



City of Grand Island

Tuesday, August 09, 2011

Council Session

Item E7

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

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, Regional Planning Director

Meeting: August 9, 2011

Subject: Public Hearing on Community Redevelopment Authority
2011-2012 Annual Budget

Item #'s: E-7 & G-22

Presenter(s): Chad Nabity, Regional Planning Director

It is my privilege to present to you the budget for the Community Redevelopment Authority for 2011-2012. 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 2011-2012 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. The CRA has contracted with Olsson Associates to conduct a Blight Study for an area between Anna Street and Stolley Park Road west of Greenwich Street including the County Industrial tracts located in that area. It is expected that the study will be recommended for Council approval later this 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.** 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 2011-2012,

The CRA is requesting property tax revenues of \$431,384 for typical CRA activities and \$200,787 for Lincoln Park Pool per the CRA revised budget as requested by the Grand Island City Council and approved by the CRA board. The CRA is requesting the same levy that was approved last year for typical CRA activities. Historically, the levies and tax asking have been:

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
0.017742	\$0.018076	\$0.020790	\$0.0225655	\$0.022824	\$0.023625	\$0.024287
\$425,000	\$425,000	\$475,000	\$500,000	\$477,204	\$456,540	\$457,391

At the July 27, 2011 meeting, the Community Redevelopment Authority approved the proposed budget establishing a preliminary request of \$0.026 for each hundred dollars of valuation for an anticipated \$632,171 based on an estimated taxable valuation of \$2,431,429,948.

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 2011-2012 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. The Authority budgeted \$100,000 in the 2010-2011 year

and did not spend \$2,002 for additional expenses associated with the purchase of the building on South Locust in 2009-201.

