

PLANNING & ZONING COMMISSION
MARCH 4, 2024
AGENDA

1. **Call to Order**

2. **Roll Call**

3. **Open Meeting Act Requirement**

4. **Public Hearing:**

Public Hearing to obtain public comment prior to the Planning and Zoning Commission's consideration of a recommendation to the City Council regarding a proposed Amendment to the Redevelopment Plan of the City of Milford, Nebraska, which Amendment shall involve a specific redevelopment project known as "Main Street Market" proposing to utilize tax increment financing (TIF) to construct improvements in an area of the City generally located at 115 S. Hwy 6, Milford, Nebraska, that has been declared blighted and substandard and in need of redevelopment pursuant to the Community Development Law.

5. **New Business:**

Consider recommendation to the City Council on the proposed Amendment to the General Redevelopment Plan related to the "Main Street Market" redevelopment project and to determine that said Amendment is consistent with and conforms to the general development plan of the City of Milford, Nebraska.

6. **Resolutions:**

RESOLUTION NO. 2024-03 - A RESOLUTION OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF MILFORD, NEBRASKA, MAKING ITS RECOMMENDATION WITH RESPECT TO AN AMENDMENT TO THE REDEVELOPMENT PLAN IN AN AREA IN THE CITY DECLARED AS BLIGHTED AND SUBSTANDARD PURSUANT TO THE NEBRASKA COMMUNITY DEVELOPMENT LAW, RELATED TO A REDEVELOPMENT PROJECT INVOLVING THE CONSTRUCTION OF A GROCERY STORE TO BE KNOWN AS THE "MAIN STREET MARKET" AND ASSOCIATED IMPROVEMENTS ON VACANT LOTS GENERALLY LOCATED AT 115 SOUTH HIGHWAY 6, MILFORD, NEBRASKA.

7. **Adjournment**

City of Milford Planning Commission

402 1st St, Milford, NE 68434

Staff Report

Tim Dworak, Code Enforcement

402-641-2549

APPLICATION TYPE

Major Subdivision

FINAL ACTION?

DEVELOPER/OWNER

Main Street Market, Craig Bontrager

PC HEARING DATE

February 22, 2024

RELATED APPLICATIONS

PROPERTY ADDRESS, ZONING DISTRICT/USE

115 S Hwy 6, Mixed Use, Commercial (Grocery)

ADJACENT ZONING DISTRICTS/USE:

North – MU – Russell Ray & Brenda Plessel (Majestic Hair Design)

South – MU – Elm River Court Inc

East – MU – The Eating Establishment-Milford LLC (Runza)

West – R2C – Michael & Shelly Houk, Zoie Benedict

BRIEF SUMMARY OF REQUEST:

A Major Subdivision preliminary and final plat review of Main Street Market Addition for the purpose of combining lots into a single parcel for a commercial use.



COMPATIBILITY WITH THE COMPREHENSIVE PLAN

The plat complies with the Comprehensive Plan. (See land use map)

ANALYSIS

This is a Major Subdivision application to join six lots into a single parcel for the purpose of development of a relocating commercial business. A local grocery business wishes to utilize the site of the past Subway Motors which has been demolished following a fire in the structure. The previous building was built over several lot lines and nonconforming to site regulations. The creation of the Main Street Addition brings the new lot into conformity for building site regulations and setbacks..

The notice of this Public Hearing was published in the Milford Times.

APPROXIMATE LAND AREA:

0.53 acres or 23086.8 square feet +/-

LEGAL DESCRIPTION:

