

City
duplex lots
Goshen Sub

RESOLUTION 2014- 2014-2

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 and city of the second class (the “**City**”), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

WHEREAS, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared the area legally described in **Attachment 1** attached hereto (the “**Redevelopment Project Area**”) to be blighted and substandard 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 or caused to be prepared a Redevelopment Plan, (the “**Redevelopment Plan**”), in the form attached hereto as **Attachment 2**, for the redevelopment of the Redevelopment Project Area; and

WHEREAS, the Authority and the Planning Commission of the City (the “**Planning Commission**”) have both reviewed the Redevelopment Plan and recommended its approval by the Mayor and Council of the City; and

WHEREAS, the City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to Section 18-2115 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

WHEREAS, the City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described therein are designed with the general purpose of accomplishing 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 in 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 provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, 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.

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 Attachment 2 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 set in the bond resolution related to the project on Lots 1, 5, and 9 Goshen Subdivision to the City of Gothenburg, Dawson County, Nebraska. Said taxes shall be divided 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 May, 2014.

CITY OF GOTHENBURG, DAWSON
COUNTY, NEBRASKA

BY Joyce E Hudson
Mayor

ATTEST:

Connie L Malynpke
City Clerk

ATTACHMENT 1

LEGAL DESCRIPTION OF BLIGHTED AND SUBSTANDARD AREA

Lots 1, 5, 9, 10, 11, and 12 , Goshen Subdivision to the City of Gothenburg, Dawson County,
Nebraska

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ATTACHMENT 2
FORM OF REDEVELOPMENT PLAN

**LOT ACQUISITION FOR SENIOR LOW INCOME HOUSING, GOTHENBURG,
NEBRASKA**

REDEVELOPMENT PLAN

Introduction

The purpose of this Redevelopment Plan is to serve as a funding mechanism for redevelopment activities within for the property described on attached Exhibit “A” hereafter the “Senior Housing Project 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 wellbeing, 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.

This plan is implemented for the purpose of purchasing 6 lots to be conveyed to a redeveloper for the purpose of constructing of duplex living units for low income elderly.

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 Lots 1, 5, 9, 10, 11 and 12 of Goshen Subdivision to the City of Gothenburg, Dawson County, Nebraska (see **Illustration 1**). The area included in the Redevelopment Plan equals an estimated 1.62 acres of residential real estate. The official boundary description of Goshen Lot Redevelopment Area is as follows:

Lots 1, 5, 9, 10, 11 and 12 of Goshen Subdivision to the City of Gothenburg, Dawson County, Nebraska

In order to facilitate the construction of senior residential duplexes in the Senior Housing Project Redevelopment Area, it is necessary to obtain funds to purchase the above described real estate. The housing being built in the area is limited to lower income individuals.

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 in attached Exhibit “A” for a period of 15 years.

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.

General Plan for Project Area #1

Site acquisition with infrastructure in place coupled with housing development will result in additional development of this blighted and substandard area. Land acquisition by the Community Redevelopment Authority will speed up private development.

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

Land and right of way acquisition: \$65,000

The Redeveloper is unable to fund the project without obtaining lots at minimal costs. Therefore, it is obvious that this project is not financially feasible in the project area without tax increment financing, and simply would not occur in the area without the use of tax increment financing.

This plan intends that the Redevelopment Authority of the City of Gothenburg, issue bonds to fund the redevelopment plan as it relates to the Senior Housing Project Redevelopment Area.

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 1, 5, 9, 10, 11 and 12 of Goshen Subdivision to the City of Gothenburg, Dawson County, Nebraska, 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, set forth in the resolution issuing the tax increment revenue bond funding the real property acquisition. Said taxes shall be divided 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.

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

Cost Benefit Analysis

Any redevelopment program receiving TIF is subject to a cost benefit analysis. TIF, as a source of public financing, ultimately impacts taxing authorities in the City of Gothenburg and Dawson County. Proposed redevelopment projects using TIF must meet the cost benefit analysis and the "But For" test. Accordingly, "But for TIF" a redevelopment project could not be fully executed and constructed in the community.

- a. Tax shifts are not contemplated. No additional school, fire, police or public service needs are contemplated, as this project will serve individuals not likely to have school age children.
- b. Employee and employer impact will be minimal. There are no employees in the area. temporary construction jobs will be created during the build out. Long term employment impact will be negligible.

c. Infrastructure is in place and no additional needs are contemplated.

Plan Elements.

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein is shown on Map #1 attached hereto. The lots are currently vacant;
- (2) A land-use plan showing proposed uses of the area; The land use will remain residential with duplex living units to be constructed on Lots 1, 5, and 9.
- (3) Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment; Population densities will increase with an average of one person per living unit, or two residents per lot.
- (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; a special use permit may be required to alter the set back on Lot 1 to allow construction of a duplex on that site.
- (5) A site plan of the area; is attached 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 are none.

The essence of this plan is to use a tax increment financing bond issued by the Authority and funded by sales tax to pay for the purchase of the Lots 1, 5, 9, 10, 11 and 12 and convey Lots 1, 5 and 9 Dana Point Development to a Redeveloper at a cost of \$1.00 per lot conditioned on the requirement that the Redeveloper construct Residential Duplex units for senior low income individuals with funding pursuant to 26 U.S. Code §42.

Exhibit A
Lots on which tax increment will be captured

Lots 1, 5 and 9, Goshen Subdivision to the City of Gothenburg, Dawson County, Nebraska.

Illustration #1
Site map

