Agenda Packet

COMMUNITY DEVELOPMENT AGENCY

Tuesday, November 13, 2012
5:30 p.m.

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Notice of Meeting
Community Development Agency

The Community Development Agency will meet on Tuesday, November 13, 2012 at 5:30 p.m. at the Council Chambers, 309 Madison Ave.

The Agency reserves the right to adjourn into closed session as per Section 84-1410 of the Nebraska Revised Statutes.

An agenda for such meeting, kept continuously current, is available at the office of the City Administrator, City of Norfolk, 309 N 5th St, Norfolk, Nebraska, during normal business hours.

Elizabeth A. Deck
Norfolk City Clerk &
CDA Secretary

Publish (November 09, 2012)
1 P.O.P.

COMMUNITY DEVELOPMENT AGENCY

AGENDA

November 13, 2012

Call to Order

1. Call meeting to order
2. Inform the public about the location of the Open Meeting Act posted in the Training Room and accessible to members of the public.
3. Roll Call

Action Items/Discussion Items

4. Approve Agenda **Motion**
5. Approve the minutes of the July 30, 2012 agency meeting. **Motion**
6. Consideration of approval of Redevelopment Plan for Phase 1 of the "Southeast Corner of 13th Street & Omaha Avenue" Redevelopment Area, and authorization to forward to Planning Commission for recommendation. **Motion**

STAFF MEMORANDUM

COMMUNITY DEVELOPMENT AGENCY

November 13, 2012

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3. Roll Call

Action Items/Discussion Items

4. Approve Agenda **Motion**

5. Approve the minutes of the July 30, 2012 agency meeting. **Motion**

   See Enclosure 5.

6. Consideration of approval of Redevelopment Plan for Phase 1 of the "Southeast Corner of 13th Street & Omaha Avenue" Redevelopment Area, and authorization to forward to Planning Commission for recommendation. **Motion**

   See Enclosure 6.

COMMUNITY DEVELOPMENT AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, met in the Training Room at 309 North 5th Street, Norfolk, Nebraska, on Monday, July 30, 2012 beginning at 5:30 p.m.

Chairperson Sue Fuchtman called the meeting to order.

Roll call found the following Agency members present: Brenneman, Coy, Lange, Merrill, Murren, Saunders and Mayor Fuchtman. Absent: Clausen and Fauss.

Staff members present were Treasurer Randy Gates, Secretary Beth Deck, City Attorney Clint Schukei, City Administrator Shane Weidner, and City Public Works Director Dennis Smith.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and the notice of the meeting was given to the Mayor and all members of the Agency prior to the meeting.

The Chairman presided and the Secretary recorded the proceedings.

The Chairman informed the public about the location of the current copy of the Open Meetings Act posted in the meeting room and accessible to members of the public.

Agenda

Lange moved, seconded by Saunders to approve the agenda as printed. Roll call: All Ayes. Nays: None. Motion carried.

Minutes

Brenneman moved, seconded by Murren to approve the minutes of the February 16, 2010 Community Development Agency meeting as printed. Roll call: All Ayes. Nays: None. Motion carried.

Resolution No. 2012-1

Lange moved, seconded by Merrill to adopt Resolution No. 2012-1 calling the remaining $64,724.10 of Tax Increment Revenue Bonds (Hy-Vee Project), Series 2001B, for payment on August 15, 2012.

Gates explained these bonds were originally issued December 7, 2011 to pay project costs. The Agency has collected enough incremental taxes for the project to call and pay the remaining bonds.

Roll call on Resolution No. 2012-1: Roll call: All Ayes. Nays: None. Motion carried. Resolution No. 2012-1 was adopted.

Resolution No. 2012-2

Lange moved, seconded by Coy to adopt Resolution No. 2012-2 notifying the Madison County Treasurer and Assessor that the incremental property tax receipts in the Hy-Vee Redevelopment Plan area can now be paid to the respective public bodies levying tax in this area.

Gates explained that with payment of the remaining tax increment bonds issued for this project, the Agency no longer needs the incremental taxes in the Hy-Vee Project Area.

Roll call on Resolution No. 2012-2: Roll call: All Ayes. Nays: None. Motion carried. Resolution No. 2012-2 was adopted.

There being no further discussion, the Mayor declared the meeting adjourned at 5:32 p.m.

_____
Sue Fuchtman, Chairman

ATTEST:

_____
Elizabeth A. Deck, Secretary

(S E A L)

BIG GAME, L.L.C.

