



City of Grand Island

Tuesday, August 03, 2010

Special Meeting

Item E2

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

Staff Contact: Chad Nabity

Council Agenda Memo

From: Grand Island Community Redevelopment Authority

Meeting: August 3, 2010

Subject: Proposed CRA Budget

Item #'s: 2

Presenter(s): Chad Nabity AICP, CRA Director

COMMUNITY REDEVELOPMENT AUTHORITY 2010-2011 ANNUAL BUDGET

It is my privilege to present to you the budget for the Community Redevelopment Authority for 2010-2011. 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 2010-2011 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 including commercial façade improvements, and purchasing and demolishing dilapidated properties. 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 2010-2011,

The CRA is requesting property tax revenues of \$425,000 the same amount requested for the 2009-2010 and down from \$475,000 in 2008-09 and down from \$500,000 in 2007-2008. Historically, the levies and tax asking have been:

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
\$0.017012	\$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 July1, 2010 meeting, the Community Redevelopment Authority approved the proposed budget establishing a preliminary request of \$0.017012 for each hundred dollars of valuation for an anticipated \$425,000 based on an estimated taxable valuation of \$2,498,348,795.

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:

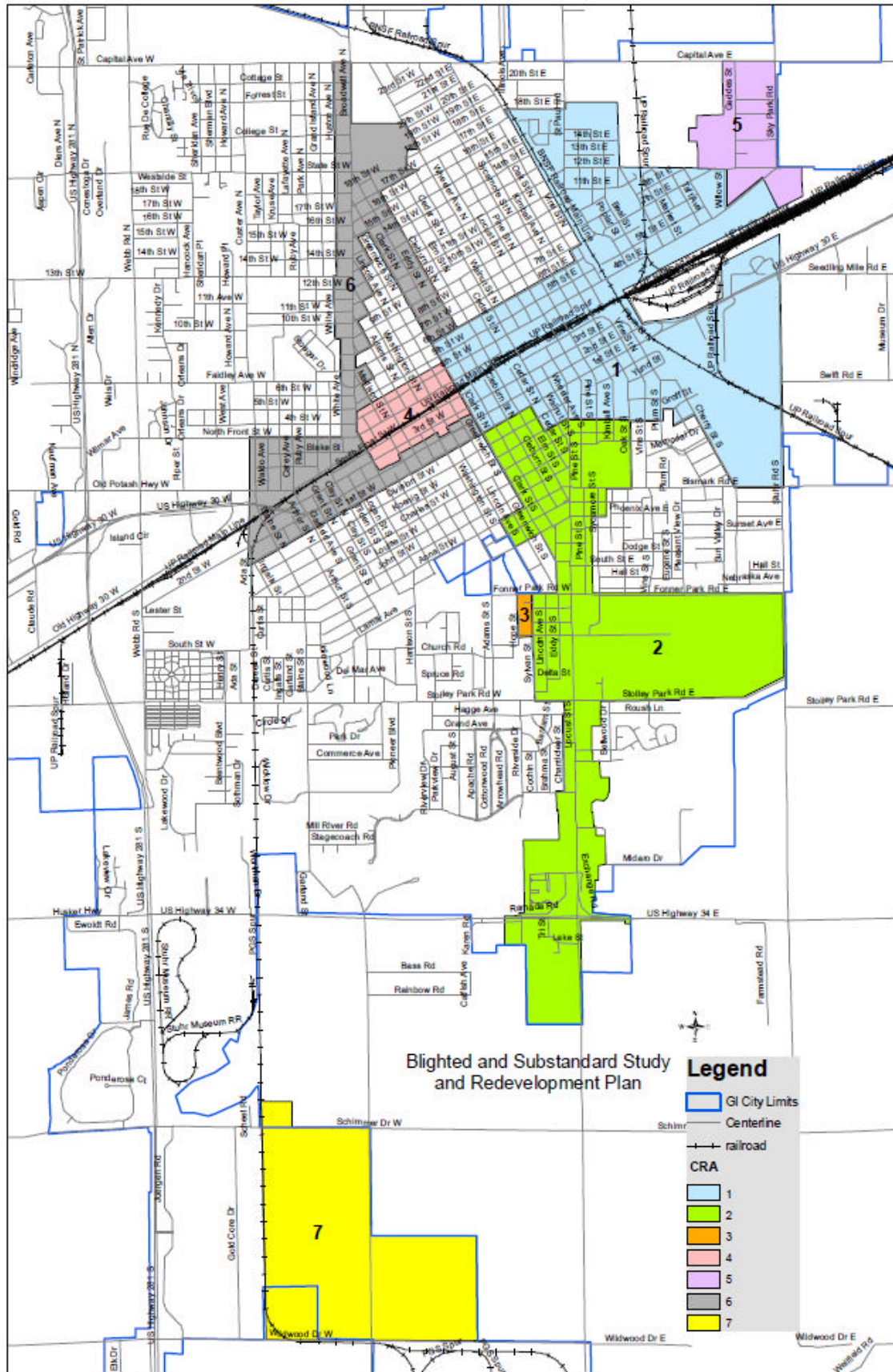
- Purchase of Dilapidated Properties/Infrastructure. The 2010-2011 budget includes \$150,000 for the acquisition of substandard properties in the blighted and substandard areas and for the provision of infrastructure. The Authority will consider any property within a designated area. The Authority budgeted \$100,000 in the 2009-10 year and spent \$450,000 with the purchase of the building on South Locust.

