



City of Grand Island

Monday, July 25, 2011
Special Meeting

Item -2

Discussion Concerning Community Redevelopment Authority 2011-2012 Budget

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, Regional Planning Director

Meeting: July 25, 2011

Subject: Community Redevelopment Authority 2011-2012
Annual Budget

Item #'s: 2

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 as 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. These properties are then made available for redevelopment.

FISCAL RESOURCES

General Revenues For 2011-2012,

The CRA is requesting property tax revenues of \$431,384, slightly more than the amount requested for the 2010-2011 and 2009-2010 budgets and down from \$475,000 in 2008-2009 and down from \$500,000 in 2007-2008. The CRA is requesting the same levy that was approved last year for normal CRA activities. In addition to the amount requested by the CRA, City Administration is suggesting that Council approve funding for Lincoln Park Pool as part of the CRA budget by increasing the levy to \$0.026 per \$100/valuation. 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 June 29, 2011 meeting, the Community Redevelopment Authority approved the proposed budget establishing a preliminary request of \$0.017742 for each hundred dollars of valuation for an anticipated \$431,384 based on an estimated taxable valuation of \$2,431,429,948.

In addition to the \$0.017742 levy that CRA is requesting, City Administration is suggesting that the CRA levy be raised to the full amount allowed by law which is \$0.026. The additional funding would be directed by Council toward the renovation of the Lincoln Park Pool. This additional levy is expected to generate \$200,787. This funding would be used to pay off bonds issued for the purpose of rebuilding the Lincoln Park Pool. Council and CRA would have to approve a redevelopment plan for this project, plans for the redevelopment of the pool and an interlocal agreement between Council and the CRA prior to CRA issuing any bonds for the project. If Council decides to move forward with this method of financing the Lincoln Park Pool project, Council

can refer the modified budget back to the CRA at the July 26th Council meeting. The CRA can consider this amended budget and levy request at their meeting on July 27th.

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:

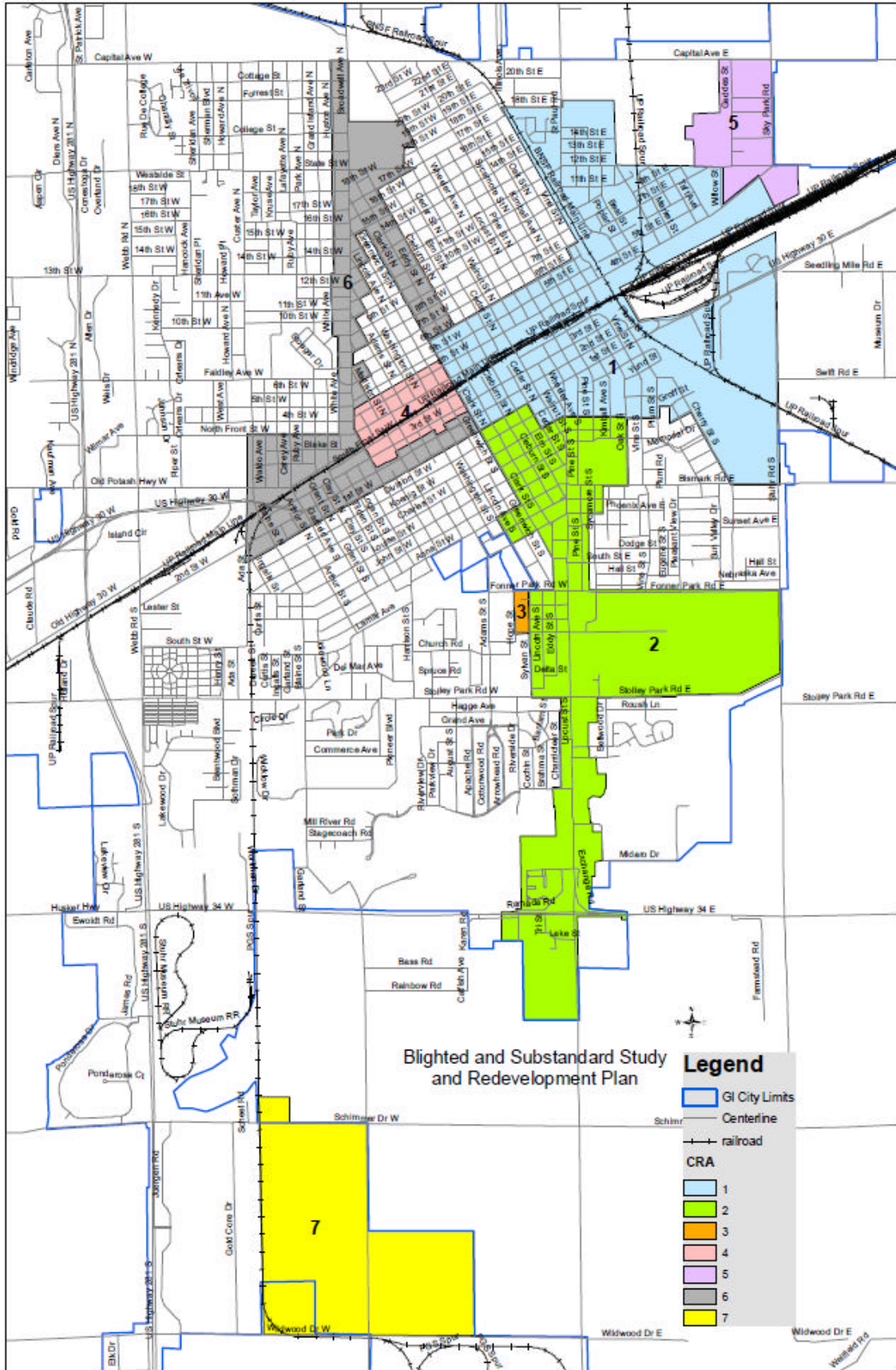
- Purchase of Dilapidated Properties/Infrastructure. The 2011-2012 budget includes \$100,000 for the acquisition of substandard properties in the blighted and substandard areas and for the provision of infrastructure. The Authority will consider any property within a designated area. The Authority budgeted \$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, 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.

