



City of Grand Island

Tuesday, January 26, 2010

Council Session

Item G7

**#2010-28 - Approving Redevelopment Plan for Real Estate
between 9th Street and 12th Street along Poplar Street**

This item relates to the aforementioned Public Hearing Item E-3.

Staff Contact: Chad Nabity

AGREEMENT
BETWEEN
THE CITY OF GRAND ISLAND, NEBRASKA,
AND
COMMUNITY REDEVELOPMENT AUTHORITY FOR THE CITY OF
GRAND ISLAND, HALL COUNTY, NEBRASKA
FOR WATER LINE

THIS AGREEMENT is made and entered into on this _____ day of _____, 2010 between the CITY OF GRAND ISLAND, NEBRASKA, a Municipal Corporation, a Nebraska Political Subdivision, hereinafter "CITY"; and the COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, hereinafter "CRA".

WITNESSETH:

WHEREAS, CRA has recommended to CITY and CITY, after hearing pursuant to law, by and through its duly elected Council, approved a redevelopment plan, hereinafter "PLAN", in the form and substance shown on the attached Exhibit "A"; and

WHEREAS, the PLAN provides for the installation of an 8" water main between 9th Street and 12th Street along the east side of Poplar Street and necessary water service taps to support existing and anticipated development; and

WHEREAS, the parties wish to enter into a formal agreement for the engineering and installation of the water main and provide for the payment by the CRA for such work; and

WHEREAS, in accordance with §13-807 the Interlocal Cooperation Act, any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which at least one of the public agencies entering into the contract is authorized to perform.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

1. Authority. This agreement is made pursuant to the authority provided in the Nebraska Interlocal Cooperation Act (Neb. Rev. Stat., §13-801, R.R.S. 1943), without a separate entity being created.

2. Recitals. The foregoing recitals are incorporated hereby by this reference.
3. Ownership. CITY shall engineer, bid and enter into a contract for the installation of the water main extension as described in the PLAN as soon as reasonably practical. CITY shall use its standard procedures for engineering, bidding, contracting, bonding, inspection, change order approval, and payment process for the water main installation.
4. Payment. Upon final acceptance of the water main installation by CITY, and on written notice by CITY, the CRA shall pay to, by and through the Grand Island City Treasurer, the total of the cost incurred by CITY for: payments to contractors for the water main installation, costs of engineering services provided by the Utilities Department not to exceed ten percent (10%) of the project cost; and the sum of One Thousand and No/100 Dollars (\$1,000.00), which shall be paid to the Grand Island City Treasurer as compensation for collection and accounting of the incremental tax revenues generated in the area described in the PLAN.
5. Bid Estimation. CRA has estimated the project to bid at One Hundred Thirty Thousand and No/100 Dollars (\$130,000.00). CITY shall provide copies of all bids for the project to CRA prior to entering into a binding contract.
6. Binding Effect. This agreement shall be binding upon the parties on approval of the Grand Island City Council and the members of the Community Redevelopment Authority.
7. Amendment. Any amendment to this agreement shall not be binding unless such amendment is in writing and approved by the parties hereto.
8. Non-Waiver. Either party's failure to enforce at any time any of the provisions of this Agreement shall not be construed to be a waiver of such provisions or of either party's right at any time to enforce each and every provision.
9. Assignment. This Agreement is not assignable by either party without the prior written consent of the other.
10. Notices. Any notices required or desired to be given hereunder shall be in writing, delivered by registered or certified mail, and addressed to the part to whom such notice is to be given at the following addresses, unless notice of a new address has been given in compliance herewith:

City of Grand Island
Attn: Utilities Director
100 East First Street
P.O. Box 1968
Grand Island, NE 68802-1968

Community Redevelopment Authority
Attn: Chad Nabity, AICP
Hall County Regional Planning Director
100 East First Street
P.O. Box 1968
Grand Island, NE 68802-1968

Such notices shall be effective upon mailing.

11. Entire Agreement. This Agreement supersedes any and all prior agreements between Purveyor and Customer with regard to the matters herein contained, and constitutes the entire agreement between the parties hereto with regard to such matters. Neither this Agreement nor any of the provisions, terms or conditions hereof may be waived, altered, abridged, modified or amended, except in writing, and signed by the party against whom the enforcement thereof is sought.

12. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns.