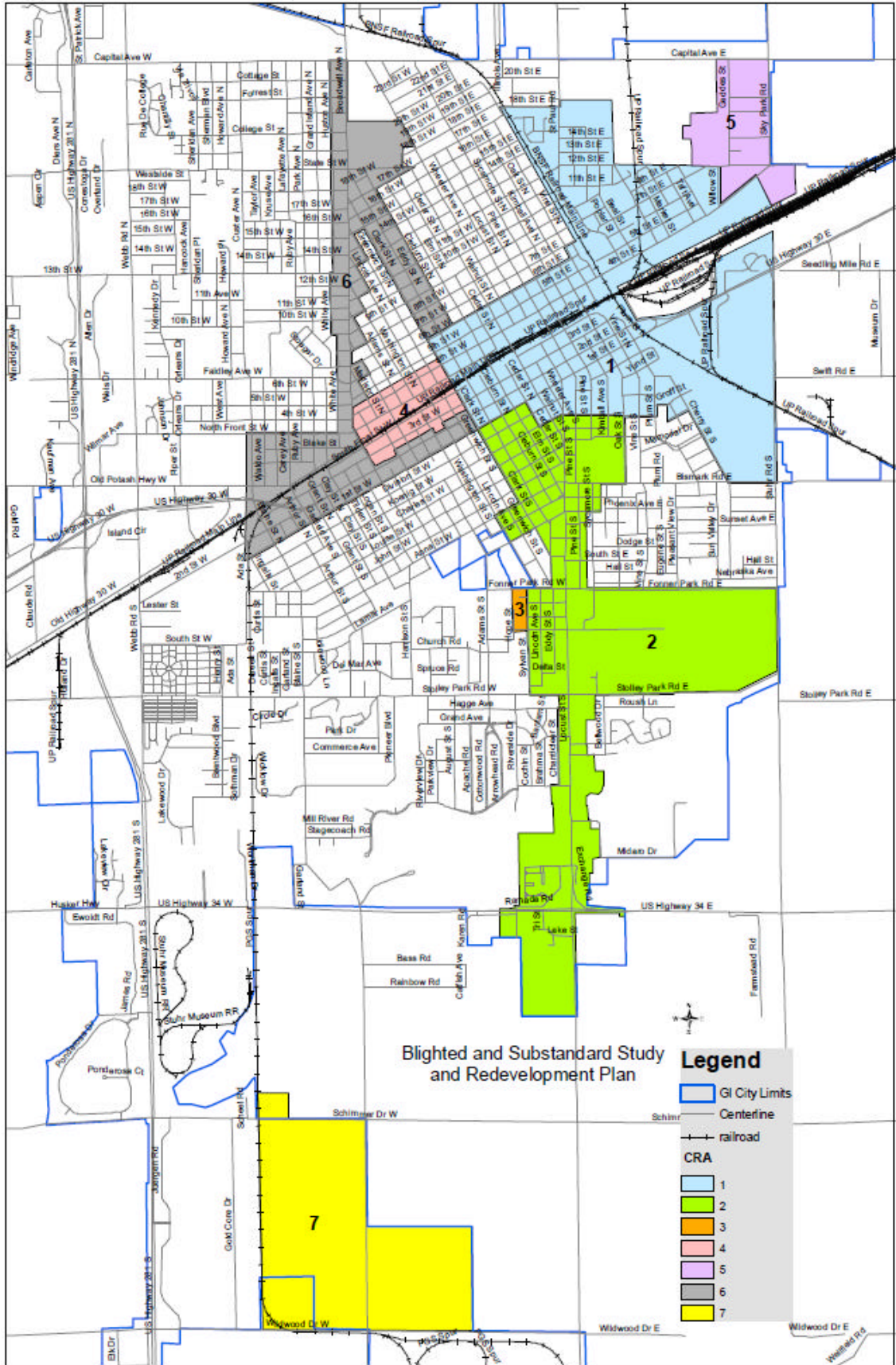
- Facade Development: \$150,000 has been budgeted for the façade development program, including grants and interest buy down. These projects are unidentified at this time. This program has been used extensively in the Downtown area but is available to all blighted and substandard areas. In addition, the CRA has committed \$300,000 each to new façade projects at Skagway and the Grand Theater over the 2011, 2012 and 2013 fiscal years.
- 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 railroad are moving forward. This will be a reimbursement to the City. Most likely \$140,000 will be reimbursed to the City this fiscal year.
- Other Projects: \$100,000 has been reserved for other projects in the blighted and substandard areas. In the 2010 fiscal year, funding in the other projects was used:
 - to fund very large façade improvement requests from Skagway and the Grand Theater,
 - to fund the demolition of the oldest part of the Grand Island Christian School at Five Points,
 - to purchase and demolish the old VooDoo Lounge Building at 3235 S. Locust;
 - to finance the installation of water lines along Poplar Street between 9th and 12th Streets; and
 - to fund additional façade projects that were approved based on the 2010 budget but not carried over into the 2011 budget.

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.

- Lincoln Pool: The CRA is budgeting \$200,787 to be spent on Lincoln Pool development, financing and interest payments. Depending on the schedule and marketing of bonds for this project some or all of this money may be applied directly to the project to minimize the amount borrowed.

CONCLUSION

A continued aggressive approach toward redevelopment will be the focus for the CRA in 2011-2012. The investments this community has made in housing, redevelopment efforts, infrastructure and economic development, bode well for the future of the community.