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	772,491
REVENUE:						
Property Taxes	750,800	755,133	648,172	667,783	667,783	935,687
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	715,783	1,024,687
TOTAL RESOURCES						
	1,760,417	2,079,193	2,240,368	2,415,663	1,695,874	1,797,178
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	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	17,700	97,500
Debt Payments Interest Fees (Lincoln Pool)	-	-	-	-	-	200,787
Bond Principal	142,543	161,927	199,617	161,611	215,415	252,659
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	923,383	1,792,243
INCREASE(DECREASE) IN CASH	284,125	310,920	(567,451)	(1,034,000)	(207,600)	(767,556)
ENDING CASH	1,236,622	1,547,542	980,091	655,880	772,491	4,935
LESS COMMITMENTS	-	-	-	-	-	-
AVAILABLE CASH	1,236,622	1,547,542	980,091	655,880	772,491	4,935
CHECKING	786,622	637,868	514,467	355,880	420,420	(347,136)
INVESTMENTS	450,000	909,674	465,625	300,000	352,071	352,071
Total Cash	1,236,622	1,547,542	980,091	655,880	772,491	4,935

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	33,000
Interest Income	-		-			
Other Revenue	1,108	277	8			
TOTAL	67,518	66,094	65,702	65,780	65,780	33,000
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	15,000	15,000
Interest Income			-			
TOTAL	-	1,195	14,809	1,195	15,000	15,000
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						5,500
Interest Income			-			
TOTAL TC ENCK	-	-	-	-	-	5,500
CASEY'S FIVE POINTS						
Property Taxes						15,000
Interest Income			-			
TOTAL CASEY'S FIVE POINTS	-	-	-	-	-	15,000
SOUTHPOINTE HOTEL						
Property Taxes						22,000
Interest Income			-			
TOTAL SOUTHPOINTE HOTEL	-	-	-	-	-	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	749,796	1,024,687

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	15,000	15,000
Bond Interest	-	-	-	-	-	-
TOTAL GEDDES ST APTS - PROCON	-	1,195	14,809	1,195	15,000	15,000
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	988,026	1,796,243