

RESOLUTION NO. 2021-10

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF
GOTHENBURG, NEBRASKA, APPROVING A REDEVELOPMENT PLAN;
APPROVING A REDEVELOPMENT PROJECT; AND APPROVING OF RELATED
ACTIONS**

**BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF
GOTHENBURG, NEBRASKA:**

Recitals:

a. The City of Gothenburg, Nebraska, a municipal corporation (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;

b. 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;

c. The City has previously declared an area, which includes an area legally described in **Exhibit A** (the “Redevelopment Area”), to be blighted and substandard and in need of redevelopment pursuant to the Act;

d. The Community Redevelopment Authority of the City of Gothenburg, Nebraska (the “Authority”), has prepared the Redevelopment Plan for the Good Life Gothenburg Redevelopment Project (the “Redevelopment Plan”), in the form attached as **Exhibit B**, for the redevelopment of the Redevelopment Area;

e. The Planning Commission of the City (the “Planning Commission”) published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to the Act, held a public hearing on such consideration, and recommended its approval by the Mayor and Council of the City;

f. The City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

g. The City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described in it 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.

Resolved that:

1. The Redevelopment Plan is determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act. The City hereby documents that the Redevelopment Project is consistent with the general plan for the City as it is in an area that allows for the type of construction proposed in the redevelopment plan. It is found and determined, based on the analysis conducted by the Authority, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible without the use of funds tax-increment financing, (b) the Redevelopment Project would not occur 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. The City acknowledges receipt of the recommendations of the Authority and the Planning Commission with respect to the Redevelopment Plan.

2. The Redevelopment Project is determined to be a qualifying project under the terms of the Redevelopment Plan, will prevent the spread of blight and substandard conditions within the municipality, will promote additional safe and suitable housing for individuals and families employed in the municipality, and will not result in the unjust enrichment of any individual or company.

3. The Redevelopment Plan is approved in substantially the form attached as **Exhibit B**.

4. The Mayor and Clerk are authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

5. This Resolution shall become effective immediately upon its adoption.

PASSED and APPROVED on July 20, 2021.



Mayor *Joyce E. Hudson*

ATTEST:

Misty Bussinger

City Clerk (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

Lot 3, Block 1, Green Acres Addition to the City of Gothenburg, Dawson County, Nebraska.

EXHIBIT B
REDEVELOPMENT PLAN

**CITY OF GOTHENBURG
REDEVELOPMENT PLAN FOR THE
GOOD LIFE GOTHENBURG
REDEVELOPMENT PROJECT**

I. INTRODUCTION.

The City of Gothenburg, Nebraska, recognizes that blight is a threat to the continued stability and vitality of the City as a focal point of business, financial, social, cultural and civic activity and a focus of community pride and achievement. Therefore, the City has initiated a program of revitalization with the goal of enhancing the City of Gothenburg as the center of industry for the region.

The Green Acres Addition (the "Park") constitutes a resource to provide opportunities for business expansion and the creation of jobs. This Redevelopment Plan (the "Plan") seeks to develop one lot in the Park, which development will qualify as an enhanced employment area. This Plan provides for site acquisition, preparation and construction of a pedestrian shopping plaza, including an approximately 7,000 square foot restaurant, to be constructed by GLG Concepts, L.L.C., a Nebraska limited liability company (the "Redeveloper").

The Project Site is currently vacant and underdeveloped. The location of the Project Site within the Park makes it a prime location for commercial development and to attract highway traffic and patronage. However, in order to support private commercial development, the Project Site requires a redeveloper to incur significant upfront costs, including, but not limited to site acquisition and significant site preparation. The project site, identified on attached Exhibit "A" is currently in the flood plain. In order to finance the construction of a building and to market the building after construction, it is necessary to strip, fill and compact the site to raise it out of the 100-year flood plain. In addition, current City utility lines for paving, sanitary sewer, and storm sewer do not yet run adjacent to the property. Estimated costs for site acquisition, site preparation and utility buildout to the site exceed \$600,000. This upfront cost, when paired with the high costs of construction of the private improvements, are a barrier to redevelopment. Tax increment financing, accompanied by a general business occupation tax within the enhanced employment area, will offset the cost of site acquisition and preparation infrastructure that would otherwise have to be absorbed by higher cost of products for the pedestrian shopping plaza in order for the Project to cash flow. The Redeveloper has determined that the Project would not be economically feasible as the costs for infrastructure buildout would be cost prohibitive to any private investment. Thus, the Project as designed will not be constructed without tax increment financing.