CITY OF GRAND ISLAND, NEBRASKA
A Municipal Corporation (CITY)

By: _____
Margaret Hornady, Mayor

Attest: _____
RaNae Edwards, City Clerk

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF GRAND
ISLAND, NEBRASKA (CRA)

By: _____
Title: _____

STATE OF NEBRASKA)
) ss
COUNTY OF HALL)

On _____, 2010, before me, the undersigned,, a Notary Public in and for said County and State, personally came Margaret Hornady, Mayor of the City of Grand Island, Nebraska, a municipal corporation, known to me to be such officer and the identical person who signed the foregoing Agreement and acknowledged that the foregoing signature was her voluntary act and deed pursuant to Resolution 2010-____, and that the City's corporate seal was thereto affixed by proper authority.

WITNESS my hand and notarial seal the date above written.

Notary Public

My commission expires: _____

STATE OF NEBRASKA)
) ss
COUNTY OF HALL)

On _____, 2010, before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, _____ of Community Redevelopment Authority of the City of Grand Island, Nebraska, known personally to me to be the identical person who signed the foregoing Agreement and acknowledged the execution thereof to be his/her voluntary act and deed for the purpose therein expressed.

WITNESS my hand and notarial seal the date above written.

Notary Public

My commission expires: _____

RESOLUTION 2010-28

WHEREAS, the City of Grand Island, Nebraska, a municipal corporation and city of the first class, has determined it be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 2007, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared Redevelopment Area No. 1 of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act, and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan pursuant to the Act and submitted its recommendations, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, following consideration of the recommendations of the Authority to the Planning Commission, the recommendations of the Planning Commission to the City, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan; and

WHEREAS, there has been presented to the City by the Authority for approval a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan, such project to be as follows: to install an 8" water line between 9th street and 12th street along the east side of Poplar Street and necessary water service taps to support existing and anticipated development. All redevelopment activities will occur in Grand Island, Hall County, Nebraska; and

WHEREAS, the City published notices of a public hearing and mailed notices as required pursuant to Section 18-2115 of the Act and has, on the date of the Resolution held a public hearing on the proposal to amend the Redevelopment Plan to include the Redevelopment Project described above.

NOW, THEREFORE, be it resolved by the City Council of the City of Grand Island, Nebraska:

1. The Redevelopment Plan of the City approved for Redevelopment Area No. 1 in the city of Grand Island, Hall County, Nebraska, including the Redevelopment Project described above, is hereby determined to be feasible and in conformity with the general plan for the development of the City of Grand Island as a whole and the Redevelopment Plan, including the Redevelopment Project identified above, is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined that (a) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project.
2. Approval of the Redevelopment Plan is hereby ratified and reaffirmed, as amended by this Resolution, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act.
3. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in the Redevelopment Project , to wit:
 - That part of County Subdivision in the W ½ of Section 10, Township 11 North, Range 9 west of the 6th P.M. south of 12th Street and 137' east of the Poplar Street right of way.
 - Lots 8-14 of Block 2 of Pleasant Hill Addition to the City of Grand Island
 - Lots 7-15 of Block 6 of Pleasant Hill Addition to the City of Grand Island
 - Lots 1 and 2 of Ngorski Subdivision
 - Lots 1-7 of Block 3 of Pleasant Hill Addition to the City of Grand Island
 - Lots 1-12 of Block 6 of Pleasant Hill Addition to the City of Grand Island
 - All public right of way adjacent to the properties identified above all in the City of Grand Island, Hall County, Nebraska,

shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be January 1, 2011 as follows:

- a. That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
- b. That proportion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Redevelopment Project.

When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

- c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Hall County, Nebraska, a Notice to Divide Tax for Community Redevelopment Project as to the property described above.
4. The City hereby finds and determines that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purposes of accomplishing, in accordance with the general plan for development of the City, 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 a healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreation 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.
5. The Mayor and Clerk are authorized to enter into agreements with the Community Redevelopment Authority for the installation of water mains and related improvements as described in the Redevelopment Plan Amendment.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, January 26, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

**Redevelopment Plan Amendment
Grand Island CRA Area #1
2009**

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 financing of a specific infrastructure related project in Area #1.

**Executive Summary:
Project Description**

THE CONSTRUCTION OF AN 8” WATER MAIN BETWEEN 9TH STREET AND 12TH STREET ALONG THE EAST SIDE OF POPLAR STREET AND NECESSARY WATER SERVICE TAPS TO SUPPORT EXISTING AND ANTICIPATED DEVELOPMENT.

The extension of the water line will allow for the development of four to seven single family residential lots adjoining the water line. The current intended use of the property is for development of Habitat for Humanity homes.

Development of the residential lots is impeded by the lack of potable water infrastructure. The redevelopment plan provides for the water line installation, which in turn allows for development of the residential, lots.

