

City of Scottsbluff, Nebraska
Thursday, June 2, 2016
Regular Meeting

Item 1

Approve Minutes of the April 25, 2016 Meeting.

Staff Contact: Chris Burbach

City of Scottsbluff
Community Redevelopment Authority
April 25, 2016

A meeting of the Community Redevelopment Authority (CRA) Committee was held on April 25, 2016 at 5:00 p.m. at City Hall, 2525 Circle Drive, Scottsbluff, NE.

The meeting was convened at 5:00 p.m. Roll call was taken. The following committee members were present: Kelley Beatty, Joanne Phillips Seth Covalt and Bill Knapper. Absent: Bill Trumbull. In attendance on behalf of the City were Assistant City Manager Nathan Johnson, Deputy City Attorney, Rick Ediger and Deputy City Clerk, Chris Burbach.

Vice Chairman Phillips called the meeting to order and informed those in attendance that a copy of the Nebraska Open Meetings Act is available for the public's review. There were no changes in the agenda, nor were there any citizens with business not scheduled on the agenda.

Moved by Knapper, seconded by Covalt "to approve the minutes from the March 7, 2016 meeting," "YEAS", Covalt, Knapper, Beatty, and Phillips; "NAYS", none; "ABSENT", Trumbull.

Moved by Knapper, seconded by Beatty "to approve the minutes from the March 28, 2016 meeting," "YEAS", Covalt, Knapper, Beatty, and Phillips; "NAYS", none; "ABSENT", Trumbull.

Let the record show that Bill Trumbull is not present and that he has a conflict of interest in the Owen Redevelopment Project. Any time a member of the CRA has sold property, and two years has not passed and a plan comes up involving the property, a conflict exists.

Let the record show that Simmons Olsen Law Firm also has a conflict of interest because they are representing Dr. Zach Owen in the Owen Redevelopment Project. City Manager Johnson stated that due to the conflict an independent Attorney's office will be giving an opinion on the documents for the Owen Redevelopment Project. If any changes need to be made to the documents/plan, they will be made prior to the City Council meeting on May 2, 2016.

Dr. Zach Owen was present to introduce himself and give information about his business that is part of the Owen Redevelopment Project. He stated that John Selzer, Attorney from Simmons Olsen Law Firm would be representing him in regards to the plan and the TIF. John Selzer stated that Dr. Owen has purchased two lots east of the Elite Health Care project. Lot 1 is where he intends for his oral surgery office to be built. This will require connection to sewer, completion of the Ave G street and connecting water from 42nd to 40th streets in the event of completion of Lot 2 in the future. The Plan proposes that an improvement district be set up to improve the street and will be assessed to Lot 1 & Lot 2. They will lay a water line under the improved street so they won't have to dig up the street when water needs to be hooked up for Lot 2 at a later date. Because the property had been designated Blighted and Substandard, it has made it feasible for Dr. Owen to do the development. The TIF will not only allow for the completion of Avenue G, but also to put in the necessary water line, increase parking and put in soft landscaping. The CRA needs to determine if the performance of the redevelopment plan is in line with the City's Comprehensive Plan. At the Planning Commissions last meeting they unanimously recommended that this project go forward. The property is in the North Highway 26 district in the new Comprehensive Plan. A couple principals of that area are: 1) to encourage low intensity commercial lots next to residential; and 2) development to be contiguous with existing development with planned linkages between roads and utilities.

The CRA and City are required to conduct a cost benefit analysis for redevelopment plans including the use of tax increment financing. The estimated total costs and expenses of the Project are \$1,742,720.00; with \$204,000.00 being TIF funds and \$1,538,720.00 being Private funds. This plan includes approximately

\$500,000.00 of personal property, which will generate additional personal property taxes for the local taxing jurisdictions. Employment on the Project Site was previously zero and is expected to increase to 5-6 employees. Other impacts include the fact that this development will be the only oral surgery center in the area, which will serve not only customers of Scottsbluff, but the entire region. This will result in an increase in the use of local business from patients coming to Scottsbluff, with a resulting increase in sales tax revenues.

Knapper asked for clarification on the number of patients that would be seen by Dr. Owen at the oral surgery center. Dr. Owen stated 10-15 patients per day. Knapper noted that the Planning Commission minutes state 50 patients. Selzer stated that he stated 15 at the Planning Commission meeting and so the 50 is in error.