The Redevelopment Area subject to this Plan covers an area described on Exhibit "A". The Redevelopment Area was declared blighted and substandard by the Gothenburg City Council pursuant to the Nebraska Community Development Law (the "Act"). The Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization and strengthening to ensure that it will contribute to the economic and social wellbeing of the City.

To encourage private investment in the Redevelopment Area, this Plan has been prepared to set forth the **CITY OF GOTHENBURG REDEVELOPMENT PLAN FOR THE GOOD LIFE GOTHENBURG REDEVELOPMENT PROJECT** (“Redevelopment Project”), which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Redevelopment Area.

II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the designated Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Redevelopment Area contains approximately 2.54 acres of undeveloped land. This use is shown on Exhibit “B”.

B. Existing Zoning. The Community Redevelopment Area is zoned C-2, Highway Commercial District.

C. Existing Public Improvements. The Site is abutted to the West and North by the Highway 47 State right-of-way, on the east by parking lots serving two retail shopping locations, and on the south 4th Street. Additional public improvements to the site, other than gas service, do not currently exist.

D. Existing Building Conditions. The Project Site was declared blighted and substandard as part of a larger area pursuant to the Act. The Site lies in a flood plain and must be elevated in order to provide a suitable building lot.

III. FUTURE SITUATION.

This section of the Redevelopment Plan examines the future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing
- H. Procedure for Changes in the Approved Redevelopment Plan
- I. Relocation Expenditures

A. Proposed Land Use Plan. The land use plan for the Redevelopment Area as it relates to Redevelopment Area is conceptually shown on Exhibit "C".

The Redevelopment Authority intends to negotiate a specific redevelopment agreement with the Redeveloper outlining the proposed Redevelopment Project. The written redevelopment agreement will include a Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the Community Redevelopment Authority and the Redeveloper to implement the Redevelopment Project.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with the Act, the Plan described in this document has been designed to conform to the May 2007 Comprehensive Development Plan for the City of Gothenburg ("Comp Plan"). By approval of this Plan, the City Council finds that this Plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law. This finding is documented by a determination that the Comp Plan specifically designates the future land use for the Redevelopment Area as "Commercial" and such use is consistent with the zoning for that area.

C. Relationship to Local Objectives. The proposed Redevelopment Area lies within the boundary described on attached Exhibit "A". The Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Park. General goals, policies and actions relating to the community as a whole and for the Redevelopment Area are contained in the Comp Plan.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Redevelopment Area should generally achieve the following requirements and standards:

1. Population Density. There are no dwelling units currently located within the Redevelopment Area, and none are proposed under this Redevelopment Plan. Consequently, there is no change proposed for the population density within the Redevelopment Area.

The redevelopment of the Project Site will be accomplished by building out infrastructure to the site, elevating the site out of the 100-year flood plain and constructing the pedestrian shopping plaza.

2. Land Coverage and Building Density. This Plan contemplates construction of pedestrian shopping plaza, including a 7,000 square foot restaurant.

3. General Environment. Provide for the redevelopment and rehabilitation of the site with a new pedestrian shopping plaza.

4. Building Heights and Massing. Building heights and massing will comply with the C-2 zone and current covenants, conditions and restrictions filed against the property.

5. Circulation, Access and Parking. Provide for vehicular circulation through and access to the Redevelopment Area in a manner consistent with the needs of the development and the community.

Provide for an adequate supply of appropriately located parking in accordance with applicable zoning district regulations

6. Off-Street Loading, Service and Emergency Facilities. Provide for consolidated off-street loading and service facilities, with access to be provided (where feasible) from public service alleys, drives or courts and connected appropriately with the street system.

Provide for emergency vehicle access in a manner compatible with established design and environmental objectives.

Provide a maximum floor area ratio in accordance with applicable zoning district regulations in the Redevelopment Area.

