those areas that have been designated as blighted and substandard by the Grand Island City Council.**



*2015-2016*  
**Community Redevelopment Authority  
(CRA) Budget**

*8-11-15*


## CRA Budget

		<b>2015 Budget</b>	<b>2015 Forecasted</b>	<b>2016 Budget</b>
Revenue		2,241,337	2,094,727	1,845,150
Expenses				
	Operating	99,550	74,740	99,300
	Program	1,002,000	525,434	1,653,973
	TIF/Bond Payments	1,321,092	1,269,020	877,612
	Lincoln Pool	198,050	198,050	198,050
Total Expense		2,620,692	2,067,244	2,828,935


Property Tax Asking of \$732,050 proposed Levy \$0.026

## CRA Budget Highlights

### Operating Expenses

-  \$88,550 budgeted down from \$93,500

### Façade Improvement

-  \$350,000 Increased from last year due to lower initial requests and substantial requests late this fiscal year


### Property Purchase

-  \$200,000 same as last year. \$80,000 was used

### Lincoln Pool

-  Bond Payment Principal and Interest of \$198,050

### Other Projects




-  \$450,000

### Fire, Life Safety and Infrastructure Grants

-  \$285,000 Includes \$85,000 carryover from this year

## CRA Budget Highlights

### Carry Over Projects:

-  Super 8 Facade
-  Life Safety Grant for Tower 217
-  Downtown Residential Grants for Labor Temple Building

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

<b>CONSOLIDATED</b>	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
Beginning Cash		744,615	914,148
<b>REVENUE:</b>			
Property Taxes - CRA	493,195	493,000	534,000
Property Taxes - Lincoln Pool	198,050	198,000	198,050
Property Taxes -TIF's	1,321,092	1,273,527	882,800
Interest Income - CRA	1,000	200	300
Land Sales	100,000	10,000	100,000
Other Revenue - CRA	128,000	120,000	130,000
<b>TOTAL REVENUE</b>	<b>2,241,337</b>	<b>2,094,727</b>	<b>1,845,150</b>
<b>TOTAL RESOURCES</b>	<b>2,241,337</b>	<b>2,839,342</b>	<b>2,759,298</b>
<b>EXPENSES</b>			
Auditing & Accounting	5,000	440	5,000
Legal Services	3,000	1,500	3,000
Consulting Services	5,000	-	5,000
Contract Services	65,000	50,000	65,000
Printing & Binding	1,000	-	1,000
Other Professional Services	16,000	16,000	16,000
General Liability Insurance	250	250	250
Postage	200	350	350
Life Safety	200,000	-	285,000
Legal Notices	2,500	1,800	2,000
Travel & Training	1,000	-	1,000
Office Supplies	300	400	400
Supplies	300	-	300
Land	200,000	80,015	200,000
Bond Principal - Lincoln Pool	175,000	-	-
Bond Interest	23,050	-	-
Façade Improvement	200,000	-	350,000
<del>Building Improvement</del> Committed Projects Carryov	216,000	445,419	368,972
Other Projects	175,000	60,000	450,000
Bond Principal-TIF's	1,290,022	1,237,817	846,409
Bond Interest-TIF's	31,070	31,203	31,203
<b>TOTAL EXPENSES</b>	<b>2,609,692</b>	<b>1,925,194</b>	<b>2,630,884</b>
<b>INCREASE(DECREASE) IN CASH</b>	<b>(368,355)</b>	<b>169,533</b>	<b>(785,734)</b>
<b>ENDING CASH</b>	<b>(368,355)</b>	<b>914,148</b>	<b>128,414</b>

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

**CRA**  
**GENERAL OPERATIONS:**

Property Taxes - CRA	493,195	493,000	534,000
Property Taxes - Lincoln Pool	198,050	198,000	198,050
Interest Income	1,000	200	300
Land Sales	100,000	10,000	100,000
Other Revenue & Motor Vehicle Tax	128,000	120,000	130,000
<b>TOTAL</b>	<b>920,245</b>	<b>821,200</b>	<b>962,350</b>