A REPLAT OF TAX LOT 139 AND LOTS 24-28, BLOCK N, MILFORD D&C ADDITION AND THE VACATED 7' OF SOUTH ELM AVENUE ADJACENT THERETO, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 9 NORTH, RANGE 3 EAST OF THE SIXTH P.M., CITY OF MILFORD, SEWARD COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID TAX LOT 139, SAID POINT BEING LOCATED ON THE NORTHERLY 66.00' RIGHT-OF-WAY LINE OF 2ND STREET AND ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 6; THENCE IN A WESTERLY DIRECTION ON THE NORTHERLY 66.00' RIGHT-OF-WAY LINE OF 2ND STREET AND ON THE SOUTH LINE OF SAID TAX LOT 139 AND ON THE SOUTH LINE OF SAID LOT 28 AND ON THE SOUTH LINE OF THE 7' VACATED PORTION OF SOUTH ELM AVENUE ADJACENT TO SAID LOTS 24-28, AND ON AN ASSUMED BEARING OF N 88°43'42" W, FOR A DISTANCE OF 185.51' TO THE SOUTHWEST CORNER OF THE 7' VACATED PORTION OF SOUTH ELM AVENUE ADJACENT TO SAID LOTS 24-28; THENCE N 01°27'05" E ON THE WEST LINE OF THE 7' VACATED PORTION OF SOUTH ELM AVENUE ADJACENT TO SAID LOTS 24-28, FOR A DISTANCE OF 125.04' TO THE NORTHWEST CORNER OF THE 7' VACATED PORTION OF SOUTH ELM AVENUE ADJACENT TO SAID LOTS 24-28; THENCE S 88°42'07" E ON THE NORTH LINE OF THE 7' VACATED PORTION OF SOUTH ELM AVENUE ADJACENT TO SAID LOTS 24-28 AND ON THE NORTH LINE OF SAID LOT 24 AND ON THE NORTH LINE OF SAID TAX LOT 139, FOR A DISTANCE OF 181.82' TO THE NORTHEAST CORNER OF SAID TAX LOT 139, SAID POINT BEING LOCATED ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 6; THENCE S 00°14'34" E ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 6 AND ON THE EAST LINE OF SAID TAX LOT 139, FOR A DISTANCE OF 125.00' TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 0.53 ACRES, MORE OR LESS.

Prepared by

Tim Dworak

City of Milford Building - Code Enforcement

RESOLUTION NO. 2024-03

A RESOLUTION OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF MILFORD, NEBRASKA, MAKING ITS RECOMMENDATION WITH RESPECT TO AN AMENDMENT TO THE REDEVELOPMENT PLAN IN AN AREA IN THE CITY DECLARED AS BLIGHTED AND SUBSTANDARD PURSUANT TO THE NEBRASKA COMMUNITY DEVELOPMENT LAW, RELATED TO A REDEVELOPMENT PROJECT INVOLVING THE CONSTRUCTION OF A GROCERY STORE TO BE KNOWN AS THE "MAIN STREET MARKET" AND ASSOCIATED IMPROVEMENTS ON VACANT LOTS GENERALLY LOCATED AT 115 SOUTH HIGHWAY 6, MILFORD, NEBRASKA.

WHEREAS, the Mayor and City Council of the City of Milford, Nebraska (the "City"), have previously declared an area of the City as blighted and substandard in accordance with Sections 18-2101 through 18-2157 of the Nebraska Revised Statutes, as amended (the "Act"); and

WHEREAS, a portion of the area of the City that has been declared and blighted and substandard is the property described on **Schedule 1** attached hereto and referred to herein as the "Redevelopment Area;" and

WHEREAS, the City and the Community Development Agency (the "CDA") of the City has previously approved a General Redevelopment Plan for the City; and

WHEREAS, the CDA has submitted to this Planning and Zoning Commission (the "Planning Commission") for review and comment a proposed Amendment to the General Redevelopment Plan for the Redevelopment Area in the form of **Schedule 2** attached hereto).

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Milford, Nebraska, that the Planning Commission has reviewed the proposed Amendment to the General Redevelopment Plan and determined that it is consistent with and conforms to the general development plan of the City.

BE IT FURTHER RESOLVED, that the Planning Commission recommends approval of the Amendment to the General Redevelopment Plan to the CDA and the City Council.

BE IT FURTHER RESOLVED, that any resolution passed and approved prior to the passage, approval and publication of this Resolution which is in conflict with the terms and provisions of this Resolution is repealed to the extent of such conflict. This Resolution shall take effect and be in force and effect from and after its passage, approval and publication as required by law. The provisions of this resolution are separable, and invalidity of any phrase, clause, or part of this Resolution shall not affect the validity or effectiveness of the remainder of this Resolution.

