

## **Redevelopment Plan for Fat Dogs Travel Center**

**The Community Development Agency (CDA) of Lexington, Nebraska intends to adopt a Redevelopment Plan for an area within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing to assist in site rehabilitation of the Fat Dogs Travel Center.**

### **Executive Summary:**

#### **Project Description:**

THE REDEVELOPMENT OF THE BUILDING, CANOPY, PUMPS, CONCRETE DRIVES AND PIPING AT THE FAT DOGS TRAVEL CENTER TO PROVIDE FOR ADDITIONAL DIESEL PUMPS AND BUILDING EXPANSION.

The use of Tax Increment Financing to aid in rehabilitation expenses associated with redevelopment of Lot One, Wilkinson Addition to the city of Lexington, Dawson County, Nebraska, will incent significant investment in the Fat Dogs Travel Center near the Interstate 80 interchange. The total project is estimated to cost \$5,348,500. The investment will allow for realignment and expansion of diesel pumps to serve the significant semi-truck market delivering live cattle to the Tyson packing plant. As part of the redevelopment, the current building will be remodeled and expanded to provide a new restaurant and upscale travel center. A new canopy, underground piping and new pumps will be installed. As a retail facility, the owner cannot generate a sufficient return to justify this level of investment. This project would not be feasible without the use of TIF and will not be financed without a grant funded by tax increment financing.

Wilkinson Development, Inc., is the owner and redeveloper of the site. The redeveloper is responsible for and has provided evidence that it can secure adequate debt financing to cover the costs associated with the remodeling and rehabilitation of this property, subject to receipt of tax increment financing. The CDA is requested to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2023 towards the allowable costs and associated financing for rehabilitation.

**TAX INCREMENT FINANCING TO PAY FOR THE REHABILITATION OF THE PROPERTY WILL COME FROM THE FOLLOWING REAL PROPERTY:**

Property Description (the “Redevelopment Project Area”)

**Legal Descriptions:** Lot One Wilkinson Addition to the City of Lexington, Dawson County, Nebraska.

Existing Land Use is shown below.



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2023 through 2037 inclusive.**

**The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of this property as permitted in the C3 Highway Commercial Zoning District.**

#### **Statutory Pledge of Taxes.**

In accordance with Section 18-2147 of the Act and the terms of the Resolution providing for the issuance of the TIF Note, the CDA hereby provides that any ad valorem tax on the Redevelopment Project Area for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as set forth in the Redevelopment Contract, consistent with this Redevelopment Plan. 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 CDA 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 CDA 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 CDA 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.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CDA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan meets the statutory qualifications as set forth below.

**1. The Redevelopment Project Area has been declared blighted and substandard by action of the Lexington City Council.**

The Lexington City Council received a substandard and blight analysis for the Redevelopment Area, and declared the Area substandard and blighted and in need of redevelopment after compliance with the requirements of the Act.

**2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]**

Lexington adopted a Comprehensive Plan in 2013. This redevelopment plan and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the redeveloper to rehabilitate Area for permitted uses on this property as defined by the current and effective zoning regulations.

**3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]**

***a. Land Acquisition:***

The Redevelopment Plan does not require site acquisition. There is no proposed acquisition by the CDA.

***b. Demolition and Removal of Structures:***

The project to be implemented with this plan does provide for the concrete and canopy demolition together with building interior demolition.

*c. Future Land Use Plan*

Exhibit A, attached hereto is a map showing the Future Land Use Plan for the Redevelopment Area after rehabilitation. Exhibit B, attached hereto shows the proposed exterior of the project.

*d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.*

The area is zoned C-3 Highway Commercial. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated.

*e. Site Coverage and Intensity of Use*

The redeveloper is rehabilitating the existing building and adding 6,480 square feet. The total building coverage after redevelopment will be 13,820 square feet.

*f. Additional Public Facilities or Utilities*

Sewer and water are available to support this development. Electric utilities are sufficient for the proposed use of this building. No other utilities would be impacted by the development. No other utilities would be impacted by the development.

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.**

The redeveloper will not be required to relocate individuals or families as part of the site redevelopment.

**5. No member of the CDA, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]**

No members of or staff of the CDA have any interest in this property.

**6. Section 18-2114 of the Act requires that the CDA consider:**

*a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.*

The redeveloper is the owner of the property. The estimated costs for preparation for redevelopment include an estimated \$75,000 for demolition. The total project is estimated to cost \$5,348,500.

No disposal of the property is planned.

***b. Statement of proposed method of financing the redevelopment project.***

The redeveloper will provide all necessary financing for the project. The CDA will assist the project by granting the sum of \$700,000 from the proceeds of the TIF. This indebtedness will be repaid from the Tax Increment Revenues generated from the project.

TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2023 through December 2038.

***c. Statement of feasible method of relocating displaced families.***

No families will be displaced as a result of this plan.

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, the CDA shall consider 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, 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 insanitary or unsafe dwelling accommodations or conditions of blight.

The CDA has considered these elements in proposing this Plan. This amendment, in and of itself will promote consistency with the Comprehensive Plan. This will have the intended result of preventing recurring blighting conditions due to site obsolescence.

**8. Time Frame for Development**

Development of this project is anticipated to begin in May of June 2022. Excess valuation should be available for this project for 15 years beginning with the 2023 tax year.