**GENTLE DENTAL**

Property Taxes	-	4,000	4,000
Interest Income	-		
<b>TOTAL</b>	<b>-</b>	<b>4,000</b>	<b>4,000</b>

**PROCON TIF**

Property Taxes	19,162	23,019	24,000
Interest Income	-		
<b>TOTAL</b>	<b>19,162</b>	<b>23,019</b>	<b>24,000</b>

**WALNUT HOUSING PROJECT**

Property Taxes	74,472	75,000	75,000
Interest Income			
<b>TOTAL</b>	<b>74,472</b>	<b>75,000</b>	<b>75,000</b>

**BRUNS PET GROOMING**

Property Taxes	13,500	13,800	14,500
<b>TOTAL</b>	<b>13,500</b>	<b>13,800</b>	<b>14,500</b>

**GIRARD VET CLINIC**

Property Taxes	14,500	14,500	14,500
<b>TOTAL</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>GEDDES ST APTS-PROCON</b>			
Property Taxes	30,000	30,000	30,000
<b>TOTAL</b>	30,000	30,000	30,000
<b>SOUTHEAST CROSSING</b>			
Property Taxes	15,000	18,000	18,000
<b>TOTAL</b>	15,000	18,000	18,000
<b>Poplar Street Water</b>			
Property Taxes	6,000	12,000	12,000
<b>TOTAL</b>	6,000	12,000	12,000
<b>CASEY'S @ FIVE POINTS</b>			
Property Taxes	10,000	10,000	10,000
<b>TOTAL</b>	10,000	10,000	10,000
<b>SOUTH POINTE HOTEL PROJECT</b>			
Property Taxes	90,000	92,000	91,000
<b>TOTAL</b>	90,000	92,000	91,000
<b>TODD ENCK PROJECT</b>			
Property Taxes	6,000	6,300	6,300
<b>TOTAL</b>	6,000	6,300	6,300
<b>SKAGWAY</b>			
Property Taxes	750,000	760,258	-
<b>TOTAL</b>	750,000	760,258	-
<b>JOHN SCHULTE CONSTRUCTION</b>			
Property Taxes	6,000	6,000	6,000
<b>TOTAL</b>	6,000	6,000	6,000

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>PHARMACY PROPERTIES INC</b>			
Property Taxes	11,000	11,100	11,100
<b>TOTAL</b>	11,000	11,100	11,100
<b>KEN-RAY LLC</b>			
Property Taxes	34,000	38,000	45,000
<b>TOTAL</b>	34,000	38,000	45,000
<b>COUNTY FUND 8598</b>			
Property Taxes	1,458	3,000	3,000
<b>TOTAL</b>	1,458	3,000	3,000
<b>GORDMAN GRAND ISLAND</b>			
Property Taxes	40,000	10,000	40,000
<b>TOTAL</b>	40,000	10,000	40,000
<b>BAKER DEVELOPMENT INC</b>			
Property Taxes	3,000	3,300	3,300
<b>TOTAL</b>	3,000	3,300	3,300
<b>STRATFORD PLAZA INC</b>			
Property Taxes	35,000	35,000	35,000
<b>TOTAL</b>	35,000	35,000	35,000
<b>COPPER CREEK</b>			
Property Taxes	-	30,000	120,000
<b>TOTAL</b>	-	30,000	120,000
<b>FUTURE TIF'S</b>			
Property Taxes	162,000		200,000
<b>TOTAL</b>	162,000	-	200,000