Blighted and Substandard Study and Redevelopment Plan

Legend

- GI City Limits
- Centerline
- railroad
- CRA**
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COMMUNITY REDEVELOPMENT AUTHORITY
FY 2011- 2012 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Forecasted	2012 Budget
CONSOLIDATED						
Beginning Cash	952,497	1,236,622	1,547,542	980,091	980,091	768,375
REVENUE:						
Property Taxes-CRA	750,800	755,133	648,172	667,783	425,000	632,171
Property Taxes-TIF's					318,310	318,406
Loan Proceeds		-	-		0	
Interest Income	41,968	15,630	20,137	8,000	8,000	8,000
Loan Income (Poplar Street Water Line)						1,000
Land Sales	15,152	47,335	-	50,000	30,000	70,000
Other Revenue	-	24,473	24,516	-	10,000	10,000
TOTAL REVENUE	807,920	842,571	692,826	725,783	791,310	1,039,577
TOTAL RESOURCES						
	1,760,417	2,079,193	2,240,368	2,415,663	1,771,401	1,807,952
EXPENSES						
Auditing & Accounting	5,000	7,601	5,392	7,500	3,975	5,000
Legal Services	2,143	4,829	3,060	10,000	4,000	10,000
Consulting Services	-	-	-	10,000	5,000	10,000
Contract Services	34,362	26,122	173,875	40,000	50,000	55,000
Printing & Binding	568	-	-	1,000	-	1,000
Other Professional Services	4,112	-	-	5,000	-	5,000
General Liability Insurance	-	-	-	250	-	250
Postage	142	159	202	200	850	200
Legal Notices	828	750	613	800	-	800
Licenses & Fees	-	-	-	-	-	-
Travel & Training	-	-	-	1,000	-	1,000
Other Expenditures	-	-	-	500	-	500
Office Supplies	105	38	328	500	810	500
Supplies	-	-	-	300	-	300
Land	33,090	129	448,720	100,000	2,002	100,000
Façade Improvement-to be applied for	207,871	241,793	354,015	150,000	150,000	150,000
South Locust	-	-	-	-	-	-
Other Projects	-	2,858	-	800,000	280,000	100,000
Property Taxes BID Fees	-	-	-	-	-	11,000
2nd Street BID	-	-	-	-	-	-
Outstanding Façade Improvement Grants	-	-	-	132,250	132,250	500,000
Railroad Horns	-	-	-	240,000	-	240,000
Other Committed Projects	-	-	-	17,700	55,829	97,500
Property Management	-	-	-	-	-	-
Debt-Lincoln Pool	-	-	-	-	-	200,787
Bond Principal	142,543	161,927	199,617	161,611	256,929	267,659
Bond Interest	93,031	85,445	74,453	81,172	61,381	50,747
TOTAL EXPENSES	523,795	531,650	1,260,276	1,759,783	1,003,026	1,807,243
INCREASE(DECREASE) IN CASH	284,125	310,920	(567,451)	(1,034,000)	(211,716)	(767,666)
ENDING CASH	1,236,622	1,547,542	980,091	655,880	768,375	709
LESS COMMITMENTS	-	-	-	-	-	-
AVAILABLE CASH	1,236,622	1,547,542	980,091	655,880	768,375	709
CHECKING	786,622	637,868	514,467	355,880	416,304	709
INVESTMENTS	450,000	909,674	465,625	300,000	352,071	-
Total Cash	1,236,622	1,547,542	980,091	655,880	768,375	709

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2011- 2012 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Forecasted	2012 Budget
CRA						
GENERAL OPERATIONS: 01						
Property Taxes	493,602	487,610	442,832	425,000	425,000	431,384
Property Taxes-Lincoln Pool Levy						200,787
Interest Income	41,561	14,889	19,804	8,000	8,000	8,000
Loan Income (Poplar Street Water Line)						1,000
Land Sales	-	47,335	-	50,000	30,000	70,000
Other Revenue & Motor Vehicle Tax	1,300	8,959	12,156		10,000	10,000
TOTAL	536,463	558,792	474,791	483,000	473,000	721,171
GILI TRUST 07						
Property Taxes	66,410	65,817	65,694	65,780	65,780	32,890
Interest Income	-		-			
Other Revenue	1,108	277	8			
TOTAL	67,518	66,094	65,702	65,780	65,780	32,890
CHERRY PARK LTD II						
Property Taxes	62,743	91,836	32,832	59,180	59,180	59,180
Interest Income	251	497	301	-		
Other Revenue		-	-			
TOTAL	62,994	92,334	33,133	59,180	59,180	59,180
GENTLE DENTAL						
Property Taxes	3,497	4,427	4,479	4,202	4,202	4,202
Interest Income	3	1	2	-		
Other Revenue	947	2,610	-			
TOTAL	4,447	7,037	4,481	4,202	4,202	4,202
PROCON TIF						
Property Taxes	18,138	17,925	17,972	19,162	19,162	19,162
Interest Income	53	36	5			
Other Revenue	972	232	1,172			
TOTAL	19,163	18,193	19,148	19,162	19,162	19,162
WALNUT HOUSING PROJECT						
Property Taxes	93,632	62,942	33,089	74,472	74,472	74,472
Interest Income	100	207	26			
Other Revenue	10,825	12,395	11,180			
TOTAL	104,557	75,544	44,296	74,472	74,472	74,472