REDEVELOPMENT PLAN

NORFOLK, NEBRASKA

DRAFT

PREPARED NOVEMBER 8, 2012
FOR
THE COMMUNITY DEVELOPMENT AGENCY OF
NORFOLK, NEBRASKA

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Appendix
Exhibit A: Redevelopment Project Area
Exhibit B: Existing Land Use
Exhibit C: Existing Zoning and Zoning Codes for I-1Zoning
Exhibit D: Existing Water Improvements
Exhibit E: Existing Sewer Improvement
Exhibit F: Site Plan
Exhibit G: Estimated Construction Cost of the Redevelopment Project

I. INTRODUCTION

The Mayor and City Council of the City of Norfolk, recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, passed Resolution No. 2012-47 on November 5, 2012. This Resolution declared the area which is to be governed by the terms of this Redevelopment Plan and which is described below (the "Redevelopment Project Area") to be blighted and substandard pursuant to the requirements of Section 18-2103 (10 and 11) of the Nebraska Revised Statutes (Reissue 2007). The Redevelopment Project Area shall consist of the following two lots to be replatted more particularly described as:

A tract of land lying wholly in the NW 1/4 of the NW 1/4 of Section 34, Township 24 North, Range 1 West of the 6th P. M., Madison County, Nebraska. Said tract of land is more particularly described as follows:

Referring to the Northwest Corner of said Section 34; thence proceeding East, along the North line of NW 1/4 of the NW 1/4 of said Section 34 on an assumed bearing or North 89 degrees 31 minutes 24 seconds East, 676.53 ft. (41 Rods); thence South 00 degrees 03 minutes 04 seconds West, 124.01 ft. to a point on the southerly right-of-way of U.S. Hwy. 275 (Omaha Avenue); thence South 89 degrees 34 minutes 54 seconds West, along the southerly right-of-way of said U.S. Hwy. 275, 60.00 ft. to the point of beginning; thence South 00 degrees 03 minutes 04 seconds West, 167.52 ft.; thence North 89 degrees 56 minutes 56 seconds West, 308.16 ft.; thence North 00 degrees 07 minutes 50 seconds West, 208.77 ft. to a point on the southerly right-of-way of said U.S. Hwy. 275; thence North 89 degrees 34 minutes 46 seconds East along the southerly right-of-way of said U.S. Hwy. 275, 126.14 ft.; thence South 84 degrees 23 minutes 00 seconds East along the southerly right-of-way of said U.S. Hwy. 275, 60.76 ft. to the P.C. of a curve to the right having a radius of 92.00 ft.; thence along said curve (Chord Bearing=South 66 degrees 48 minutes 57 seconds East, Chord Distance=54.47 ft.) and along the southerly right-of-way of said U.S. Hwy. 275, 55.30 ft. to the P.C. of a curve to the left having a radius of 65.00 ft.; thence along said curve (Chord Bearing=South 70 degrees 20 minutes 24 seconds East, Chord Distance=45.42 ft.) and along the southerly right-of-way of said U.S. Hwy. 275, 46.40 ft. to the P.T. of said curve; thence North 89 degrees 34 minutes 54 seconds East, along the southerly right-of-way of said U.S. Hwy. 275, 29.34 ft. to the point of beginning. Said tract of land contains 60,939 square feet, more or less.

Said tract of land is to be platted as Lot 1, Oban's Cyhawk Addition to the City of Norfolk, Madison County, Nebraska.

AND

A tract of land lying wholly in the NW 1/4 of the NW 1/4 of Section 34, Township 24 North, Range 1 West of the 6th P.M., Madison County, Nebraska. Said tract of land is more particularly described as follows:

Referring to the Northwest Corner of said Section 34; thence proceeding East, along the North line of NW 1/4 of the NW 1/4 of said Section 34 on an assumed bearing or North 89 degrees 31 minutes 24 seconds East, 676.53 ft. (41 Rods); thence South 00 degrees 03 minutes 04 seconds West, 124.01 ft. to a point on the southerly right-of-way of U.S. Hwy. 275 (Omaha Avenue); thence South 89 degrees 34 minutes 54 seconds