The installation is to be made by the City of Grand Island in accordance with its current bidding procedures. The Grand Island Community Redevelopment Authority (CRA) intends to finance this infrastructure improvement by advancing the funds for the infrastructure cost and obtaining repayment capturing the increase in real property ad valorem taxes on the property described herein. The increase in ad valorem taxes generated over the 15 year period beginning January 1, 2011 is intended to reimburse the CRA for its fund advance.

**Description Of The Real Property On Which Tax Increment Will Be Captured:
Property Description** (the “Redevelopment Project Area”)

TAX INCREMENT FINANCING TO PAY FOR THE WATER LINE WILL COME FROM THE FOLLOWING REAL PROPERTY:

This property is located between 9th Street and 12th Street along Poplar Street in northeast Grand Island including:

- That part of County Subdivision in the W ½ of Section 10, Township 11 North, Range 9 west of the 6th P.M. south of 12th Street and 137’ east of the Poplar Street right of way.
- Lots 8-14 of Block 2 of Pleasant Hill Addition to the City of Grand Island
- Lots 7-15 of Block 6 of Pleasant Hill Addition to the City of Grand Island
- Lots 1 and 2 of Ngorski Subdivision
- Lots 1-7 of Block 3 of Pleasant Hill Addition to the City of Grand Island
- Lots 1-12 of Block 6 of Pleasant Hill Addition to the City of Grand Island
- All public right of way adjacent to the properties identified above.

See Attachment #1 for map of boundary of tax increment capture and for Habitat for Humanity lots.

The tax increment will be captured for the tax years the payments for which become delinquent in years 2012 through 2025, inclusive.

The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The largest increase will come from the new housing on the lots that benefit from the new water line.

Statutory Pledge of Taxes.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2011.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest

and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

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. Project must be in an area declared blighted and substandard. [§18-2109]

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 for installation of necessary infrastructure allowing for development of residential lots.

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.

b. Demolition and Removal of Structures: The project to be implemented with this plan does not intend that any structures be removed or demolished. This amendment does not prohibit demolition elsewhere in the Redevelopment Project Area.

c. Future Land Use Plan: See the attached map (Figure # 1) as reproduced from the 2004 Grand Island Comprehensive Plan as amended. These properties and all adjacent property are planned for low to medium density residential development typically R1, R2 and R3 zoning districts. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]

d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes. The area is zoned R2- Low Density Residential zone. Residential development is anticipated based on this project. 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 R2 zoning district allows for 6000 square foot lots with a minimum width of 50 feet, allowable lot coverage of 35%, maximum building height of 35' and a density of 1 dwelling unit per 6000 square feet of property. Along this 2 block stretch there are 11 single family dwellings, one duplex and one four-plex. The existing land use of the area is shown on Figure #2. There are 12 vacant lots that could be replatted into a maximum of 7 lots that meet the size requirements for single family development in the R2 zone. [§18-2103(b) and §18-2111]. The proposed lot layout for the Habitat for Humanity lots is attached as Figure #3. Four lots each approximately 125' by 59 feet will be located west of Poplar Street and north of 11th Street.

f. Additional Public Facilities or Utilities. Sewer is available to support this development. Additional water services would be installed with the water main project. New sewer services may be needed to support the additional development.

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. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§18-2103.02]

5. Conflicts of interest by an Authority Member must be disclosed. No member of the Authority, nor any employee thereof holds any interest in any property in the Redevelopment Project Area. [§18-2106]

6. 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 Authority shall use general funds on hand to pay for plan preparation and legal fees in the estimated amount of \$5,000.00; the estimated sum of \$130,000 for water line installation and engineering; and the sum of \$1,000 for cost reimbursement for the office of the City Treasurer for accounting. These funds will be repaid from the Tax Increment Revenues generated from the project. No property will be transferred to redevelopers.

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

The Authority shall issue its promissory note in the amount of \$136,000 to bear interest at the rate of 4% per annum. The note shall be held by the Authority in compensation for

general funds advanced to pay for the redevelopment plan and project. The note shall be repaid from the Tax Increment Revenues generated from the Redevelopment Project Area from and after January 1, 2011 through December 2025.

c. Statement of feasible method of relocating displaced families.

No families will be displaced as a result of this plan.

7. Statutory consideration prior to recommending a redevelopment Plan. 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 undeveloped residential lots. The only conceivable impact as a result of the proposed project is the creation of 7 more single family residences. This will impact traffic on Poplar streets. Development of new housing will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe dwellings and blighting conditions.

8. Time Frame for Development. Development of this project is anticipated to be completed during the 2010 and 2011 calendar years. The base tax year should be calculated on the value of the property as of January 1, 2010. Excess valuation should be available for this project for 15 years beginning with the 2011 tax year.