- Facade Development \$250,000 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 railroad are moving forward. This will be a reimbursement to the City.
- Other Projects: \$400,000 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 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 2009 budget but not carried over into the 2010 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.

CONCLUSION

A continued aggressive approach toward redevelopment will be the focus for the CRA in 2010-2011. The investments this community has made in housing, redevelopment efforts, infrastructure and economic development, bode well for the future of the community. The tax dollars dedicated to the CRA make these projects and improvements possible in an efficient and timely manner.



COMMUNITY REDEVELOPMENT AUTHORITY
FY 2010 - 2011 BUDGET

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
CONSOLIDATED						
Beginning Cash	1,309,485	952,497	1,236,622	1,547,542	1,547,542	883,698
REVENUE:						
Property Taxes	699,422	750,800	755,133	667,783	667,783	667,783
Loan Proceeds	-	-	-	-	-	-
Interest Income	45,272	41,968	15,630	8,000	8,579	5,000
Land Sales	14,837	15,152	47,335	50,000	-	-
Other Revenue	6,506	-	24,473	-	16,977	8,000
TOTAL REVENUE	766,037	807,920	842,571	725,783	693,339	680,783
TOTAL RESOURCES	2,075,522	1,760,417	2,079,193	2,273,325	2,240,881	1,564,481
EXPENSES						
Auditing & Accounting	4,900	5,000	7,601	7,500	7,500	7,500
Legal Services	5,500	2,143	4,829	10,000	10,000	15,000
Consulting Services	999	-	-	10,000	-	10,000
Contract Services	48,430	34,362	26,122	40,000	40,000	50,000
Printing & Binding	-	568	-	1,000	500	1,000
Other Professional Services	3,429	4,112	-	5,000	-	5,000
General Liability Insurance	-	-	-	250	250	250
Postage	-	142	159	200	200	200
Legal Notices	303	828	750	800	800	800
Licenses & Fees	-	-	-	-	-	-
Travel & Training	70	-	-	1,000	-	1,000
Other Expenditures	14	-	-	500	-	500
Office Supplies	32	105	38	500	100	500
Supplies	-	-	-	300	100	300
Land	15,137	33,090	129	100,000	100,000	150,000
Façade Improvement	127,300	207,871	241,793	150,000	150,000	250,000
South Locust	-	-	-	-	-	-
Other Projects	706,680	-	2,858	800,000	550,000	400,000
Property Taxes BID Fees	-	-	-	-	-	10,000
2nd Street BID	-	-	-	-	105,000	-
Outstanding Façade Improvement Grants	-	-	-	132,250	132,250	175,000
Railroad Horns	-	-	-	240,000	-	240,000
Other Committed Projects	-	-	-	17,700	17,700	-
Property Management	-	-	-	-	-	-
Bond Principal	112,739	142,543	161,927	161,611	161,611	161,611
Bond Interest	97,492	93,031	85,445	81,172	81,172	81,172
TOTAL EXPENSES	1,123,025	523,795	531,650	1,759,783	1,357,183	1,559,833
INCREASE(DECREASE) IN CASH	(356,988)	284,125	310,920	(1,034,000)	(663,844)	(879,050)
ENDING CASH	952,497	1,236,622	1,547,542	513,542	883,698	4,648
LESS COMMITMENTS						
AVAILABLE CASH	952,497	1,236,622	1,547,542	513,542	883,698	4,648
CHECKING	481,867	786,622	637,868	213,542	(21,302)	(295,352)
INVESTMENTS	470,630	450,000	909,674	300,000	905,000	300,000
Total Cash	952,497	1,236,622	1,547,542	513,542	883,698	4,648