THIS RESOLUTION IS PASSED AND APPROVED THIS 4TH DAY OF MARCH, 2024, BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF MILFORD, SEWARD COUNTY, NEBRASKA.

Chairperson

ATTEST:

Jeanne Hoggins, Milford City Clerk

SCHEDULE 1

Redevelopment Area

Tax Lot 139 in the Southeast Quarter (SE ¼) of Section 2, Township 9 North, Range 3 East of the 6th P.M., Seward County, Nebraska, a tract of land described as follows: Beginning at the Southeast corner of Lot 28, Block N, Davisson & Culver's Addition to Milford, Seward County, Nebraska, thence East 71.8 feet to the West right-of-way line to U.S. Highway 6, thence North along said right-of-way line 125 feet, thence West 71.7 feet to the Northeast corner of Lot 24, Block N, thence South 125 feet to the point of beginning; AND

Lots 24, 25, 26, 27 and 28, Block N, Davisson & Culver's Addition to Milford, Seward County, Nebraska and the adjacent 7 feet of Elm Street.

The Site consists of two separate parcels identified as Parcel ID 800067231 and Parcel ID 800063252 and is generally located at 115 South Hwy 6, Milford, Nebraska.

SCHEDULE 2

Modification to General Redevelopment Plan

[TO BE ATTACHED]

**AMENDMENT TO THE GENERAL REDEVELOPMENT PLAN
OF THE CITY OF MILFORD, NEBRASKA**

(Main Street Market Project)

The City of Milford, Nebraska ("City") has undertaken a plan of redevelopment within the community pursuant to the adoption of the General Redevelopment Plan for the Redevelopment Area in the City of Milford, as amended (the "Redevelopment Plan"). The Redevelopment Plan was previously approved by the City Council of the City of Milford on September 3, 2013, pursuant to Resolution No. 488. The Redevelopment Plan serves as a guide for the implementation of redevelopment activities within certain areas of the City, as further set forth in the Redevelopment Plan.

Pursuant to the Nebraska Community Development Law codified at Neb. Rev. Stat. §§ 18-2101 through 18-2157 (the "Act"), the City created the Community Development Agency of the City of Milford ("CDA"), which administers the Redevelopment Plan for the City.

The purpose of this Amendment to the Redevelopment Plan (this "Amendment") is to identify specific property within the redevelopment area specified in the Redevelopment Plan that is in need of redevelopment to cause the removal of blight and substandard conditions, which specific area is further identified and legally described on the attached and incorporated Exhibit A (the "Site").

Description of the Project

The project under consideration will consist of the construction on the Site of a grocery store and associated improvements to be known as the "Main Street Market" (the "Project").