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2011- 2012 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Forecasted	2012 Budget
BRUNS PET GROOMING						
Property Taxes	9,536	9,575	10,502	4,986	11,000	11,000
Interest Income			-			
TOTAL	9,536	9,575	10,502	4,986	11,000	11,000
GIRAD VET CLINIC						
Property Taxes	3,242	4,940	13,855	4,940	14,000	14,000
Interest Income			-			
TOTAL	3,242	4,940	13,855	4,940	14,000	14,000
GEDDES ST APTS - PROCON						
Property Taxes		1,195	14,809	1,195	30,000	30,000
Interest Income			-			
TOTAL	-	1,195	14,809	1,195	30,000	30,000
SOUTHEAST CROSSINGS						
Property Taxes	-	8,866	12,109	8,866	14,000	14,000
Interest Income			-			
TOTAL	-	8,866	12,109	8,866	14,000	14,000
POPLAR STREET WATER						
Loan Proceeds (Property Taxes Collected)						1,000
Interest Income						-
TOTAL	-	-	-	-	-	1,000
TC ENCK						
Property Taxes					1,000	5,500
Interest Income						
TOTAL TC ENCK	-	-	-	-	1,000	5,500
CASEY'S FIVE POINTS						
Property Taxes					4,000	15,000
Interest Income						
TOTAL CASEY'S FIVE POINTS	-	-	-	-	4,000	15,000
SOUTHPOINTE HOTEL						
Property Taxes					21,514	22,000
Interest Income						
TOTAL SOUTHPOINTE HOTEL	-	-	-	-	21,514	22,000
JOHN SCHULTE CONSTRUCTION						
Property Taxes						3,000
Interest Income						
TOTAL JOHN SCHULTE CONSTRUCTION	-	-	-	-	-	3,000
PHARMACY PROPERTIES INC						
Property Taxes						8,000
Interest Income						
TOTAL PHARMACY PROPERTIES INC	-	-	-	-	-	8,000
KEN-RAY LLC						
Property Taxes						5,000
Interest Income						
TOTAL KEN-RAY LLC	-	-	-	-	-	5,000
TOTAL REVENUE	807,920	842,571	692,826	725,783	791,310	1,039,577

