

2009- 8

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GOTHENBURG,
APPROVING A REDEVELOPMENT PLAN; AND MAKING FINDINGS WITH REGARD
TO SUCH PLAN AND APPROVING OTHER ACTION THEREON.

WHEREAS, the City of Gothenburg, Nebraska a municipal corporation has determined it to 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 1943, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, The City has previously declared an areas of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, The Community Redevelopment Authority of the City of Gothenburg, Nebraska (the Authority) has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act:

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

1. The Redevelopment Plan in the form attached to this Resolution as Exhibit A is hereby determined to be feasible and in conformity with the general plan for the development of the City of Gothenburg as a whole and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act;

2. The Mayor and City Council specifically find, as follows:

(a) The project described in the redevelopment plan attached thereto, would not be economically feasible without the use of tax-increment financing;

(b) The project would not occur in the Redevelopment Area without the use of tax-increment financing; and

(c) The costs and benefits of the 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 governing body and have been found to be in the long term best interests of the community impacted by the project.

3. Approval of the Redevelopment Plan is hereby approved, ratified and affirmed and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act with such modifications and amendments as the Authority shall deem appropriate and expedient.

4. Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property described herein, shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2009 as to the following real estate, to wit:

Beginning at a point being the South East corner of the intersection of Avenue L and Washington Street in the City of Gothenburg, thence Northerly and along the Westerly boundary of Avenue L a distance of 300 feet; thence Westerly along the Southerly boundary of Jefferson Street a distance of 215 feet; thence Southerly a distance of 300 feet to a point on the Northerly line of Washington Street, which point is 215 Westerly of the point of beginning; thence along the Northerly line of Washington Street a distance of 215 feet to the point of beginning, all in Dawson County, Nebraska;

and with an effective date of January 1, 2010 as to the following real estate, to wit:

Lots 3, 4, 5, 6, and 7, Goshen Second Subdivision to the City of Gothenburg, Dawson County, Nebraska,

as follows:

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.

5. The Mayor and Clerk are authorized and directed to execute and deliver, from time to time, to the County Clerk, Treasurer and Assessor, the Notice to Divide Taxes with the appropriate description of real estate, as established pursuant to the Redevelopment Plan.

Passed and approved this 21st day of April, 2009.

CITY OF GOTHENBURG, DAWSON
COUNTY, NEBRASKA

BY
Mayor

Joyce E. Hudson

ATTEST:

Conni G. Malenky
City Clerk

Exhibit A

(Attach a copy of Redevelopment Plan here)

GOSHEN LOT INFRASTRUCTURE, GOTHENBURG, NEBRASKA

REDEVELOPMENT PLAN

Introduction

The purpose of this Redevelopment Plan is to serve as a funding mechanism for infrastructure redevelopment activities within for the property described on attached Exhibit "A" hereafter the "Goshen Lot Redevelopment Area", in the City of Gothenburg, Nebraska. Redevelopment activities associated with the Community Development Law, §18-2101 through §18-2154 R.R.S.2007,(the "Act") should be utilized to promote the general welfare, the enhancement of the tax base, the economic and social well being, the development of any public activities and promotion of public events in the Area, along with any and all other purposes, as outlined in the Community Development Law.

A Redevelopment Plan prepared must contain the general planning elements required by §18-2111 items (1) through (6), of the Act, a description of these items are as follows:

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein;
- (2) A land-use plan showing proposed uses of the area;
- (3) Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment;
- (4) A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances;
- (5) A site plan of the area; and
- (6) A statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

Furthermore, a Redevelopment Plan must further address the items required under Section 18-2113, "Plan; considerations", which the Community Redevelopment Authority (the "Authority") must consider prior to recommending a redevelopment plan to the Planning Commission and City Council for adoption. These "considerations" are defined as follows:

"...whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, 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 the healthful and convenient distribution of population, the provision of adequate transportation,

water, sewage, and other public utilities, schools, parks, recreational 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.”

This Redevelopment Plan applies to Goshen Lot Redevelopment Area in Gothenburg, Nebraska. The official boundary description of Goshen Lot Redevelopment Area (the Redevelopment Project) is as follows:

Beginning at a point being the eastern most corner of Lot 8 Goshen Second Subdivision to the City of Gothenburg, Dawson County, Nebraska, thence south westerly along the westerly boundary of Avenue L to a point where said westerly boundary of Avenue L intersects with the northerly line of Washington Street, thence north westerly along the northerly line of Washington Street to a point where said line intersects the easterly line of Avenue J; thence north easterly along the easterly line of Avenue J to the northern most corner of Lot 1 of the Goshen Subdivision to the city of Gothenburg, Dawson County, Nebraska; thence south easterly along a line extended to the point of Beginning.

In order to facilitate the construction of residential structures in the Goshen Lot Redevelopment Area, it is necessary to install public infrastructure to serve the structures. Currently there is no paving to the property. The housing being built in the area is limited to lower income individuals and the rental rates are not sufficient in the market to pay for special assessments for such paving. The real property is held by a non profit community foundation, which intends to transfer lots for a bargain price to builders as an inducement to build the housing.

This plan provides that the Authority issue a bond to be repaid from incremental taxes divided pursuant to §18-2147 of the Act on real property described herein for a period of 15 years. This plan intends that there be future plan amendments to capture the incremental taxes on additional property in the Goshen Lot Redevelopment Area, which are pledged to the payment of such bond.

The bond will be delivered to the City of Gothenburg, who will use bond proceeds to reimburse the City for the installation of paving, sewer and water in the redevelopment area.