Project Site

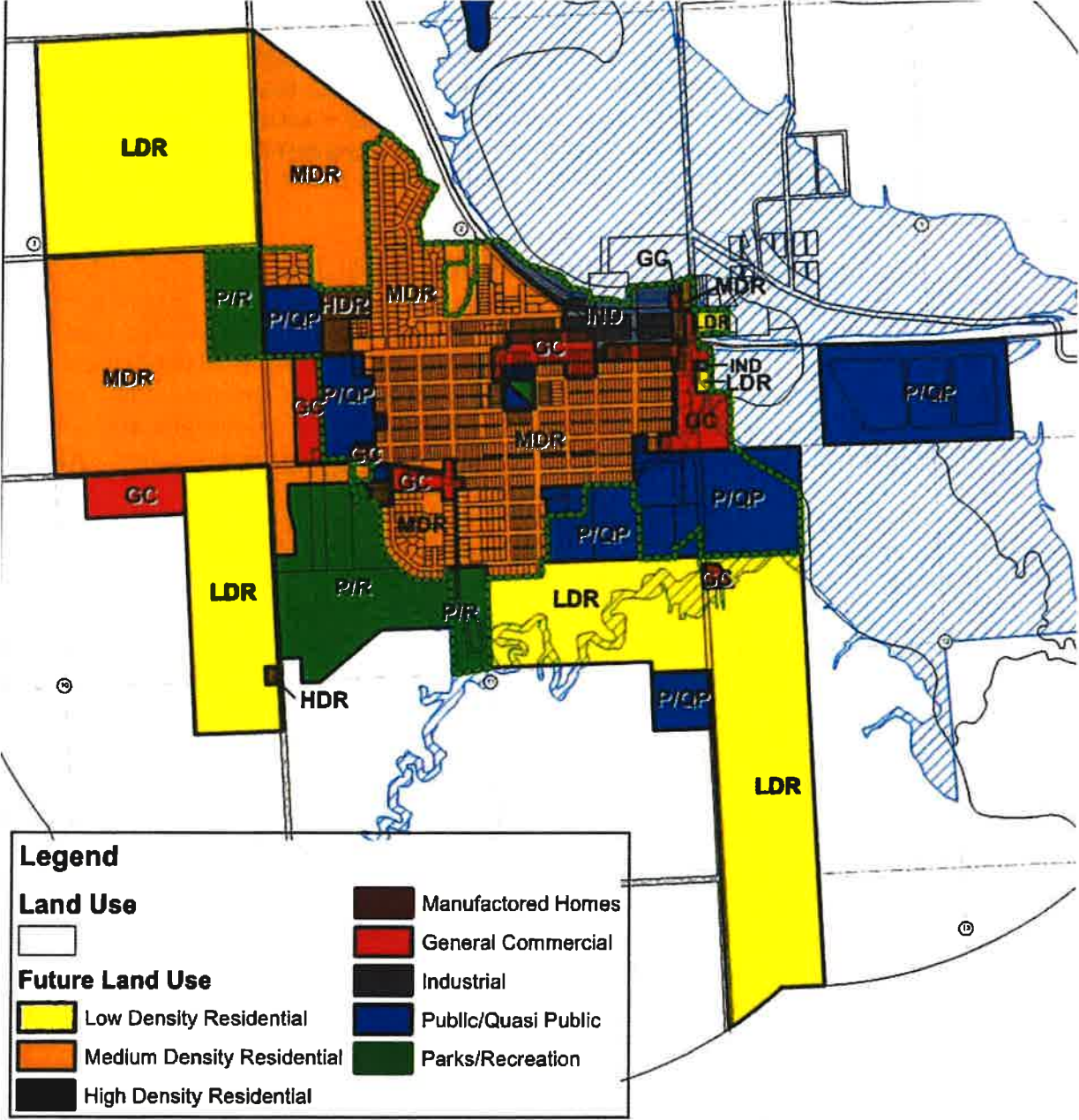
The Site is in need of redevelopment. The CDA has considered whether redevelopment of the Site will conform to the general plan and the coordinated, adjusted, and harmonious development of the City and its environs. In this consideration, the CDA finds that such a redevelopment of the Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight. The blighted condition of the Site and the Redevelopment Area has contributed to its inability to attract businesses and/or development.

The Site currently consists of vacant lots as a result of the demolition by the Redeveloper (as hereafter defined) of a dilapidated building and other improvements previously existing on the Site. Because of the condition of the property located on the Site, without substantial investment in the Site, the Site and property located thereon is not reasonably useful for any purpose.

The property located at the Site is zoned for Mixed Use. The relevant section of the Zoning Map is included below. The Site is located in the Mixed-Use (MU) Corridor Overlay District.



The future land use of the Site in the Milford Comprehensive Plan is designated as General Commercial. The Future Land Use map from the Comprehensive Plan is set forth below:



The redevelopment of the Site pursuant to this Amendment will eliminate the current blight and substandard conditions of the Site and will further the purposes of the Act in conformity with the City's Redevelopment Plan.