E. Proposed Changes and Actions. The Redevelopment Area is anticipated to function as home to a pedestrian shopping plaza, including a restaurant. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances, and actions to be taken to implement this Plan.

1. Zoning, Building Codes and Ordinances. The entire Project Site is zoned C-2, Highway Commercial. No additional changes to the City's Zoning Ordinances, Building Codes, or other local ordinances are contemplated to implement this Redevelopment Plan.

2. Traffic Flow, Street Layout and Street Grades. No changes are required related to streets or traffic flow.

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. This Plan will require installation of water, storm sewer, and sanitary sewer, in addition to adequate paving to accommodate public parking access to the pedestrian shopping plaza. No other public improvements are contemplated.

4. Site Preparation and Demolition. Site preparation will be required to elevate the Site out of the 100-year flood plain.

5. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Redevelopment Area will result in a pedestrian shopping plaza, including a 7,000 square foot restaurant.

6. Open Spaces, Pedestrian ways, Landscaping, Lighting, Parking. The proposed site plan and private sector improvements will comply with the City's minimum

open space, pedestrian way, landscaping, lighting, and parking standards as defined in the Zoning and Subdivision Ordinances, Building Codes, or other local ordinances. In addition, the City may elect to require additional standards in these areas as described in a written redevelopment agreement in order to help remove blight and substandard conditions

F. Cost-Benefit Analysis. A Redevelopment Project TIF Statutory Cost Benefit Analysis (“Cost-Benefit Analysis”) is required to be prepared by the Redevelopment Authority prior to submission of this Plan to the City Council. The Cost-Benefit Analysis must comply with the requirements of the Act in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services. The Cost-Benefit Analysis is set forth on Exhibit “D”.

G. Proposed Costs and Financing; Statements. The City will negotiate with the Redeveloper on a specific written redevelopment agreement. The written redevelopment agreement would include a site plan, project description, and specific Tax Increment Financing arrangements. In addition to funds provided by the Redeveloper and its lender, the Redeveloper seeks the issuance of a tax increment revenue bond in the amount of \$360,000 and an enhanced employment area occupation tax revenue bond in the amount of \$500,000 the proceeds of which will be granted to the Redeveloper. The agreement will further provide specific covenants and responsibilities of the Redevelopment Authority and the Redeveloper to implement the Redevelopment Project.

Estimated Eligible Redevelopment Project costs are shown below:

POTENTIAL ELIGIBLE PUBLIC AND PRIVATE IMPROVEMENTS

Site Acquisition	\$ 30,000.00
Earthwork, Paving, Storm Sewer	327,020.00
Sanitary Sewer	99,675.00
Water	38,500.00
<u>Engineering and Professional Fees</u>	<u>110,000.00</u>
Total	\$605,195.00

The figures above are estimates. Final figures are subject to a specific site plan, design specifications, City approval and public regulations.

The public will fund as much of the above Eligible Improvements as needed to the extent necessary to meet the public purpose and community goals, policies and standards. The City will not fund improvements that exceed the amount of funds available from tax-increment financing indebtedness. The amount of the available proceeds for tax-increment financing is estimated at approximately \$360,000. This assumes an increased valuation as a result of the Project of approximately \$1,250,000. Provided, however, in all events, utilization of the tax increment proceeds shall be limited to the Redevelopment Area described on Exhibit “A”.

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the effective date established in the redevelopment agreement. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the Redevelopment Project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; 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 be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, 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, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies.

The Redevelopment Project is within the corporate boundaries of the City.

Because the Plan proposes to use tax-increment financing funds as authorized in § 18-2147 of the Act, the Authority and City Council, in approving this Plan find as follows:

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 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 governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

H. Procedure for Changes in the Approved Redevelopment Plan. If the City of Gothenburg desires to significantly modify this Plan, it may do so after holding a public hearing on the proposed change in accordance with applicable state and local laws. A redevelopment plan which has not been approved by the governing body when recommended by the authority may again be recommended to it with any modifications deemed advisable. A redevelopment plan may be modified at any time by the authority, provided, that if modified after the lease or sale of real property in the Redevelopment Area, the modification must be consented to by the redeveloper or redevelopers of such property or his successor, or their successors, in interest

affected by the proposed modification. Where the proposed modification will substantially change the redevelopment plan as previously approved by the governing body the modification must similarly be approved by the governing body.