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>CHIEF INDUSTRIES AURORA COOP</b>			
Property Taxes	-	6,000	20,000
<b>TOTAL</b>	-	6,000	20,000
<b>TOKEN PROPERTIES KIMBALL ST</b>			
Property Taxes	-	450	3,000
<b>TOTAL</b>	-	450	3,000
<b>GI HABITAT OF HUMANITY</b>			
Property Taxes	-	3,000	8,000
<b>TOTAL</b>	-	3,000	8,000
<b>AUTO ONE INC</b>			
Property Taxes	-	8,100	12,000
<b>TOTAL</b>	-	8,100	12,000
<b>EIG GRAND ISLAND</b>			
Property Taxes	-	56,000	70,000
<b>TOTAL</b>	-	56,000	70,000
<b>TOKEN PROPERTIES CARY ST</b>			
Property Taxes	-	3,700	3,800
<b>TOTAL</b>	-	3,700	3,800
<b>WENN HOUSING PROJECT</b>			
Property Taxes	-	1,000	3,300
<b>TOTAL</b>	-	1,000	3,300
<b>TOTAL REVENUE</b>	2,241,337	2,094,727	1,845,150

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>EXPENSES</b>			
<b>CRA</b>			
<b>GENERAL OPERATIONS:</b>			
Auditing & Accounting	5,000	440	5,000
Legal Services	3,000	1,500	3,000
Consulting Services	5,000	-	5,000
Contract Services	65,000	50,000	65,000
Printing & Binding	1,000	-	1,000
Other Professional Services	16,000	16,000	16,000
General Liability Insurance	250	250	250
Postage	200	350	350
Lifesafety Grant	200,000	-	285,000
Legal Notices	2,500	1,800	2,000
Licenses & Fees	-	-	-
Travel & Training	1,000	-	1,000
Office Supplies	300	400	400
Supplies	300	-	300
Land	200,000	80,015	200,000
Bond Principal - Lincoln Pool	175,000		
Bond Interest - Lincoln Pool	23,050		
<b>PROJECTS</b>			
Façade Improvement	200,000	-	350,000
<del>Building Improvement</del> Committed Projects Carryover	216,000	445,419	368,972
Blank Project			
Other Projects	175,000	60,000	450,000
<b>TOTAL CRA EXPENSES</b>	<b>1,288,600</b>	<b>656,174</b>	<b>1,753,272</b>
<b>GENTLE DENTAL</b>			
Bond Principal	-	3,300	3,300
Bond Interest	-	840	840
<b>TOTAL GENTLE DENTAL</b>	<b>-</b>	<b>4,140</b>	<b>4,140</b>
<b>PROCON TIF</b>			
Bond Principal	13,355	14,100	14,100
Bond Interest	5,807	5,100	5,100
<b>TOTAL PROCON TIF</b>	<b>19,162</b>	<b>19,200</b>	<b>19,200</b>

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>WALNUT HOUSING PROJECT</b>			
Bond Principal	49,209	49,209	49,209
Bond Interest	25,263	25,263	25,263
<b>TOTAL WALNUT HOUSING</b>	<b>74,472</b>	<b>74,472</b>	<b>74,472</b>
<b>BRUNS PET GROOMING</b>			
Bond Principal	13,500	13,500	13,500
<b>TOTAL BRUNS PET GROOMING</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>
<b>GIRARD VET CLINIC</b>			
Bond Principal	14,500	14,500	14,500
<b>TOTAL GIRARD VET CLINIC</b>	<b>14,500</b>	<b>14,500</b>	<b>14,500</b>
<b>GEDDES ST APTS - PROCON</b>			
Bond Principal	30,000	30,000	30,000
<b>TOTAL GEDDES ST APTS - PROCON</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>SOUTHEAST CROSSINGS</b>			
Bond Principal	15,000	18,000	18,000
<b>TOTAL SOUTHEAST CROSSINGS</b>	<b>15,000</b>	<b>18,000</b>	<b>18,000</b>
<b>POPLAR STREET WATER</b>			
Bond Principal	6,000	12,000	12,000
<b>TOTAL POPLAR STREET WATER</b>	<b>6,000</b>	<b>12,000</b>	<b>12,000</b>
<b>CASEY'S @ FIVE POINTS</b>			
Bond Principal	10,000	10,000	10,000
<b>TOTAL CASEY'S @ FIVE POINTS</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>SOUTH POINTE HOTEL PROJECT</b>			
Bond Principal	90,000	92,000	92,000
<b>TOTAL SOUTH POINTE HOTEL PROJECT</b>	<b>90,000</b>	<b>92,000</b>	<b>92,000</b>
<b>TODD ENCK PROJECT</b>			
Bond Principal	6,000	6,300	6,300
<b>TOTAL TODD ENCK PROJECT</b>	<b>6,000</b>	<b>6,300</b>	<b>6,300</b>