West, along the southerly right-of-way of said U.S. Hwy. 275, 60.00 ft.; thence South 00 degrees 03 minutes 04 seconds West, 167.52 ft.; thence North 89 degrees 56 minutes 56 seconds West, 308.16 ft. to the point of beginning; thence South 00 degrees 07 minutes 50 seconds East, 56.32 ft. to a point on the easterly extension of the north line of a Lot of Record in the NW 1/4 of the NW 1/4 of said Section 34; thence South 89 degrees 41 minutes 08 seconds West, along said easterly extension and along the north line of said Lot of Record, 203.44 ft. to a point on the easterly right-of-way of U.S. Hwy. 81; thence North 00 degrees 19, minutes, 17 seconds East, along the easterly right-of-way of U.S. Hwy. 81, 113.20 ft. to a point on the south line of a Lot of Record in the NW 1/4 of the NW 1/4 of said Section 34; thence North 89 degrees 27 minutes 51 seconds East, 202.56 ft. to the southeast corner of said Lot of Record; thence South 00 degrees 07 minutes 50 seconds East, 57.66 ft. to the point of beginning. Said tract of land contains 23,058 square feet, more or less.

Said tract of land is to be platted as Lot 3, Oban's Cyhawk Addition to the City of Norfolk, Madison County, Nebraska.

All of the Redevelopment Project Area is encompassed within that area determined to be blighted and substandard by Resolution No. 2012-47. A map of the above described property showing the boundaries of the Redevelopment Project Area is provided as Exhibit "A".

It is essential to the city's comprehensive plan, that dilapidated, inadequate, or deteriorating portions of the city and within the surrounding two-mile jurisdiction of the city be rehabilitated to conform to the current and future needs of the city as it continues to grow and expand. The city has expanded, with major construction occurring at the outer edges of the city, especially to the north and west. Some areas located within the southern edge of the city contain a substantial number of deteriorating structures and inadequate transportation and public utility infrastructure in the redevelopment area. The area has inadequate provisions for ventilation, light, or sanitation.

The Redevelopment Area is located generally in the former Ramada Inn building site on the southeast corner of Highway 81 (13th Street) and Omaha Avenue (Highway 275 By-pass). The street layout of the area contains only one frontage road running parallel to Omaha Avenue. The entire blighted and substandard area lacks a north-south street system which prevents direct public street access to two commercial retail businesses, two lots of vacant private land (the Redevelopment Area), and two parcels of public land. Public access to these six properties is dependent upon private property easements.

The faulty lot layout and the lack of access to public streets require business property owners to depend upon easements from adjoining property owners to allow customers, employees, and suppliers to access their businesses. Even though these easements are transferred with the sale of property, changes in property ownership can lead to strained relationships between adjoining property owners. If a public street infrastructure system is not developed to adequately serve the entire area, the future development of vacant lots or sub-division of large properties may be inhibited if conflicts between property owners occur.

Unsafe conditions which exist in the Redevelopment Area are exhibited by the remaining deteriorating concrete foundation/interior floors, abandoned swimming pool,

and abandoned underground bathroom piping left after the 2010 demolition of the former Ramada Inn building complex.

The Redevelopment Area shows deterioration of site or other improvements, which include inadequate sidewalks for pedestrian access, deteriorating parking areas, and frontage roads in poor condition. The Redevelopment Area contains the remains of concrete building foundations, old tile and concrete flooring from the abandoned motel site, and abandoned underground bathroom plumbing and a condition of general deterioration. The area to the north of the Redevelopment Project Area is zoned commercial and contains a motel, a used car lot and a fast-food business; to the west are a veterinary supply business, and two local business offices; to the south are empty lots and to the east is a commercial fireworks outlet and a motel.

Under the terms of this Redevelopment Plan, appropriate public and private access will be constructed to service not only the Redevelopment Area, but to provide public access to the general area from both Omaha Avenue and Highway 81; the water and sewer systems will be upgraded to provide appropriate service not only to the Redevelopment Area, but to the surrounding area; and the Redevelopment Area will be cleared of the concrete foundation, interior floors, and underground bathroom piping. The abandoned swimming pool will be properly filled and compacted prior to construction of a commercial restaurant The Redeveloper intends to construct a 4,813 square feet commercial building which will house a Perkins Restaurant which seats 176 including two rooms for smaller private gatherings. The redevelopment of the Project Area will include: 1) constructing access to Omaha Avenue to the north and Highway 81 to the west of the Project Area; 2) constructing adequate water and sewer systems to service the Project Area and the surrounding area; 3) removal of concrete and asphalt paving, building foundations and underground bathroom plumbing; 4) site preparation to include filling and grading the site; 5) constructing the 4,813 square feet building using wood and steel frame with hardiboard siding and thin brick/artificial stucco veneer, 6) constructing extensive concrete parking and landscaping surrounding the restaurant; and 7) construction period interest incurred by Redeveloper as permissible costs.