I. Relocation Expenditures. In the event that The Community Redevelopment Authority is required to relocate current tenants of the existing structures, the Authority will adopt rules and regulations pursuant to the Act. This Plan will not be implemented unless the Authority is reimbursed, by the redeveloper, in advance, for all estimated and actual costs incurred by the Authority, including professional fees required as a result of such relocation undertaking.

EXHIBIT "A"

Lot 3, Block 1, Green Acres Addition to the City of Gothenburg, Dawson County,
Nebraska.

EXHIBIT "B"

[attach copy of map showing current land use]



June 8, 2021 14:33 PM
 PARCELS
 1:2,263
 0 0.0175 0.035 0.07 mi
 0 0.03 0.06 0.12 km

DISCLAIMER: This map is not intended for conveyances, nor is it a legal survey. The information is presented on a best-efforts basis, and should not be relied upon for making financial, survey, legal or other commitments.

<all other values>
 Sections

EXHIBIT "C"

[attach copy of future land use plan]

The
Site Plan

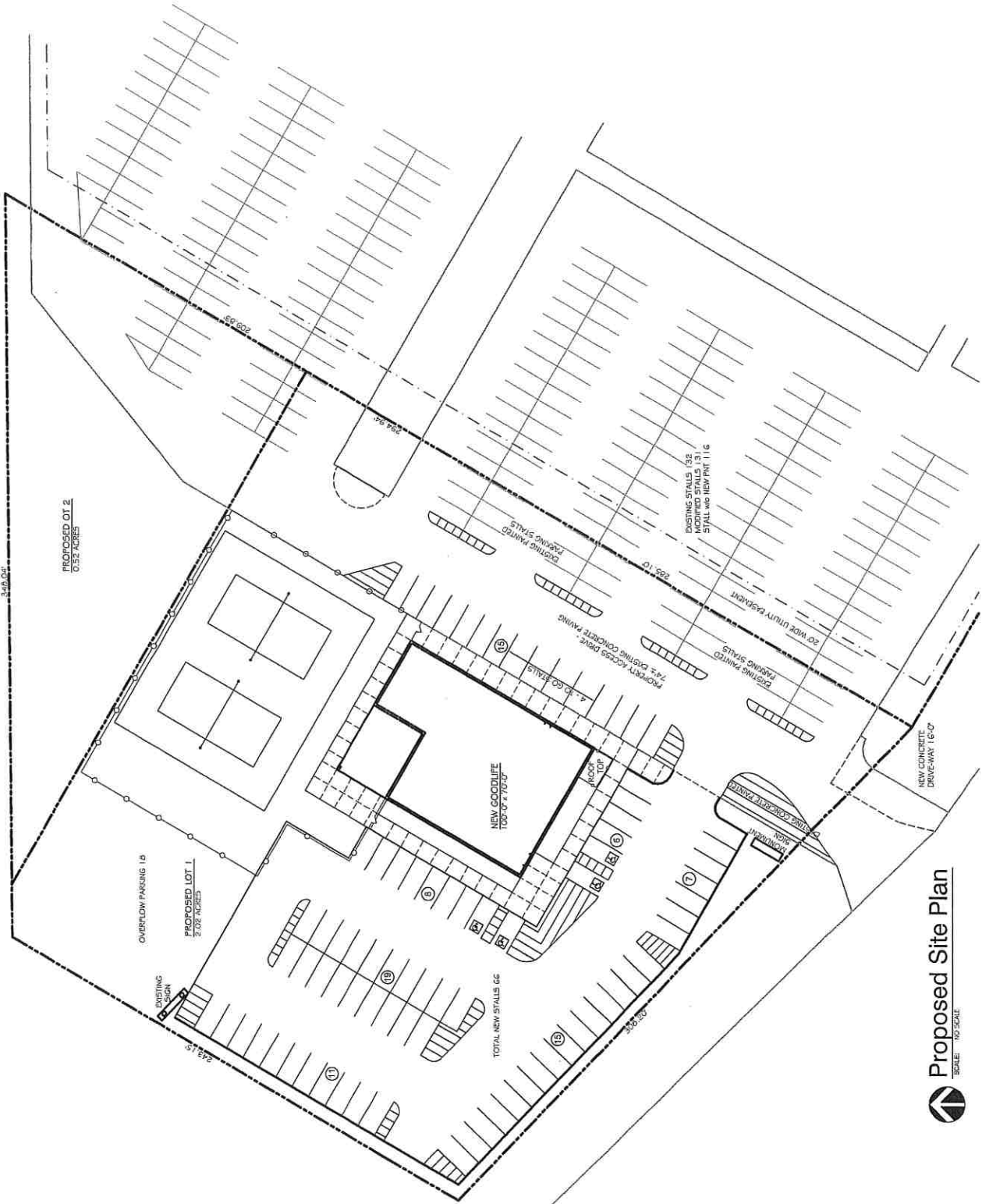


Exhibit A 3

EXHIBIT "D"
STATUTORY COST BENEFIT ANALYSIS
GOOD LIFE GOTHENBURG REDEVELOPMENT PROJECT

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Gothenburg has analyzed the costs and benefits of the proposed **CITY OF GOTHENBURG REDEVELOPMENT PLAN FOR THE GOOD LIFE GOTHENBURG REDEVELOPMENT PROJECT**, including:

Project Sources and Uses. Approximately \$360,000 in public funds from tax increment financing provided by the City of Gothenburg will be required to acquire the project and prepare the site for redevelopment. It is estimated that the site improvement and building construction will provide an increase of \$1,250,000 in assessed valuation. This would result in increased valuation of \$3.47 for every dollar of tax increment finance investment.

Tax Shifts. The property to be redeveloped is anticipated to have a January 1, 2021, valuation of \$0.00, resulting in a 2021 real property tax of \$0.00. The purchase price to the Redeveloper for the property to be redeveloped totals \$30,000, and it is anticipated that the valuation of the property will be adjusted to \$30,000 effective January 1, 2021, per state statute. It is anticipated that the assessed value on full build out will increase by \$1,250,000 as a result of building the industrial building. This construction could result in a tax increase of over \$24,000 annually. The tax increment gained from this Redevelopment Project area would not be available for use as city or other taxing entities general tax revenues, but would be used for eligible public and private improvements to enable this project to be realized.