**9. Cost Benefit Analysis**

Section 18-2113 of the Act, further requires the CDA conduct a cost benefit analysis of the Plan in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Lexington has analyzed the costs and benefits of the proposed Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$1,080,000 (\$700,000 in principal and \$380,000 in interest) in public funds from tax increment financing provided by the Lexington Community Development Agency will be required to complete the project. This property has requested a Façade grant. This investment by the CDA will leverage \$4,648,500 in private sector financing; a private investment of \$6.64 for every TIF or grant dollar invested.

Description	TIF	Private	Total
Soft Costs		35,000	35,000
Architecture	100,000		100,000
Demolition	75,000		75,000
Concrete/pipe	525,000	575,000	1,100,000
Exterior Const		1,602,000	1,602,000
Build Remodel		675,000	675,000
Build Addition		1,375,500	1,375,500
Casework		351,000	351,000
Equip/Security		35,000	35,000
<b>TOTALS</b>	<b>\$700,000</b>	<b>\$4,648,500</b>	<b>\$5,348,500</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2022, valuation of approximately \$748,551. Based on the 2021 levy this would result in a real property tax of approximately \$14,200. It is anticipated that the assessed value will increase by \$3,851,949 upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$72,000 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2022 assessed value:	\$ 748,551
Estimated value after completion	\$4,600,500
Increment value	\$3,851,949
Annual TIF generated (estimated)	\$ 72,000
TIF bond issue	\$ 700,000

***(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;***

Tax shifts will be equal to the combined principal and interest on the TIF Note \$1,080,000.

***(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;***

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. Fire and police protection are available and should not be negatively impacted by this development.

***(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;***

This project will add 5 full time jobs.

***(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and***

This project will not have a negative impact on other employers in any manner different from any other expanding business within the Lexington area.

***(e) Impacts on student populations of school districts within the City or Village:***

This development will have a minimal impact on the Lexington School system as it will likely not result in any increased attendance

***(f) Any other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the redevelopment project.***

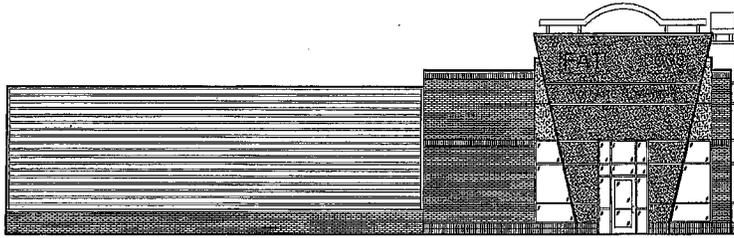
This project should generate more sales tax revenue for the city based on increased sales.

Exhibit A

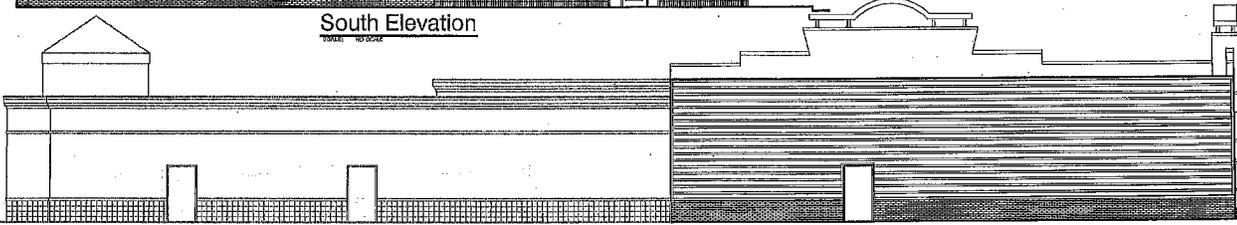
Future Land Use After Rehabilitation



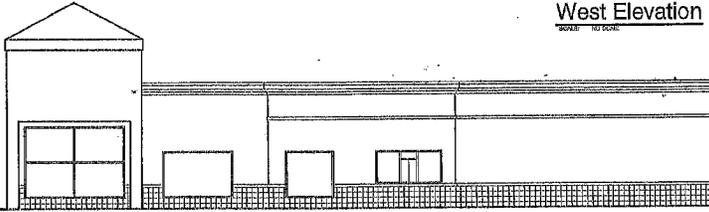
Exhibit B  
Exterior Rendering



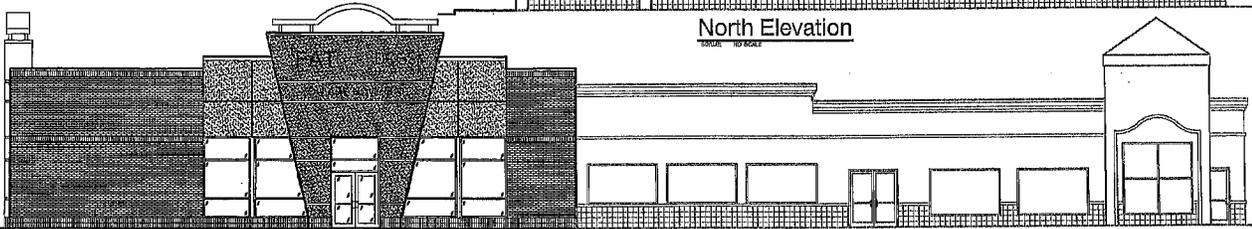
South Elevation  
SCALE: 1/8"=1'-0"



West Elevation  
SCALE: 1/8"=1'-0"



North Elevation  
SCALE: 1/8"=1'-0"



East Elevation  
SCALE: 1/8"=1'-0"

Project  
Wilson Commission Shops  
Levittown, Nebraska  
DATE: October 15, 2019  
Drawing: Elevations

Title  
F.L. Davis Leavitt  
Architects & Interiors

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