9. Justification of Project. Properties along Poplar Street will need the water line to develop. This is infill development in an area with all city services except water. Water is available and can be extended to serve these lots. Public right-of-way is available for the location of the line. No additional property either through easement or fee purchase is expected to be necessary to install the line. At least 4 undeveloped lots that do not have water service will be made available. Grand Island Area Habitat for Humanity is proposing to build 4 houses in this area. At least two and maybe three additional lots will

be made developable by this project as well. All of the houses along the street will have the opportunity to connect to city water.

10. Cost Benefit Analysis. Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The redevelopment project area currently has an estimated valuation of \$1,115,071. Once the water line is installed, the Authority believes that an additional 4 to 7 homes will be built as a result of Habitat for Humanity projects in 2010. This will result in 4 to 7 current families placing houses on the tax rolls. These families already utilize tax services in the city and county. Therefore no tax shifts will result from the project. The project creates additional valuation that will support taxing entities long after the water line is paid.

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

This plan provides for a new water line that will be paid from Tax Increment Revenues that will increase as a result of the project. No additional public service needs have been identified.

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

No impact on employers or employees will occur in the Redevelopment Project Area as a result of this plan amendment.

(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

No impact on employers or employees should occur outside the boundaries of the Redevelopment Project Area as a result of this plan amendment.

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

No other impacts have been identified as relevant by the Authority.