Estimated 2020 Assessed Value	\$30,000.00
Estimated Value after Completion	\$1,280,000.00
Increment Value	\$1,250,000.00
Estimated Annual Tax Increment	\$24,000.00

Impact on public infrastructure and community service needs impact: A project financed in part by tax increment financing should be analyzed to determine if any taxing entity would have to raise its tax levy as a direct result of the redevelopment project. The construction of the industrial building will have a negligible impact on the taxing entities. The public infrastructure necessary to provide service to the new building is currently in place. Fire and police services are deemed adequate and additional equipment or manpower will not be required.

Impact on the student population: A review has been made of the impact on the school district by the proposed Plan and Project. Construction of the buildings and the expected increase in local jobs are not expected to result in an influx of new students. In any event, the Gothenburg school district has excess capacity to handle a modest increase in students resulting from new jobs created in the Redevelopment Project without necessity of adding staff or increasing building requirements.

Employment Within the Project Area. There are no employees in the Redevelopment Area. Employment within the Redevelopment Area is expected to increase due to site preparation and construction. Construction employment will be temporary. The Redevelopment Project, once complete, could add a new job.

Employment in the City Outside the Project Area. The latest available labor statistics show an estimated 1.9% unemployment rate in Dawson County, Nebraska, as of April, 2021. The Redevelopment Project may result in specialized laborers commuting from outside the city of Gothenburg.

Other Impacts.

Increased valuation: This Project will increase the assessed valuation of the school district and the City of Gothenburg after the applicable period of the tax increment financing is completed. It is not unreasonable to project an increase in assessed value of \$1,250,000.

Sales tax: Materials incorporated into the new buildings are subject to state and city sales tax. Assuming a \$600,000 building construction cost and assuming 40% of that cost is for materials subject to city sales tax at the rate of 1.5%, \$3,600.00 in city sales tax could be subject to capture.