The Redevelopment Project

Moonshadow Properties, LLC, a Nebraska limited liability company (the "Redeveloper"), has submitted a proposal for the Project and the redevelopment of the Site. The Project is intended to provide for the construction on the Site of a new grocery store and associated improvements to be known as the "Main Street Market" in the City. Exhibit B attached hereto and incorporated herein sets forth a preliminary site plan and conceptual plans for the Project at the Site. The CDA acknowledges that these plans are preliminary in nature and subject to change.

As part of the Project, the CDA shall capture available tax increment from the Project to assist in payment for the public improvements listed as eligible expenditures under the Act. Such public improvements may include, but are not limited to: land acquisition, demolition, site development work, architectural and engineering fees, and other improvements deemed feasible and necessary in support of the public health, safety, and welfare which qualify as eligible expenditures for public improvements under the Act. Redeveloper shall be responsible for all other costs and expenses associated with the Project.

Redeveloper estimates that the total Project costs shall be approximately \$1,100,000.00. Redeveloper has identified approximately \$440,000.00 of TIF-eligible expenditures, as further set forth below:

Site Acquisition	\$385,000.00
Site Preparation	\$35,000.00
Engineering / Architectural Fees	\$15,000.00
City Attorney Fees	\$5,000.00
Total:	\$440,000.00

The current valuation of the Site is listed as \$100,284 for the 2023 tax year, but the base value of the Site is anticipated to be \$31,034.00 due to loss of value as a result of the demolition of existing dilapidated improvements on the Site by the Redeveloper, leaving only the underlying land value for the Site. Based upon the anticipated completed valuation of \$500,000.00 for the Project, the Project will yield potential TIF Indebtedness in the amount of approximately \$131,500.00, but in no event to exceed \$150,000.00.

Redeveloper has already closed on the acquisition of the land involved in the Project and has completed demolition of the existing improvements on the Site to prepare the Site for the commencement of construction of the Project. Construction is scheduled to commence in the Spring 2024 and is estimated to be completed by the Fall 2024. Thus, the base year for the Project is anticipated to be 2024, with an anticipated effective date of January 1, 2025, for the division of taxes.

The TIF Proceeds shall pay for a portion of the TIF-eligible uses identified above. The Redeveloper shall be responsible for all other costs and expenses associated with the Project. The use of TIF to assist with the costs of the eligible public improvements will make the Project, as designed, feasible. Without TIF, the development of the Site to construct the Project is not feasible based on the required return of the Redeveloper.

As described above, the project envisions the capture of the incremental taxes created by the Project on the Site to pay for those eligible expenditures as set forth in the Act. Attached as **Exhibit C** and incorporated herein by this reference is a consideration of the statutory elements under the Nebraska Community Development Law.

Pursuant to section 18-2113 of the Act, the CDA must conduct a cost-benefit analysis for any redevelopment project that will utilize TIF. The Cost-Benefit Analysis for the Project is attached hereto as **Exhibit D** and incorporated by this reference.

Comprehensive Plan

The Project is consistent with the goals of the Milford Comprehensive Plan which contemplates general commercial development in the northeastern portion of the City along Highway 6 corridor.