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>SKAGWAY</b>			
Bond Principal	750,000	760,258	-
<b>TOTAL SKAGWAY</b>	750,000	760,258	-
<b>JOHN SCHULTE CONSTRUCTION</b>			
Bond Principal	6,000	6,000	6,000
<b>TOTAL JOHN SCHULTE CONSTRUCITON</b>	6,000	6,000	6,000
<b>PHARMACY PROPERTIES INC</b>			
Bond Principal	11,000	11,100	11,100
<b>TOTAL PHARMACH PROPERTIES INC</b>	11,000	11,100	11,100
<b>KEN-RAY LLC</b>			
Bond Principal	34,000	38,000	45,000
<b>TOTAL KEN-RAY LLC</b>	34,000	38,000	45,000
<b>COUNTY FUND #8598</b>			
Bond Principal	1,458	3,000	3,000
<b>TOTAL COUNTY FUND #8598</b>	1,458	3,000	3,000
<b>GORDMAN GRAND ISLAND</b>			
Bond Principal	40,000	10,000	40,000
<b>TOTAL GORDMAN GRAND ISLAND</b>	40,000	10,000	40,000
<b>BAKER DEVELOPMENT INC</b>			
Bond Principal	3,000	3,300	3,300
<b>TOTAL BAKER DEVELOPMENT INC</b>	3,000	3,300	3,300
<b>STRATFORD PLAZA LLC</b>			
Bond Principal	35,000	35,000	35,000
<b>TOTAL STRATFORD PLAZA LLC</b>	35,000	35,000	35,000
<b>COPPER CREEK</b>			
Bond Principal	-	30,000	120,000
<b>TOTAL COPPER CREEK</b>	-	30,000	120,000
<b>CHIEF INDUSTRIES AURORA COOP</b>			
Bond Principal	-	6,000	20,000
<b>TOTAL CHIEF IND AURORA COOP</b>	-	6,000	20,000
<b>TOKEN PROPERTIES KIMBALL STREET</b>			
Bond Principal	-	450	3,000

**COMMUNITY REDEVELOPMENT AUTHORITY**  
**2016 Budget**

	<b><u>2015 BUDGET</u></b>	<b><u>2015 Projected</u></b>	<b><u>2016 Budget</u></b>
<b>TOTAL TOKEN PROPERTIES KIMBALL ST</b>	-	450	3,000
<b>GI HABITAT FOR HUMANITY</b>			
Bond Principal	-	3,000	8,000
<b>TOTAL BLANK</b>	-	3,000	8,000
<b>AUTO ONE INC</b>			
Bond Principal	-	8,100	12,000
<b>TOTAL AUTO ONE INC</b>	-	8,100	12,000
<b>EIG GRAND ISLAND</b>			
Bond Principal	-	56,000	70,000
<b>TOTAL BLANK</b>	-	56,000	70,000
<b>TOKEN PROPERTIES CARY STREET</b>			
Bond Principal	-	3,700	3,800
<b>TOTAL TOKEN PROPERTIES CARY ST</b>	-	3,700	3,800
<b>WENN HOUSING PROJECT</b>			
Bond Principal	-	1,000	3,300
<b>TOTAL WENN HOUSING PROJECT</b>	-	1,000	3,300
<b>FUTURE TIF'S</b>			
Bond Principal	162,000	-	200,000
<b>TOTAL FUTURE TIF'S</b>	162,000	-	200,000
<b>TOTAL EXPENSES</b>	2,609,692	1,925,194	2,630,884