

**CITY MANAGER'S REPORT
FEBRUARY 15, 2016 MCCOOK COMMUNITY DEVELOPMENT AGENCY MEETING**

CDA2

ITEM NO. ___ Approve Resolution No. CDA 2016-~~01~~ recommending approval of a Redevelopment Plan of the City of McCook, Nebraska; approving a Redevelopment Project of the City of McCook, Nebraska; and approval of related actions for the purpose of the development of the 2016 Holiday Inn and Suites Hotel Project Area.

BACKGROUND:

At the February 11, 2013 Planning Commission meeting, the Planning Commission reviewed a study that determined whether certain areas qualified as blighted and substandard pursuant to the Nebraska Community Development Law. At that same meeting, the Planning Commission made a recommendation to the City Council requesting approval of Redevelopment Area #3 within the City of McCook, NE. The City Council approved the Redevelopment Area #3 at the February 18, 2013 City Council meeting. The area at issue regarding this current Redevelopment Plan is within Redevelopment Area #3.

This Redevelopment Plan has been prepared in conformance with State law and the Plan is included with this report. The Plan contemplates the building of a 70-80 unit hotel at the intersection of Highway 83 and H Street. In addition to the hotel structure, additional work, including site preparation and infrastructure extension will have to be completed in order to complete the proposed hotel project. To promote the development of the proposed area, the Developer is requesting that Tax Increment Financing (TIF) be a part of the financing package. The Holiday Inn and Suites Developer will be securing its own private loan to pay the TIF eligible costs in the amount of \$1,400,000. The City of McCook nor the McCook Economic Development Corporation would incur any financial liability as a result of this Plan. The estimated value of the finished project is \$6,750,000. The project will generate \$5.35 of private investment for every TIF dollar invested (ie. \$6,750,000/\$1,400,000). The details of the Plan outline the project and provide the essential elements that are required to comply with State law. We will be reviewing the Plan at the council meeting.

RECOMMENDATIONS:

ITEM NO. ___ Approve Resolution No. CDA 2016-~~01~~ recommending approval of a Redevelopment Plan of the City of McCook, Nebraska; approving a Redevelopment Project of the City of McCook, Nebraska; and approval of related actions for the purpose of the development of the 2016 Holiday Inn and Suites Hotel Project Area.

APPROVALS:



Nathan A. Schneider, City Manager

February 10, 2016

Lea Ann Doak, City Clerk

February 10, 2016

COMMUNITY DEVELOPMENT AGENCY
OF THE CITY OF MCCOOK, NEBRASKA

RESOLUTION NO. CDA 2016-01

**A RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT
PLAN OF THE CITY OF MCCOOK, NEBRASKA, APPROVING A COST
BENEFIT ANALYSIS, APPROVING A REDEVELOPMENT PROJECT OF THE
CITY OF MCCOOK, NEBRASKA; AND APPROVAL OF RELATED ACTIONS**

WHEREAS, the Mayor and City Council of the City of McCook, Nebraska (the "**City**"), upon the recommendation of the Planning Commission of the City of McCook, Nebraska (the "**Planning Commission**"), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Neb. Rev. Stat., as amended (the "**Act**"), duly declared the redevelopment area legally described in the Redevelopment Plan, set forth hereafter to be blighted and substandard and in need of redevelopment; and

WHEREAS, pursuant to and in furtherance of the Act, a Redevelopment Plan (the "**Redevelopment Plan**"), has been prepared and submitted to the Community Development Agency of the City of McCook (the "**Agency**") by the **HOLIDAY INN & SUITES REDEVELOPMENT PROJECT SPONSOR, WHOMEVER THAT MAY BE**, (the "**Redeveloper**"), in the form attached hereto as **Exhibit "A"**, for the purpose of redeveloping a portion of the Blighted and Substandard Area and includes a provision to divide certain ad valorem taxes as provided in Section 18-2147 of the Act on that portion of the Blighted and Substandard Area legally described in **Exhibit "A"** to assist in the redevelopment thereof; and

WHEREAS, pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the "**Project**") in accordance with and as permitted by the Act; and

WHEREAS, the Agency has made certain findings and pursuant thereto has determined that it is in the best interests of the Agency and the City to enter into the Redevelopment Plan and to carry out the transactions contemplated thereby.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF MCCOOK, NEBRASKA, SITTING AS THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF MCCOOK, NEBRASKA AS FOLLOWS:

Section 1. The Agency has determined that the proposed land uses and building requirements in the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan 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 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.

Section 2. The Agency has reviewed a cost benefit analysis for the Project, as set forth in the Plan, in accordance with the Act, and has found and hereby finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of tax increment financing and 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 and have been found to be in the long term best interests of the community impacted by the Project. A copy of said "cost benefit analysis is attached set forth in the Plan and is hereby approved.

Section 3. The Planning Commission of the City of McCook has recommended approval of the Redevelopment Plan.

Section 4. The Agency recommends approval of the Redevelopment Plan by the City Council.

Section 5. This resolution shall be in full force and effect from and after its passage and approval.

PASSED AND ADOPTED THIS 15th DAY OF February, 2016.

Community Development Agency
of the City of McCook, Nebraska

Michael D. Gonzales, Chairman

ATTEST:

Lea Ann Doak, City Clerk

EXHIBIT "A"

FORM OF REDEVELOPMENT PLAN

PLAN ATTACHED WITH REGULAR AGENDA

ITEMS 3E AND 3F