Additional Project Information from the Redeveloper

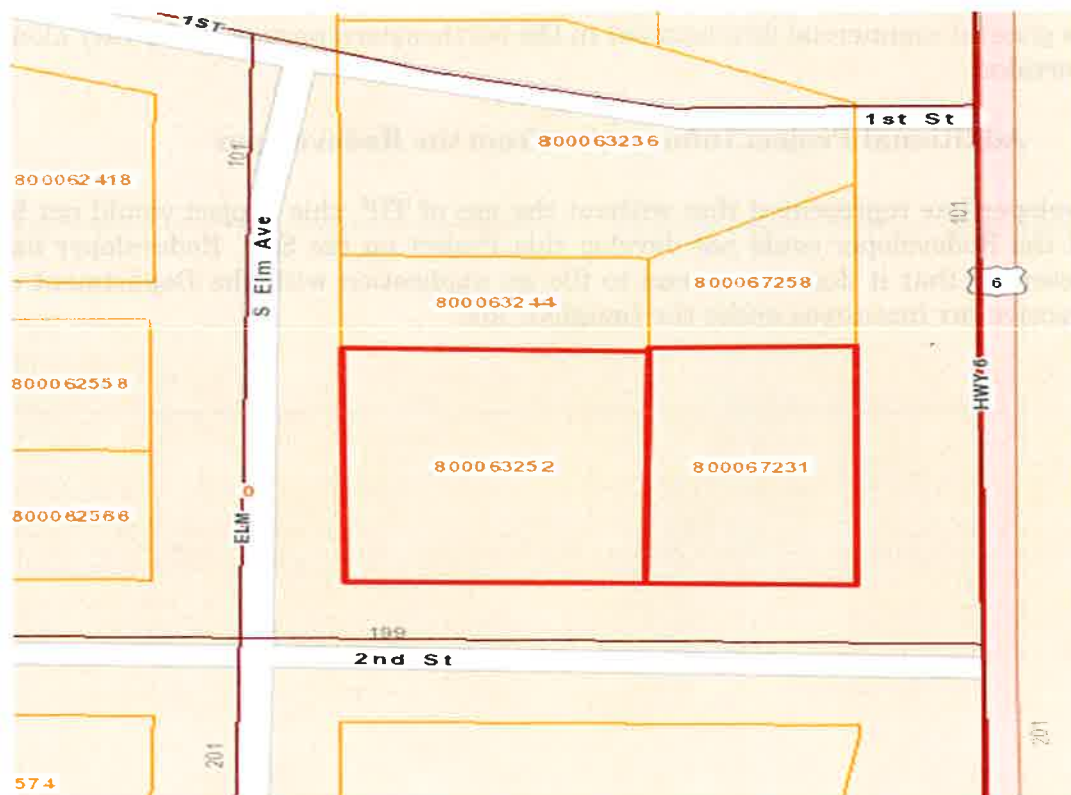
Redeveloper has represented that without the use of TIF, this Project would not be feasible, and the Redeveloper could not develop this Project on the Site. Redeveloper has further represented that it does not intend to file an application with the Department of Revenue to receive tax incentives under the Imagine Act.

EXHIBIT A
Legal Description of the Site

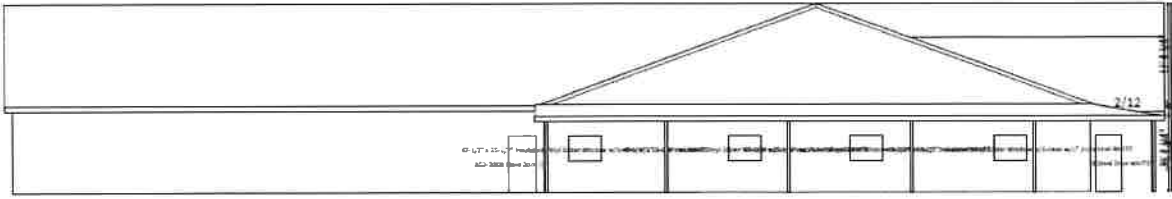
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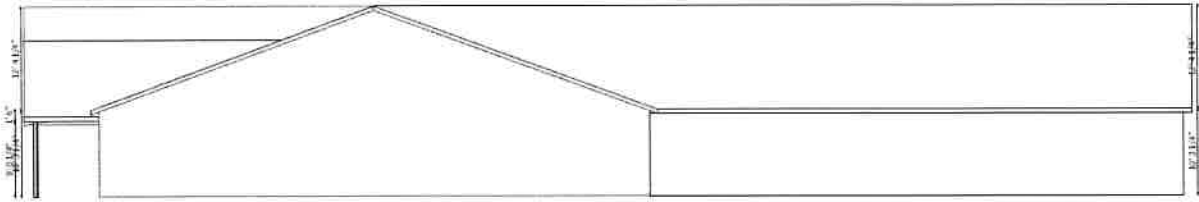
The Site consists of two separate parcels identified as Parcel ID 800067231 and Parcel ID 800063252 and is generally located at 115 South Hwy 6, Milford, Nebraska, as further depicted on the map below:



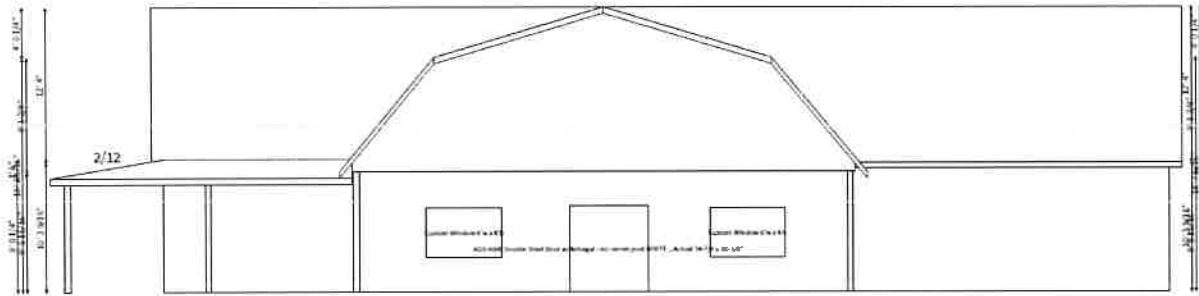
Front Elevation



Back Elevation



Left Elevation



Right Elevation

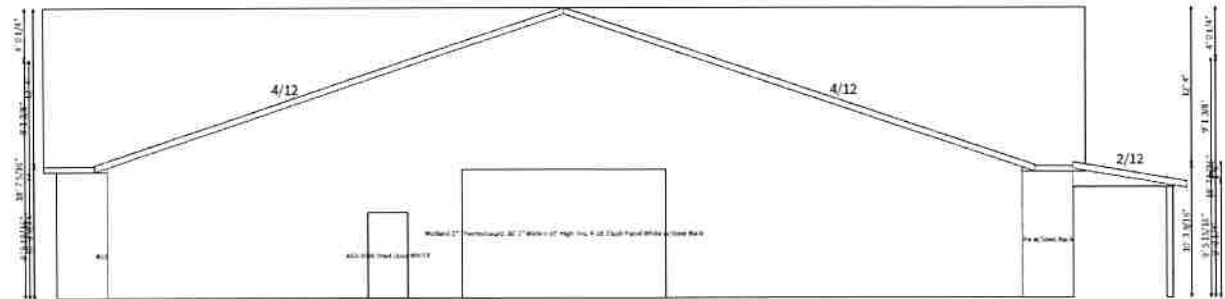


EXHIBIT C
Statutory Elements

A. Property Acquisition, Demolition and Disposal

No public acquisition of private property, relocation of families or businesses, or the sale of property is necessary to accomplish the Project. Redeveloper currently owns and has site control of the property on which the Project will be constructed.

B. Population Density

The proposed Project on the Project Site consists of the construction of a grocery store and associated improvements to be known as the "Main Street Market." The Project Site currently consists of vacant lots, so the Project may increase population density in the Redevelopment Area, but not significantly. The purpose of the Project is to provide a grocery store to meet the demand for community betterment and welfare in the City.

C. Land Coverage

The Project consists of a grocery store and associated improvements on currently vacant lots. The Project will consist of approximately 9,888 square feet of buildable area on lots covering approximately 0.69 acres. The Project will meet the applicable land-coverage ratios and zoning requirements as required by the City.

D. Traffic Flow, Street Layouts, and Street Grades

The Project is anticipated to affect traffic flow only insofar as traffic increases in relation to the ingress and egress of customers from the store. The Project is not anticipated to impact street layouts or street grades in any material way, and the existing streets will adequately serve and handle any increased traffic resulting from the Project. Except as otherwise described herein, no further street improvement should be required to accommodate traffic resulting from the Project.

E. Parking

The Project will be required to meet or exceed the parking requirements set forth in the applicable zoning district and the Redeveloper will construct additional parking, if any is required.

F. Zoning, Building Code, and Ordinances

The Site is currently zoned Mixed-Use (MU) Corridor Overlay District. The proposed Project is a permitted use in this district. The Site is currently two lots. The Project will require the Site to be replatted into one lot.