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2010 - 2011 BUDGET

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
CRA						
GENERAL OPERATIONS: 01						
Property Taxes	491,210	493,602	487,610	425,000	425,000	425,000
Interest Income	44,921	41,561	14,889	8,000	8,000	5,000
Land Sales	14,837	-	47,335	50,000	-	-
Other Revenue & Motor Vehicle Tax	4,251	1,300	8,959		8,000	8,000
TOTAL	555,219	536,463	558,792	483,000	441,000	438,000
GILI TRUST 07						
Property Taxes	64,571	66,410	65,817	65,780	65,780	65,780
Interest Income		-		-		
Other Revenue	324	1,108	277	-	277	
TOTAL	64,895	67,518	66,094	65,780	66,057	65,780
CHERRY PARK LTD II						
Property Taxes	61,006	62,743	91,836	59,180	59,180	59,180
Interest Income	237	251	497	-	349	-
Other Revenue	68		-	-		
TOTAL	61,311	62,994	92,334	59,180	59,529	59,180
GENTLE DENTAL						
Property Taxes	3,251	3,497	4,427	4,202	4,202	4,202
Interest Income	4	3	1	-	1	-
Other Revenue	846	947	2,610	-	702	
TOTAL	4,101	4,447	7,037	4,202	4,905	4,202
PROCON TIF						
Property Taxes	17,631	18,138	17,925	19,162	19,162	19,162
Interest Income	27	53	36	-	36	
Other Revenue	931	972	232	-		
TOTAL	18,589	19,163	18,193	19,162	19,198	19,162
WALNUT HOUSING PROJECT						
Property Taxes	61,753	93,632	62,942	74,472	74,472	74,472
Interest Income	83	100	207	-	193	
Other Revenue	86	10,825	12,395	-	7,998	
TOTAL	61,922	104,557	75,544	74,472	82,663	74,472

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2010 - 2011 BUDGET

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
BRUNS PET GROOMING						
Property Taxes	-	9,536	9,575	4,986	4,986	4,986
Interest Income				4,940		
TOTAL	-	9,536	9,575	9,926	4,986	4,986
GIRAD VET CLINIC						
Property Taxes	-	3,242	4,940	-	4,940	4,940
Interest Income	-	-	-	-	-	-
TOTAL	-	3,242	4,940	-	4,940	4,940
GEDDES ST APTS - PROCON						
Property Taxes			1,195	1,195	1,195	1,195
Interest Income	-	-	-	-	-	-
TOTAL	-	-	1,195	1,195	1,195	1,195
SOUTHEAST CROSSINGS						
Property Taxes	-	-	8,866	8,866	8,866	8,866
Interest Income	-	-	-	-	-	-
TOTAL	-	-	8,866	8,866	8,866	8,866
POPLAR STREET WATER						
Property Taxes	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
TOTAL REVENUE	766,037	807,920	842,571	725,783	693,339	680,783

