

RESOLUTION NO. 2009-5

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, more specifically District #3, 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 (New Dairy Queen) 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, District #3, known as “Dairy Queen 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 February 1, 2009 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 9th day of March, 2009.

CITY OF CENTRAL CITY, NEBRASKA

By: _____
Clayton Erickson, Mayor

ATTEST:

David Rish, City Clerk

Attachment 'A'

REDEVELOPMENT PLAN

**DESCRIPTION OF PROJECT AND
DEVELOPERS REDEVELOPMENT PLAN FOR
NEW DAIRY QUEEN FACILITY / RICK & KAZUKO KUNZ**

OVERVIEW:

This Plan is intended to redevelop an area within 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. This property will be used to remove an abandoned gas station and redevelop the property with a new Dairy Queen facility.

The Developers will rehabilitate the real estate shown on Exhibit A to the Redevelopment Contract by constructing a new Dairy Queen facility, remove and replace concrete parking, and installing new curbs and sidewalks. In doing so, conditions of blight will be eliminated.

The Developer will not develop the project in the redevelopment area or elsewhere without the benefit of tax increment financing. The costs of the project are simply too great to be absorbed by the Developers without the assistance of tax increment financing. All financing for the project is entirely contingent on the grant set forth in the Redevelopment Contract to which this exhibit is attached. The Developers propose that the Community Redevelopment Authority Issue debt to be repaid from the incremental tax revenues generated by the Redevelopment Project pursuant to Section 18-2147 of the Nebraska Revised Statutes, for a period of 15 years from an effective date of December 31, 2009. The Developers will use the proceeds of the debt to assist in the construction and acquisition of the projects to include necessary operating capital used in such acquisition and construction.

THE REDEVELOPMENT PLAN:

1. Relationship of Plan to local objectives for appropriate land use. This Plan contemplates a change in current land use. The land use will be changed from a former gas station to a food serving establishment. Current zoning allows for the use contemplated by the Plan. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this Plan.

2. Relationship of Plan to local objectives for improved traffic flow and public utilities in Plan area. This Plan contemplates no relocation of the existing

streets. Internal access roads, drives and parking areas will be constructed to handle traffic and parking needs on site, to be constructed and maintained by the Developers.

3. Relationship of Plan to local objectives for community facilities. This Plan neither provides nor requires any additional community facilities. However, it will provide enhanced recreational and commercial opportunities to the residents of Central City and Merrick County and to travelers through the community.

4. Redevelopment Project boundaries. The project boundary is All Lots 2-3-4 & 50' Strip Abutting Lots 3 & 4 North of Block 28, Original Town in Central City. The property is currently under-improved with an abandoned gas station with no prospect for re-opening with its former use.

5. Proposed land use Plan. The land use will be as a commercial eating establishment open to the public in a commercial zone.

6. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment. Population density will not change for the area. Land coverage and density will not intensify significantly from its former use. Lot coverage meets the requirements of the commercial zone.

7. Statement regarding change in street layouts. This Plan proposes no change in street layout.

8. Site Plan after redevelopment. The site plan will not vary significantly from the previous use and is consistent with zoning requirements.

9. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment. Electrical, Water, Sewer and Natural Gas service will be provided by the City of Central City and are not significantly different than the former use.

10. Public cost/benefit analysis. This Plan requires that the Developers will construct and own a newly constructed Dairy Queen facility. The Developers will provide all financing for the project, beyond the grant provided in the attached Redevelopment Contract. The Developers will either find investors for the debt issued by the Authority, or purchase such bonds outright. Such debt shall not be backed by the City or the Authority, and will only be repaid from the increased ad valorem tax stream created by the project rehabilitation, over a 15 year period commencing December 31, 2009. All ad valorem taxes currently being paid by the facility will continue to be paid to the normal taxing authorities, including the school district, the City of Central 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.

11. Tax benefit. Currently the real estate is an abandoned gas station with no prospect for re-use. The real estate taxes from the property shown on Exhibit A, will continue to be paid to the taxing authorities, incremental tax revenue will be pledged for the 15-year period. After the 15-year TIF period the additional estimated tax paid to the taxing entities will be approximately \$18,000 annually.

12. Employees. The project will result in the addition of employees and it is estimated that the employees will come from the surrounding area. Therefore, no undue stress on the school system, police or fire protection is contemplated. Current housing in Central City is adequate for the anticipated employees.

13. Pledge of Incremental Taxes. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project 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 December 31, 2009.

- 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.

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 relative to the proposed improvements.

Anticipated Costs:

Utility Improvements:	\$ 5,000
Building Construction and Equipment	\$ 900,000
Signage	\$ 30,000
Land and Building Acquisition	\$ 120,000
<u>Parking Lot, Curbs and Sidewalks</u>	<u>\$ 30,000</u>
Total Project Costs:	\$1,085,000

Anticipated Revenues:

The Project anticipates developing a new Dairy Queen facility
Annual Ad Valorem Taxes: \$18,000

Community Facility Costs:

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

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

The Plan anticipates that the community will realize unspecified financial and related benefits associated with increased commercial activity. These benefits may include additional sales tax revenues, benefits to local businesses from increased stops by travelers and associated benefits of the new activity 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 new Dairy Queen will add no new students to the school system. The Authority further anticipates that the Dairy Queen will not impact the school system due to the anticipated hiring of existing residents. 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.

Community Benefits:

The Plan anticipates the following benefits to the community of Central City:

- a) Increased Employment: The Plan anticipates some degree of additional employment opportunities related to an expanded Dairy Queen facility.
- b) Facility Reuse: The Plan anticipates the existing Dairy Queen facility will become available for reuse for other commercial or retail opportunities. A new retail or commercial establishment would provide further employment opportunities.
- c) Redevelopment: An abandoned and unsightly structure will be removed and replaced with a new facility. The substandard sidewalks and concrete surface will be replaced with new sidewalks, curbs and parking areas. These improvements will dramatically improve a parcel within the central business district of Central City along

a major Nebraska Highway. This project will significantly improve the overall appearance of the downtown and the community as a whole. Such improvement should have positive affects on neighboring properties.

d) Improved Facility: The new Dairy Queen will be larger and better situated to serve a larger customer base. As a common social gathering place for the community, the Plan anticipates the new facility will provide an enhancement to the overall quality of life.

e) Sales Tax: The Plan anticipates increased sales tax receipts to Central City and the State of Nebraska due to an increased capacity to serve customers. The existing facility serves many travelers and out-of-town visitors. An improved facility should further enhance the draw of guests to our community.

f) Downtown Improvement: The City has engaged in very preliminary discussions of a general downtown improvement project. The Dairy Queen project, due to the nature of the improvements, will reduce the City expenditures related to an overall downtown improvement project. It will also eliminate the need to address a substandard and blighted property within the boundaries of such a general improvement project.