

RESOLUTION NO. 2008-7

RESOLUTION OF THE CITY OF CENTRAL CITY, NEBRASKA, APPROVING AN AMENDMENT TO A REDEVELOPMENT PLAN FOR THE CITY AND AGREEING TO THE PLEDGE OF TAXES IN A REDEVELOPMENT AREA FOR THE BENEFIT OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF CENTRAL CITY.

WHEREAS, the City of Central City, Nebraska, a municipal corporation and city of the second 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 1997, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared a redevelopment area of the City described as Redevelopment Area #1 to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, following completion of a cost benefit analysis, the Community Redevelopment Authority of the City of Central City, Nebraska (the "Authority"), has prepared a Redevelopment Plan ("Redevelopment Plan") pursuant to Section 18-2111 of the Act, including specific Projects (known as the South Redevelopment Project) to be completed by Redeveloper to be described in the Redevelopment Plan 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, if any, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, there has been presented to the City by the Authority for approval the Redevelopment Plan, including the Projects together with the cost benefit analysis completed by the Authority and the findings of the Authority; 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 this Resolution held a public hearing on the proposal to adopt the Redevelopment Plan to include the Projects described on the attached Exhibit 'A';

NOW, THEREFORE, be it resolved by the Mayor and City Council of the City of Central City, Nebraska:

1. The Redevelopment Plan of the City in the area described Redevelopment Area #1, known as "South Redevelopment Project", including the Projects legally described on the attached Exhibit 'A', are hereby determined to be feasible and in conformity with the general plan for the development of the City of Central City as a whole and the Redevelopment Plan, including the Redevelopment Projects identified on the attached Exhibit 'A', are in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined, based on the analysis conducted by the Authority, 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. The Redevelopment Plan is hereby approved 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, and subject to Section 2 of this Resolution, ad valorem taxes levied upon real property in the Project included or authorized in the Plan which is legally described in the attached Exhibit 'A' may be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date is May 1, 2008 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 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 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 Project shall be paid into the funds of the respective public bodies.

c. The ad valorem taxes so divided are pledged to the payment of principal, interest and premium on the bonds to be issued by the Authority under the Redevelopment Contract and Redevelopment Plan.

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.

Passed and approved this 10th day of March, 2008.

CITY OF CENTRAL CITY, NEBRASKA

By: _____
Clayton Erickson, Mayor

ATTEST:

David Rish, City Clerk

Attachment 'A'

**REDEVELOPMENT PLAN AMENDMENT FOR
REDEVELOPMENT AREA SOUTH OF 28TH STREET
“SOUTH REDEVELOPMENT PROJECT”**

OVERVIEW:

This Plan Amendment is intended to redevelop an area inside the Corporate Limits of the City of Central City, Merrick County, Nebraska, which has been declared blighted and substandard within the meaning of the Community Development Law of the State of Nebraska. The plan will be used to develop single family residential lots, improve drainage, encourage the improvement of a stagnant water pit, elevate low land, and to encourage recreational development. The Plan will be implemented as a cooperative effort among local entities.

This development would not occur without the benefit of Tax Increment Financing. Proposed project costs are too great to be absorbed entirely by the redevelopers, as evidenced by the existence idle vacant property, substandard structures, and an unimproved pit of stagnant water.

THE REDEVELOPMENT PLAN:

1) The Plan contemplates changes in current land use for residential housing and recreational facilities. No changes in the land use map are proposed. Current zoning allows for residential housing development and public uses including parks and recreational uses.

2) The Plan contemplates no relocation of the existing roads and streets in the redevelopment areas, but does create new streets.

3) The Plan requires the installation of community utilities to be provided by the use of Tax Increment Financing. The Plan does contemplate additional residents for the City of Central City that will allow for better utilization of existing and proposed community facilities. The Plan does not anticipate an increase in population density in the Redevelopment Area.

4) The boundaries of the Redevelopment Areas and the boundary of this Redevelopment Plan are shown in Appendix 'B'.

5) A site plan for the Redevelopment Area is shown in Appendix 'C'. The site plan includes changes in street layouts.

6) A statement as to the kind and number of additional public facilities and utilities which will be required to support the new land uses in the area after redevelopment is shown in the Cost Benefit Analysis as Appendix 'A'.

7) The Redevelopment Plan is consistent with local plans for the development of a new recreational area. The City Council spent one year in deliberations on site

selection and development layout that resulted in the Site Plan described in Appendix 'C'. Multiple opportunities for public input were afforded to residents in City Council meetings, separate discussion meetings and through direct contact between residents, Council Members and City Staff.

8) The Plan intends for the Community Redevelopment Authority to take all necessary steps to provide additional residential lots for development within a portion of the Redevelopment Area. Steps will include the platting of a portion of the property and the installation of public improvements including streets, water, sewer, electrical and drainage improvements.

9) The Plan intends for the Community Redevelopment Authority to sell the resulting residential development lots to individuals or entities who intend to construct single family residential units.

PUBLIC COST BENEFIT ANALYSIS:

The Plan anticipates the development of residential and recreational facilities in a cooperative effort among local entities. The Community Redevelopment Authority will issue debt instruments sufficient to cover improvement costs described in the Plan. Such debt instruments shall not be backed by the City of Central City or the Authority, and will only be repaid from the increased ad valorem tax stream created by the implementation of the Redevelopment Plan, over a 15 year period commencing February 1, 2008. All ad valorem taxes currently being paid in the Redevelopment Area will continue to be paid to the normal taxing authorities, including the school district, the City, and Merrick County, subject to current valuation adjustment. After the 15 year TIF period, the increased taxes will also be paid to the normal taxing authorities.