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2011- 2012 BUDGET

	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2011 Forecasted	2012 Budget
WALNUT HOUSING PROJECT						
Other Expenditures						
Bond Principal	33,055	35,321	37,743	39,151	40,331	43,096
Bond Interest	41,417	39,151	36,729	35,321	34,141	31,376
TOTAL WALNUT HOUSING PROJECT	74,472	74,472	74,472	74,472	74,472	74,472
BRUNS PET GROOMING						
Bond Principal	9,536	9,575	10,502	4,986	11,000	11,000
Bond Interest	-	-	-	-	-	-
TOTAL BRUNS PET GROOMING	9,536	9,575	10,502	4,986	11,000	11,000
GIRARD VET CLINIC						
Bond Principal	6,242	4,940	13,855	4,940	14,000	14,000
Bond Interest	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	6,242	4,940	13,855	4,940	14,000	14,000
GEDDES ST APTS - PROCON						
Bond Principal	-	1,195	14,809	1,195	30,000	30,000
Bond Interest	-	-	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	-	1,195	14,809	1,195	30,000	30,000
SOUTHEAST CROSSINGS						
Bond Principal	-	8,866	12,109	8,866	14,000	14,000
Bond Interest	-	-	-	-	-	-
TOTAL SOUTHEAST CROSSINGS	-	8,866	12,109	8,866	14,000	14,000
POPLAR STREET WATER						
Auditing & Accounting	-	-	1,000	-	-	-
Contract Services	-	-	89,899	-	38,129	-
Bond Principal	-	-	-	-	-	1,000
Bond Interest	-	-	-	-	-	-
TOTAL POPLAR STREET WATER	-	-	90,899	-	38,129	1,000
TC ENCK						
Bond Principal	-	-	-	-	1,000	5,500
Bond Interest	-	-	-	-	-	-
TOTAL TC ENCK	-	-	-	-	1,000	5,500
CASEY'S FIVE POINTS						
Bond Principal	-	-	-	-	4,000	15,000
Bond Interest	-	-	-	-	-	-
TOTAL CASEY'S FIVE POINTS	-	-	-	-	4,000	15,000
SOUTHPOINTE HOTEL						
Bond Principal	-	-	-	-	21,514	22,000
Bond Interest	-	-	-	-	-	-
TOTAL SOUTHPOINTE HOTEL	-	-	-	-	21,514	22,000
JOHN SCHULTE CONSTRUCTION						
Bond Principal	-	-	-	-	-	3,000
Bond Interest	-	-	-	-	-	-
TOTAL JOHN SCHULTE CONSTRUCTION	-	-	-	-	-	3,000
PHARMACY PROPERTIES INC						
Bond Principal	-	-	-	-	-	8,000
Bond Interest	-	-	-	-	-	-
TOTAL PHARMACY PROPERTIES INC	-	-	-	-	-	8,000
KEN-RAY LLC						
Bond Principal	-	-	-	-	-	5,000
Bond Interest	-	-	-	-	-	-
TOTAL KEN-RAY LLC	-	-	-	-	-	5,000
TOTAL EXPENSES	526,795	531,658	1,261,276	1,759,783	1,003,026	1,807,243

COMMUNITY REDEVELOPMENT AUTHORITY
GRAND ISLAND, NEBRASKA

RESOLUTION #123

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA (the "Authority") RECOMMENDING A LEVY ALLOCATION BY THE CITY OF GRAND ISLAND TO THE AUTHORITY FOR ITS BUDGETARY PURPOSES IN FISCAL YEAR 2011-2012 AS AUTHORIZED BY NE. REV. STATUTES 77-3443, AS AMENDED.

WHEREAS, the Mayor and City Council of the City of Grand Island, Nebraska (the "City"), by its Ordinance passed and adopted June 27, 1994, created the Community Redevelopment Authority of the City of Grand Island, Nebraska, pursuant to Sections 18-2101 through 18-2153 of the Nebraska Community Development Law; Reissue Revised Statutes of Nebraska, as amended (the "Act");

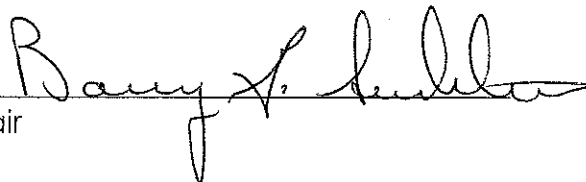
WHEREAS, on July 27, 2011, the members of the Community Redevelopment Authority of the City of Grand Island considered its budget for fiscal year 2011-2012 and determined that a request for personal and real property tax in the amount of \$632,171 is necessary to accomplish the statutory purposes of the Authority in the upcoming fiscal year and that the accomplishment of these purposes is in the best interests of the City of Grand Island.

NOW, THEREFORE BE IT RESOLVED THAT, by copy of this Resolution delivered to the City of Grand Island on this date, the Authority hereby requests and recommends that the City of Grand Island, Nebraska, as a part of the City maximum levy of \$.45 per \$100 of taxable valuation of property, as authorized by the Revised Statutes of Nebraska, Section 77-3442, authorize a 2011-2012 levy allocation which will provide \$632,171 in personal and real property tax funds to the Community Redevelopment Authority of the City of Grand Island for the accomplishment of the purposes for which it was created.

Passed and approved by the Authority this 27th day of July, 2011.

COMMUNITY REDEVELOPMENT AUTHORITY OF THE
CITY OF GRAND ISLAND, NEBRASKA

By: _____
Chair



ATTEST:

Director