No further subdivision, rezoning, or other land use approvals are required in order to complete the Project. The Redeveloper shall be responsible for compliance with the City of Milford Subdivision Ordinance, Zoning Ordinance and all other applicable laws and codes.

Approval of this Redevelopment Plan Amendment does not constitute the approval of any other requirements under the City of Milford Subdivision Ordinance, Zoning Ordinance and all other applicable laws and codes.

Exhibit D

Cost-Benefit Analysis (Pursuant to Neb. Rev. Stat. § 18-2113)

The cost-benefit analysis for the Main Street Market Project, as described in the Amendment to the Redevelopment Plan to which this cost-benefit analysis is attached, is presented below. The above-referenced project will utilize Tax Increment Financing funds authorized by Neb. Rev. Stat. §18-2147.

1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:

The taxes generated by the current value of the property shall continue to be allocated between taxing jurisdictions pursuant to standard statutory requirements. Only the incremental taxes created by the Project will be captured to pay eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Project, the true tax shift of this Project is a positive shift in taxes after 15 years. However, for the purposes of illustrating the incremental taxes used for TIF, the 15-year tax shift is as follows:

a.	Redevelopment Project Valuation:	\$31,034.00
b.	Projected Completed Project Assessed Valuation:	\$500,000.00
c.	Projected Tax Increment Base:	\$468,966.00
d.	Estimated Tax Levy:	1.865487
e.	Annual Projected Tax Shift:	\$8,748.00

Note: The Projected Tax Increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2023 levy rate of 1.865487. There has been no accounting for incremental growth or change in the tax levy over the TIF period.

2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project:

a. Public infrastructure improvements and impacts:

Except for those public improvements that will be constructed as part of the Project as set forth above, no substantial effects are anticipated on the public infrastructure and community public service needs, and all public infrastructure and community public services required to service the Project exist. The projected sources and uses of the TIF indebtedness, which will be refined in the Redevelopment Agreement for this Project, are described in the Amendment to Redevelopment Plan. All expenditures financed by tax increment financing indebtedness shall be eligible public expenditures.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Project will create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad

valorem real property taxes generated by the Project, the Project should generate immediate tax growth for the City. It is anticipated that customers of the Project will pay local sales tax on certain goods purchased at the store, and the store will require and pay for City services. It is not anticipated that the Project will have any material adverse impact on such City services but will generate revenue providing support for those services.

3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project:

It is not anticipated that the Project will have a material adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project. Rather, the construction of new grocery store on the Project Site may create additional job opportunities within the City.

4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the redevelopment project:

The Project should have a material positive impact on private sector businesses in and around the area outside the boundaries of the redevelopment project. The Project is not anticipated to impose a burden or have a negative impact on other local area employers but should increase the need for goods and services from existing businesses.

5. Impacts on the student populations of school districts within the City:

It is not anticipated that the Project will have a material adverse impact on the student populations of the school district within the City. The school district should have the capacity to handle any minimal population increase from the Project. The school district will not receive taxes from the Project improvements built during the time the increased taxes are utilized to pay the TIF indebtedness. After the TIF period ends, the increased valuation from the Project will be available to the school district. Because the Project would not occur but-for the use of TIF, there is no loss in prospective tax revenues to the school district.

6. Other impacts determined by the agency to be relevant to the consideration of costs and benefits arising from the redevelopment project:

Redeveloper has identified the need for a grocery store in the City, and this Project will help fill that need. The Project will create 12-20 jobs in the City. There are no other material impacts determined by the agency relevant to the consideration of the cost of benefits arising from the Project.

7. Summary of Findings:

The Project will facilitate the redevelopment of a blighted and substandard area of the City without the incurrence of significant public cost. The Project will revitalize and occupy vacant lots while also providing additional retail shopping options for residents of all ages and income levels. Additionally, the Project will increase property tax revenue in the long-term by increasing the value of the property and adding to the tax base. The benefits outweigh the costs of the proposed Project.