All of the real estate located within the Redevelopment Project Area is presently owned or will be acquired by Big Game, L.L.C.. Big Game, L.L.C. will act as the Redeveloper of the Redevelopment Plan. None of the Redevelopment Project Area is expected to be acquired by the Agency for redevelopment and therefore the invitation of proposals through public notice in accordance with the terms of Section 18-2119, R.R.S. Neb. (Reissue 2007) is not appropriate or required. It is expected that the Redevelopment Project Area will need to be replatted by the Redeveloper.

The Redeveloper and the Agency shall enter into a redevelopment agreement with such terms and conditions as the Agency deems appropriate to carry out the purposes of this Redevelopment Plan. The proposed redevelopment of the Redevelopment Project Area, as described in this Redevelopment Plan, includes: 1) constructing access to Omaha Avenue to the north and Highway 81 to the west of the Project Area; 2) constructing adequate water and sewer systems to service the Project Area and the surrounding area; 3) removal of concrete and asphalt paving, building foundations and underground bathroom plumbing; 4) site preparation to include filling and grading the site; 5)

constructing the 4,813 square feet building using wood and steel frame with hardiboard siding and thin brick/artificial stucco veneer; 6) constructing extensive concrete parking and landscaping surrounding the restaurant; and 7) construction period interest incurred by Redeveloper as permissible costs.

The cost of constructing adequate public access to the north and to the west, expanding the water and sewer to meet the needs of the area, removing the existing concrete, asphalt, building foundation and underground bathroom piping, and preparing the site, as outlined herein, will be considerable and unless the Redeveloper receives some assistance from the Agency by the use of Tax Increment Financing, it will not be economically feasible for the Redeveloper to construct any commercial facility to utilize the site. The improvements planned by the Redeveloper include the engineering and planning of adequate ingress and egress to the Redevelopment Area from the north and the west; adequate water/sewer improvements; legal expenses; site preparation to include removal of the existing concrete and asphalt, building foundations, underground bathroom piping; filling the site with additional soil as required; and the preliminary and final grading of the site, all of which are, or may be, required to satisfy the proper development of the area as needed for the City of Norfolk and its citizens.

This Redevelopment Plan is proposed to encourage private investment in this blighted and substandard area to provide an economic benefit to the city as a whole by allowing the construction of the 4,813 sq.ft. commercial building which will house a new Perkins Restaurant which will employ 115 employees, with an annual payroll of $485,000.00.

II. EXISTING CONDITIONS

A. Existing Land Use

The Redevelopment Project Plan area is currently zoned for a commercial property, but the buildings in the Project Area have been removed, leaving an empty lot covered with broken concrete and asphalt, and various remains of the former building, including a dirt-filled swimming pool and underground bathroom piping and there is limited public access to the area. The land surrounding the Redevelopment Project Area consists of a mixture of commercial retail, service, and undeveloped land. Exhibit "B" shows the existing land use in and around the Redevelopment Project Area.

B. Existing Zoning

The Redevelopment Project Area is currently zoned I-1 (See Exhibit "C"). The proposed Redevelopment Project is a permitted use in compliance with the present zoning district.

C. Existing Public Improvements

Existing access to the Redevelopment Project Area is from Omaha Avenue on the North and Highway 81 (via private easements) on the West.

The existing water and sanitary sewer improvements serving the Redevelopment Plan Area are shown in Exhibits "D" and "E".

D. Existing Building Conditions/Blighting Influences

At present the Redevelopment Project Area contains the remnants of the former Ramada Inn, which consists of deteriorating concrete foundation and interior floors, abandoned swimming pool, and abandoned underground bathroom piping, inadequate sidewalks for pedestrian access to commercial buildings, deteriorating business parking areas, and frontage roads in poor condition.

Additional fill dirt and grading is required to insure federal, state and local regulations are followed. Ingress and egress to the Project Area will have to be constructed to comply with federal and state highway access requirements.

III. PROPOSED REDEVELOPMENT

A. Public Improvements

1. Public Access

The costs of constructing public access to the south of the Redevelopment Project Area will be financed by funds of the City of Norfolk and Special Assessments for land-owners adjacent to the proposed north/south street. The costs of constructing public access to Omaha Avenue to the north and to Highway 81 to the west of the Redevelopment Project Area will be financed by funds of the Redeveloper with reimbursement by grant funding from the Agency.

