

RESOLUTION NO. 2006-21

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 on the attached Exhibit A (the "Redevelopment Area") to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Authority published notice inviting proposals for redevelopment of the Redevelopment Area and received proposals from Cottonwood Estates, LLC and Scott Kvols ("Redevelopers"); 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 to be completed by Redevelopers to be described in the Redevelopment Contracts ("Redevelopment Contracts") 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 B;

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 for the area described on the attached Exhibit A, including the Projects legally described on the attached Exhibit B, 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 B, 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 projects in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment projects would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment projects, 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 B may be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date is October 1, 2006 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 Projects 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 18th day of September 2006.

CITY OF CENTRAL CITY, NEBRASKA

By: _____
Clayton Erickson, Mayor

ATTEST:

David Rish, City Clerk

EXHIBIT A

Redevelopment Area

Lot 25 located in Section 16, Township 13, Range 6 in Merrick County, Nebraska

EXHIBIT B

Redevelopment Plan

REDEVELOPMENT PLAN FOR REDEVELOPMENT AREA SOUTH OF 28TH STREET

OVERVIEW:

This Plan 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 an assisted living facility and residential housing on underdeveloped property.

This development would not occur without the benefit of Tax Increment Financing. Proposed project costs are too great to be absorbed by the Developers, as evidenced by the existence idle vacant property, substandard structures, and substandard drainage.

THE REDEVELOPMENT PLAN:

1) The Plan contemplates changes in current land use for residential housing. No changes in the land use map is proposed. Current zoning allows for residential housing development.

2) The Plan contemplates no relocation of the existing roads and streets in the redevelopment areas.

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 community facilities.

4) Attachment 'A' designates the boundaries of the Redevelopment Areas and represent the boundary of this Redevelopment Plan.

5) The Plan contemplates an increase in population density in the Redevelopment Area, but such increase will be consistent with the population densities of residential districts.

PUBLIC COST BENEFIT ANALYSIS:

The Redevelopers will either find investors for bonds and debt issued for this project, or will purchase such bonds outright. Such bonds and debt will be repaid only from the increased ad valorem tax stream created by the project rehabilitation, over a 15 year period commencing in calendar year 2007. All ad valorem taxes currently being paid by the affected properties will continue to be paid to the normal taxing

authorities, including the school district, the City of Central City, Merrick County, and the other taxing entities, subject to current valuation adjustment. After the 15-year TIF period, or upon the retirement of all bonds and other debt, the increased taxes will also be paid to the normal taxing authorities listed above.

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 October 1, 2006.

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 supported by ad valorem funds:

- 1) General Infrastructure Improvements. This may include the construction costs for water, sewer natural gas and electric improvements necessary to serve such properties.
- 2) Drainage Improvements. This will include funds for providing adequate drainage on this property and improvements necessary to properly divert drainage from this property to the established drainage system of the City of Central City.
- 3) Project Costs. This will include funds returned to the Developer(s) for improvements directly related to the specific redevelopment project.

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:	\$ 30,000
Drainage Improvements:	\$150,000
<u>Direct Project Costs:</u>	<u>\$545,000</u>
Total Project Costs:	\$725,000

Anticipated Revenues:

The Project anticipated developing 1 new residential housing unit and an assisted living facility.

Ad Valorem Taxes:	
\$1,335,000	

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 population. These benefits may include additional sales tax revenues, benefits to local businesses from increased population, increased state aid to the schools, 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 additional housing unit may add 1-3 students to the school system – a very minimal impact. The Authority further anticipates that the assisted living facility will not impact the school system due to the age of the inhabitants. 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.