Figure 1

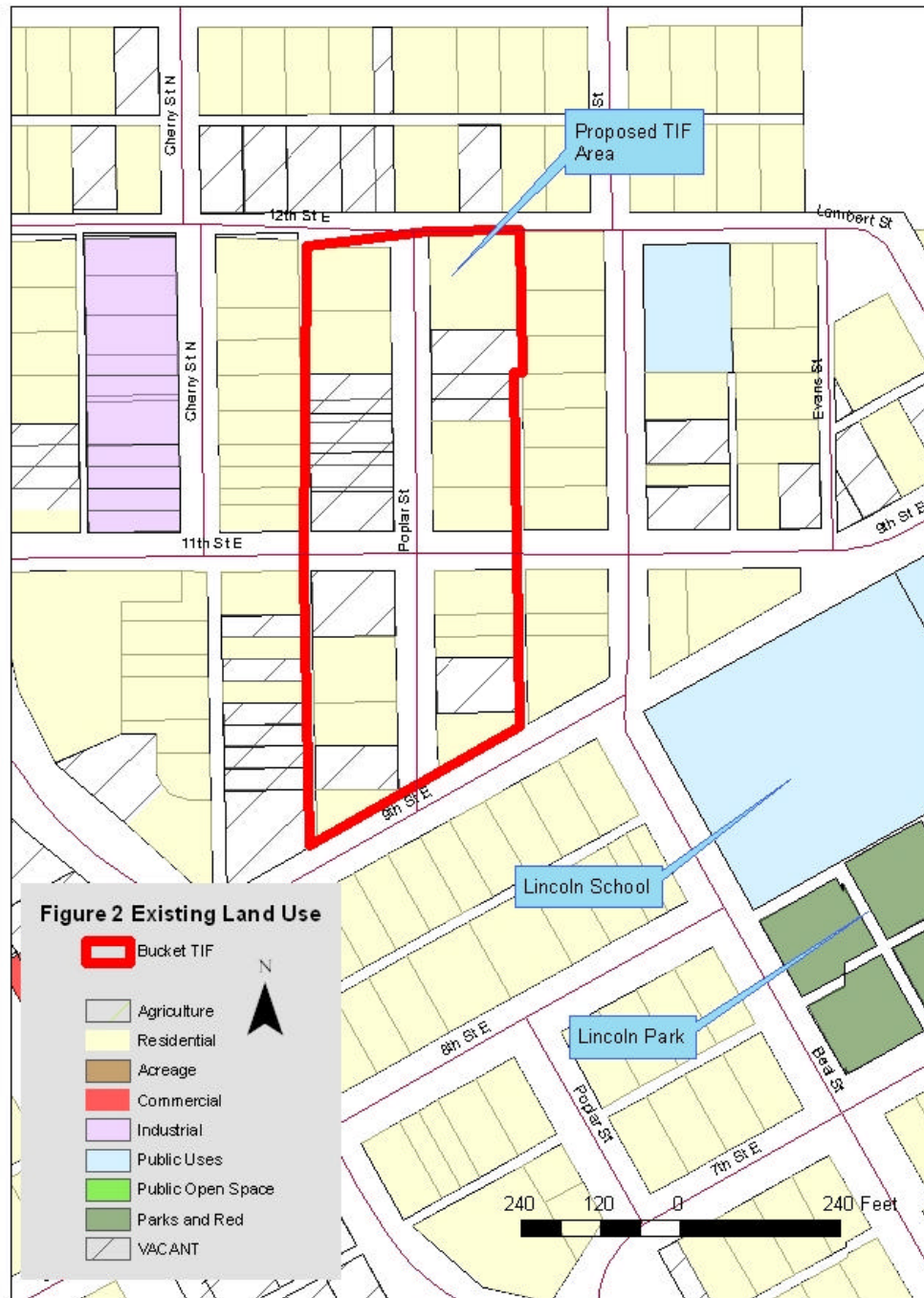


Figure 2

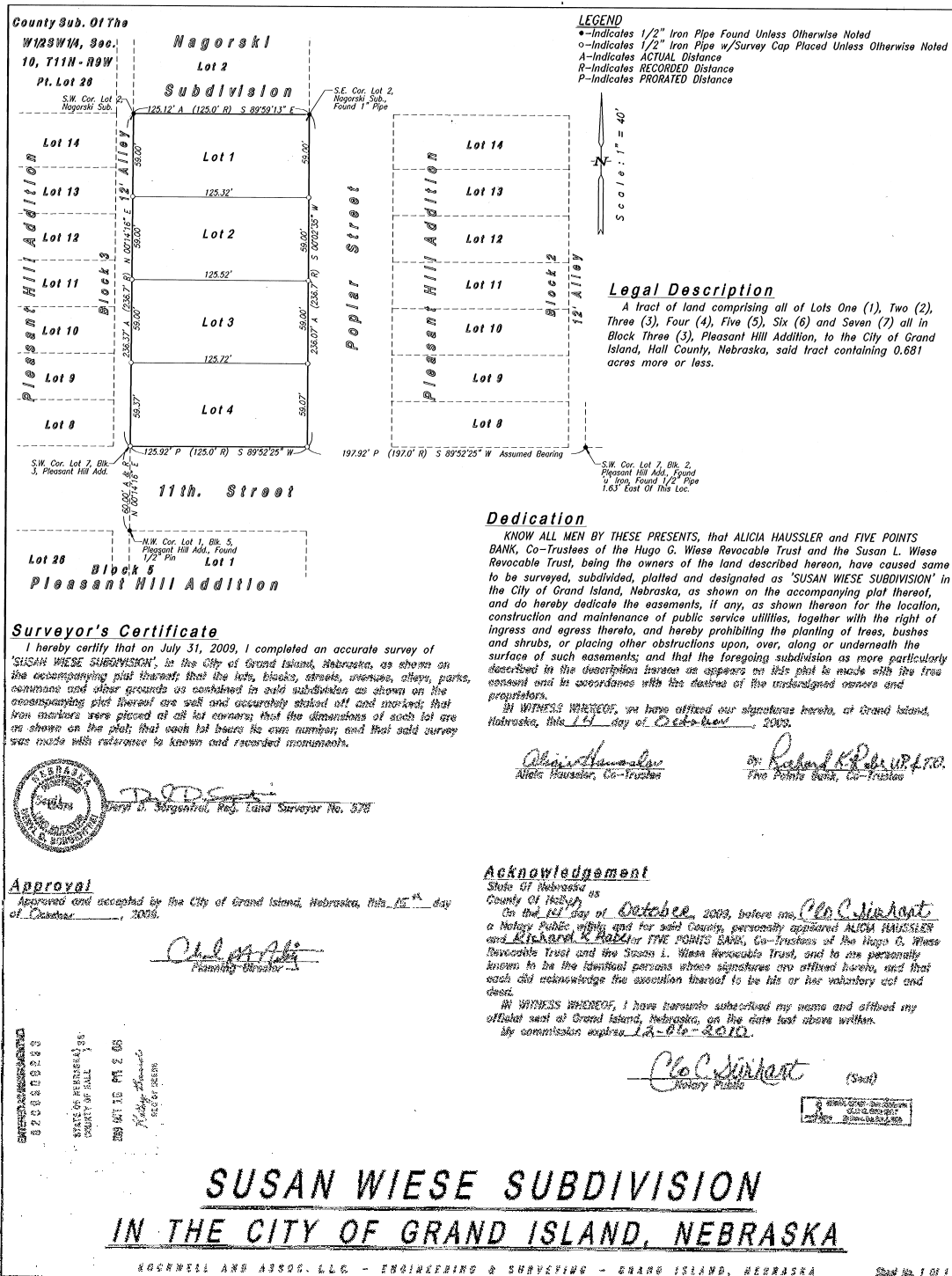


Figure 3