2. Construction of Water and Sewer Improvements

The costs of upgrading and construction of water and sewer infrastructure to adequately service the Project Area and the surrounding area will be financed by funds of the Redeveloper with reimbursement by grant funding from the Agency.

3. Other incidental public improvements

Other public improvements such as filling and grading the site, sidewalks and landscaping will be financed by funds of the Redeveloper with reimbursement by grant funding from the Agency.

B. Zoning

The Redevelopment Project Plan requires no changes to current zoning for the Redevelopment Project Area. The proposed Redevelopment Project is an appropriate use in compliance with the present zoning district.

C. Comprehensive Plan - City of Norfolk

The public and private improvements proposed in the Redevelopment Project Area are consistent with the City of Norfolk's Comprehensive Plan.

D. Private Improvements

Private improvements for the Redevelopment Project Area consist of the construction of the 4,813 square feet building using wood and steel frame with

hardiboard siding and thin brick/artificial stucco veneer to be constructed by the Redeveloper.

The Project Area is proposed to be redeveloped through the construction of a commercial facility which will house a new Perkins Restaurant.

The Project Area is proposed to be redeveloped through the construction of a new commercial restaurant. The development shall consist of a 4, 813 square feet building using wood and steel frame with hardiboard siding and thin brick/artificial stucco veneer. The Project Area will also include extensive parking and landscaping surrounding the premises with appropriate exterior lighting. Both building, parking and landscaping areas shall conform to all ADA requirements.

There is no proposed residential construction in the Project Area; therefore there will be no population density in the Project Area.

After redevelopment approximately _____ percent of the Redevelopment Project Area will be covered by buildings. Exhibit "F" is a site plan of the redevelopment project area after redevelopment is completed.

New sidewalks and both public and private street access improvements, as well as water and sewer improvements are to be constructed by the Redeveloper as a part of the project. No additional public utility improvements are expected to be required.

E. Financing

By letter dated November 8, 2012, the Redeveloper has advised the City that it will not be economically feasible to develop the proposed project without use of Tax Increment Financing as described in this document.

Infrastructure development to include 1) constructing access to Omaha Avenue to the north and Highway 81 to the west of the Project Area; 2) constructing adequate water and sewer systems to service the Project Area and the surrounding area; 3) removal of concrete and asphalt paving, building foundations and underground bathroom plumbing; 4) site preparation to include filling and grading the site; 5) constructing the 4,813 square feet building using wood and steel frame with hardiboard siding and thin brick/artificial stucco veneer; and 6) constructing extensive concrete parking and landscaping surrounding the restaurant, all of which shall be construed as public improvements may be financed by tax increment financing or grant monies from the City of Norfolk.

It is proposed that the costs of those delineated improvements in the Project Area shall be paid for by a grant from the Agency, and to the extent that funds are available, from the proceeds of the Agency's tax increment obligations issued pursuant to Sections 18-2125 and 18-2147 to 18-2153, R.R.S. Neb. (2007). In connection with such financing, the ad valorem tax levied upon real property in the Project Area shall be divided for a period of not to exceed fifteen years from and after January 1, 2013, in

accordance with the terms of Section 18-2147, R.R.S. Neb. 2007, and that portion of such taxes described in subsection (2) of such statutory section shall be paid into a special fund of the Agency and held and applied to pay principal, interest and premium, if any, on notes, bonds or other indebtedness of the Agency incurred for paying the costs of the public improvements in the Project Area, as described in this Redevelopment Plan.

Pursuant to said statute, any ad valorem tax levied upon real property in the Redevelopment Project Area (or designated portions thereof) for the benefit of any public body shall be divided for a period not to exceed fifteen years from the effective date of such provision by the governing body as follows: (1) 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 (as defined by statute) 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 (2) the portion of the ad valorem tax on real property in the Redevelopment Project Area (or designated portions thereof) in excess of such amount, if any, shall be allocated to and when collected, paid into a special fund of the Agency to be used solely 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 by the Agency for financing or refinancing, in whole or in part, the Redevelopment Project as set forth herein. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon taxable real property in the Redevelopment Project Area shall be paid into the funds of the respective public bodies.

Exhibit "I" shows the Estimated Construction Cost of the Redevelopment Project.