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2010 - 2011 BUDGET

	2007	2008	2009	2010	2010	2011
	Actual	Actual	Actual	Budget	Projected	Budget
EXPENSES						
CRA						
GENERAL OPERATIONS:						
Auditing & Accounting	4,900	5,000	7,601	7,500	7,500	7,500
Legal Services	5,500	2,143	4,829	10,000	10,000	15,000
Consulting Services	999	-	-	10,000	-	10,000
Contract Services	48,430	34,362	26,122	40,000	40,000	50,000
Printing & Binding	-	568	-	1,000	500	1,000
Other Professional Services	3,429	4,112	-	5,000	-	5,000
General Liability Insurance	-	-	-	250	250	250
Postsge		142	159	200	200	200
Legal Notices	303	828	750	800	800	800
Licenses & Fees		-	-	-		
Travel & Training	70	-	-	1,000	-	1,000
Other Expenditures	-	-	-	500	-	500
Office Supplies	32	105	38	500	100	500
Supplies	-	-	-	300	100	300
Land	15,137	33,090	129	100,000	100,000	100,000
PROJECTS						
Façade Improvement	127,300	207,871	241,793	150,000	150,000	250,000
South Locust	-	-	-	-	-	-
2nd Street BID		-	-	-	105,000	-
Outstanding Façade Improvement Grants		-	-	132,250	132,250	175,000
Railroad Horns		-	-	240,000	-	240,000
Other Committed Projects		-	-	17,700	17,700	-
Other Projects	706,680	-	2,858	800,000	550,000	-
Property Taxes BID Fees		-	-	-	-	10,000
Property Management		-	-	-	-	-
TOTAL CRA OPERATING EXPENSES	912,780	288,221	284,279	1,517,000	1,114,400	867,050
GILI TRUST						
Bond Principal	43,604	47,158	51,009	51,001	51,001	51,001
Bond Interest	22,176	18,622	14,779	14,779	14,779	14,779
Other Expenditures	4		-			
TOTAL GILI EXPENSES	65,784	65,780	65,788	65,780	65,780	65,780
CHERRY PARK LTD II						
Bond Principal	34,131	36,824	39,729	39,729	39,729	39,729
Bond Interest	25,049	22,356	19,451	19,451	19,451	19,451
TOTAL CHERRY PARK EXPENSES	59,180	59,180	59,180	59,180	59,180	59,180
GENTLE DENTAL						
Bond Principal	1,949	2,127	2,236	2,276	2,276	2,276
Bond Interest	2,253	2,075	1,966	1,926	1,926	1,926
TOTAL GENTLE DENTAL	4,202	4,202	4,202	4,202	4,202	4,202
PROCON TIF						
Bond Principal	8,333	10,601	9,064	9,467	9,467	9,467
Bond Interest	10,829	8,561	10,098	9,695	9,695	9,695
TOTAL PROCON TIF	19,162	19,162	19,162	19,162	19,162	19,162

COMMUNITY REDEVELOPMENT AUTHORITY
FY 2010 - 2011 BUDGET

	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
WALNUT HOUSING PROJECT						
Other Expenditures	10					
Bond Principal	24,722	33,055	35,321	39,151	39,151	39,151
Bond Interest	37,185	41,417	39,151	35,321	35,321	35,321
TOTAL WALNUT HOUSING PROJECT	61,917	74,472	74,472	74,472	74,472	74,472
BRUNS PET GROOMING						
Bond Principal	-	9,536	9,575	4,986	4,986	4,986
Bond Interest	-	-	-	-	-	-
TOTAL BRUNS PET GROOMING	-	9,536	9,575	4,986	4,986	4,986
GIRARD VET CLINIC						
Bond Principal	-	6,242	4,940	4,940	4,940	4,940
Bond Interest	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	-	6,242	4,940	4,940	4,940	4,940
GEDDESST APTS - PROCON						
Bond Principal	-	-	1,195	1,195	1,195	1,195
Bond Interest	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	-	-	1,195	1,195	1,195	1,195
SOUTHEAST CROSSINGS						
Bond Principal	-	-	8,866	8,866	8,866	8,866
Bond Interest	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	-	-	8,866	8,866	8,866	8,866
POPLAR STREET WATER						
Auditing & Accounting	-	-	-	-	1,000	-
Bond Principal	-	-	-	-	-	-
Bond Interest	-	-	-	-	-	-
TOTAL GIRARD VET CLINIC	-	-	-	-	1,000	-
TOTAL EXPENSES	1,123,025	526,795	531,658	1,759,783	1,358,183	1,109,833