Without the use of this tax increment financing, the project would not be financially feasible and would not occur in the redevelopment project area, as neither the builders of the residential structures, nor the City of Gothenburg has sufficient funds to install the paving, sewer and water.

General Plan for Goshen Lot Redevelopment Area

Paving infrastructure coupled with housing development will result in additional development of this blighted and substandard area.

Specific Costs of redevelopment for Project Area #1 are estimated to be:

Paving and other eligible costs \$ 177,573

No public entity has the fiscal ability to install the needed infrastructure. Therefore, it is obvious that this project is not financially feasible in the project area with out tax increment financing, and simply would not occur in the area with out the use of tax increment financing.

This plan intends that the Authority issue bonds in an amount sufficient to fund pay for the paving, redevelopment plan preparation and bond issuance as it relates to the Redevelopment Project.

Pursuant to Section 18-2147 of the Nebraska Community Development Law, any ad valorem tax levied upon real property in the redevelopment project specified in the plan, namely

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shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2009;

Pursuant to Section 18-2147 of the Nebraska Community Development Law, any ad valorem tax levied upon real property in the redevelopment project specified in the plan, namely

Lots 3, 4, 5, 6, and 7, Goshen Second Subdivision to the City of Gothenburg, Dawson County, Nebraska,

shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2010, as follows:

- 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 Agency 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 Agency 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 Agency 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.

This plan specifically intends that any additional property in this Redevelopment Area may have the real property ad valorem taxes divided pursuant to Section 18-2147 to provide additional payment for principal and interest on the bonds issued pursuant to this plan.

Designation of such additional areas shall be deemed a minor and not a substantial modification of this redevelopment plan and shall not require further hearing or approval by the Planning and Zoning Commission.

Such incremental taxes shall be the source for repayment of the bonds, the principal, interest, and premium on such bonds.

Redevelopment Plan Elements

1. Relationship of Plan to Local objectives for appropriate land use: This plan contemplates change in current land use. This land originally was deeded to an industrial company, who donated the property to a local non profit. Reutilization of the existing real estate meets existing local objectives for appropriate land use for the area affected by this plan. This housing presents home ownership opportunities for low to moderate income individuals through a rent to own plan.
2. Relationship of Plan to Local objectives for improved traffic flow and public utilities in plan area: This plan contemplates paving a newly dedicated street.. There will be a slight burden on traffic flow in the area, as housing develops. However, current traffic signals and roadways are sufficient to handle the increased traffic.
3. Relationship of Plan to Local objectives for community facilities: This plan neither provides nor requires any additional community facilities. However, it will provide an attractive expanded residential area that provides additional residential lots for further development.
4. Redevelopment project boundaries: Exhibit A to the Redevelopment Plan shows the boundaries of the project.
5. Proposed land use plan: Exhibit A shows the proposed land use plan after redevelopment as a residential area.

6. Information on standards for population densities; land coverage; building intensities; and land coverage after redevelopment: Population density will increase. Exhibit A shows the lot sizes in the area. As a result of the installation of the needed infrastructure, a builder has committed to build 5 single family dwellings in the project area. Additional housing will be added later.

7. Statement regarding change in street layouts: This Plan proposes the paving by the City of Jefferson Street from Avenue J to Avenue L.

8. Site plan after redevelopment: Exhibit A 1 is an accurate site plan of the redevelopment project after redevelopment.

9. Statement as to the kind and number of additional public facilities or utilities required to support land use after redevelopment: No additional public utilities are required to support the proposed change.

10. Public cost/benefit analysis: This plan requires that the City will install paving and receive a bond in the amount of such costs from the Authority. Additional public funds may be required if the incremental tax revenues are insufficient to reimburse the City for such costs.

The number of intended housing units will not burden tax supported facilities. Police, fire protection and utilities are deemed adequate by city officials to serve the residential area.

The residential project provides opportunities for families to locate in Gothenburg, providing sales tax revenue to the city as a result of local purchases. Once the bond has been repaid from the incremental taxes, the project will add at least \$650,000 in increased valuation to the community.

No negative impact is recognized on employers in the Gothenburg area.

Installation of Improvements and Bonding.

The City of Gothenburg will install the paving, curb, gutter, water, sanitary and storm sewer, and acquire necessary right of way therefore, in accordance with the plans and specifications of the City Engineer. The Authority will issue its tax increment revenue bonds on the project to pay for all or a portion of the projects costs, including engineering, principal, interest, premium, underwriting fees, special counsel fees, and costs of blight and substandard studies, and other costs. This bond shall be designated by a resolution of the Authority and issued in an amount of \$177,573.00. The bond shall be delivered to the City, in exchange for its installation of paving.

Future Plan Amendments

This Plan is specifically intended to be amended from time to time to add additional properties to the pledge of taxes under §18-2147 in order to retire the bond issued under this plan and to establish an effective date of such pledge. Such amendment is not deemed to be one which substantially modifies the redevelopment plan and shall not require additional approval of the planning and zoning commission, but shall require a public hearing and notice pursuant to the Community Development Law.

Relocation

This plan does not require relocation of individuals or businesses.

Exhibit A

Beginning at a point being the eastern most corner of Lot 8 Goshen Second Subdivision to the City of Gothenburg, Dawson County, Nebraska, thence south westerly along the westerly boundary of Avenue L to a point where said westerly boundary of Avenue L intersects with the northerly line of Washington Street, thence north westerly along the northerly line of Washington Street to a point where said line intersects the easterly line of Avenue J; thence north easterly along the easterly line of Avenue J to the northern most corner of Lot 1 of the Goshen Subdivision to the city of Gothenburg, Dawson County, Nebraska; thence south easterly along a line extended to the point of Beginning.