The Plan anticipates positive synergies created by the simultaneous development of improvements within the Redevelopment Area, including those not supported by ad valorem revenues. It also anticipates that the ad valorem supported activities are critical to raising the Redevelopment Area to its highest and best use. The land surrounding the Redevelopment Area should also benefit from the proposed improvements, allowing for both an increasing intrinsic value and greater future development potential.

An example of synergistic activities includes the lake development. The community wishes to develop a new recreational complex including an aquatic center and fishing pond. Due to high water table, the aquatic center must be built above grade, creating a need for substantial fill materials. The construction of the fishing pond will provide the necessary fill material. A surplus of fill material will still exist. The same water table issues make it unfeasible to create homes with basements. There is a market demand for basement homes. The additional fill material from the fishing pond will allow for the elevation of the housing subdivision for basement homes.

PLEDGE OF INCREMENTAL TAXES:

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Projects specified in the Plan, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be approximately May 1, 2008.

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 Projects 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, and interest on, 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, a Redevelopment Project. When such bonds, loans, advances or 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 bodies.

SPECIFIC ACTIVITIES TO BE UNDERTAKEN:

This Redevelopment Plan contemplates the following specific actions and activities being completed *without* support of ad valorem funds within the Redevelopment Area in this Plan:

- 1) The elevation of land by the addition of fill materials to the land legally described as Lot 6 through 29 of Boelts Addition.
- 2) The construction of a community Aquatic Center.
- 3) The construction of soccer fields.
- 4) The construction of a miniature golf course
- 5) The redevelopment of the stagnant water pit into a public fishing pond.
- 6) The construction of a walking path around the newly developed pond.
- 7) The acquisition of land for the purposes of supporting the above listed activities.

This Redevelopment Plan contemplates the following specific actions and activities *may* be completed with support of ad valorem funds, if such funds are available.

- 1) The redevelopment of the stagnant water pit into a public fishing pond.
- 2) The construction of a walking path around the newly developed pond.

This Redevelopment Plan contemplates the following specific actions and activities being supported by ad valorem funds:

- 1) The elevation of land within the residential subdivision by the addition of fill materials.
- 2) The construction of public infrastructure within the residential subdivision, to include water, sewer, electricity, streets and drainage facilities.
- 3) Other activities necessary to prepare and complete a residential subdivision.

APPENDIX 'A'

COST-BENEFIT ANALYSIS REDEVELOPMENT PROJECTS

The Community Redevelopment Authority of Central City, Nebraska is considering redevelopment projects for this Redevelopment Area. This analysis pertains to costs and benefits to the City of Central City and Community Redevelopment Authority relative to the proposed improvements.

Anticipated Costs (Community Redevelopment Authority):

Land Purchase	\$100,000
Water Main	\$ 30,000
Sewer Main	\$ 40,000
Streets	\$120,000
Storm Sewer	\$ 10,000
Engineering	\$ 20,000
Dirt / Fill	<u>\$ 10,000</u>
Total Cost (ad valorem supported)	\$330,000

Anticipated Revenues:

The Project anticipates developing 10-12 new residential housing lots and corresponding single family homes. Revenues will be dependent upon the rate of construction and resulting incremental valuation. Quicker and higher value construction will result in greater revenues and faster debt repayment. Slower and lower value construction will result in lower revenues, slower debt repayment, and the potential for inadequate revenues to meet the debt obligations. The Ad Valorem taxes within the Redevelopment Area may be the only funds available for the payment of the debt obligations of this project.

Anticipated Costs (City of Central City):

Aquatic Center	\$2,500,000
Land Acquisition (South)	\$ 147,000
Lake Development	\$ 100,000
Trail Development	\$ 35,000
Trail Rest Area Construction	\$ 6,000
Soccer Field Construction	\$ 10,000
Miniature Golf Construction	<u>\$ 30,000</u>
Total Cost (non-ad valorem supported)	\$2,828,000

Community Facility Costs:

The Plan anticipates minimal additional community costs for the maintenance of additional streets within the housing subdivision. Additional costs related to the provision of public utilities will be offset by customer rates.

The Plan anticipates that any additional infrastructure costs for utilities will be covered by proceeds from the Tax Increment Financing debt.

The Plan anticipates added community costs for the construction and ongoing maintenance of the aquatic center, soccer fields, miniature golf complex and newly constructed fishing pond. These costs will be incurred outside of the jurisdiction of the Community Redevelopment Authority.

The Plan does not anticipate additional community facility or staffing costs relating to schools, police, libraries or other typical community services not listed above.

The Plan anticipates that the community will realize unspecified financial and related benefits associated with increased population. These benefits may include additional sales tax revenues, benefits to local businesses from increased population and associated benefits of the new activity in the community.

The Plan anticipates that the community will realize unspecified financial and psychological benefits related to the elimination of a substandard area, the provision of additional recreational facilities and the derivative benefits of increased investment in the community.

The Plan anticipates that the lost potential revenues directed to the Authority through Ad Valorem Taxes will not adversely affect any taxing authority. The Authority anticipates that the additional housing units will add no more than 20 new students to the school system and that the system has surplus capacity to handle these new students. The Authority recognizes that these additional taxes would not exist in the community without the proposed redevelopment project, and these additional taxes will revert to the taxing authorities at the expiration of the period not to exceed 15 years.