Moved by Beatty, seconded by Knapper “to approve the resolution and forward a positive recommendation for the Owen Redevelopment Project to the City Council,” “YEAS”, Covalt, Knapper, Beatty, and Phillips; “NAYS”, none; “ABSENT”, Trumbull.

RESOLUTION NO. CRA – 16-4-1

BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSBLUFF, NEBRASKA:

Recitals:

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, a redevelopment plan titled *Owen Oral Surgery Center Redevelopment Plan*, prepared by Owen Development, L.L.C. (the “Redevelopment Plan”) has been submitted to the Scottsbluff Community Redevelopment Authority (“CRA”). The Redevelopment Plan proposes to redevelop an area of the City which the City Council has declared to be blighted and substandard and in need of redevelopment. The Redevelopment Plan includes the use of tax increment financing.

b. The Redevelopment Plan has been reviewed by the Planning Commission, which found that the Redevelopment Plan conforms to the 2016 Scottsbluff Comprehensive Plan (the “Comprehensive Plan”). The Planning Commission recommended approval of the Redevelopment Plan to the CRA and City Council.

c. The CRA has reviewed and conducted a cost-benefit analysis of the Redevelopment Plan and makes the findings and recommendations as set forth in this Resolution.

Resolved:

1. The proposed land uses and building requirements in the Redevelopment Plan are designed with the general purposes of accomplishing, in conformance with the Comprehensive 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 provision of adequate transportation, water, sewerage, and other public utilities, 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 conditions of blight.

2. The CRA has conducted a cost benefit analysis for the project in accordance with the Community Redevelopment Law, and finds that the project as proposed in the Redevelopment Plan would not be economically feasible or occur in the project area without 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, are in the long term best interests of the community.

3. The CRA states: (a) the Redeveloper will acquire the project area by private sale at the estimated cost of \$67,500.00; (b) the estimated cost of preparing the project area for redevelopment is \$10,000.00; (c) the Redevelopment Plan does not propose that either the CRA or City will acquire the project area and neither the CRA nor City will receive proceeds or revenue from disposal of the project area to the Redeveloper; (d) the proposed methods of financing of the project are (i) the use of an improvement district which will assess the project area and an adjoining lot for street improvements in the estimated cost of \$146,070.00; (ii) tax increment financing for other eligible costs in the estimated amount of \$204,000.00; and (iii) private investment and borrowing for the remainder of the project costs; and (e) no families or businesses will be displaced as a result of the project.

4. The CRA recommends approval of the Redevelopment Plan to the City Council.

5. This Resolution along with the recommendation of the Planning Commission shall be forwarded to the City Council for its consideration when reviewing the Redevelopment Plan.

6. All prior resolutions of the CRA in conflict with the terms and provisions of this Resolution are repealed to the extent of such conflicts.

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

PASSED AND APPROVED on April 25, 2016.

**COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF SCOTTSBLUFF**

ATTEST:

Vice Chair

Recording Secretary

Rick Ediger and John Selzer presented a draft copy of a Tax Increment Financing (TIF) application packet for any project and for any developer to use for a redevelopment plan. Moved by Knapper, seconded by Beatty "to approve the TIF application and application process packet as presented," "YEAS", Covalt, Knapper, Beatty, and Phillips; "NAYS", none; "ABSENT", Trumbull.

Selzer presented information that most cities that they researched had TIF application fees of \$100.00. Also every city has additional Administrative fees for the TIF. These administration fees vary depending on the size of the TIF project and actual costs. Fees needs to be reasonable and consistent with the amount of work required. Moved by Beatty, seconded by Knapper "to set the TIF application fee at \$200.00," "YEAS", Covalt, Knapper, Beatty, and Phillips; "NAYS", none; "ABSENT", Trumbull.

Administrative fees will be addressed at a later date.

John Adams presented information in regards to the TIF application for the project on Avenue G, south of West Overland. This project consists of building twenty-one (21) single family homes in the \$120,000 - \$160,000 price range over a period of approximately two years. The large costs they need TIF money for is the cost of the street and landscaping. The Water and sewer are already in place. Mr. Adams indicated that this

would be a great development boost to that area of the City. They plan on doing the contracting and building of the homes themselves. They have contacted local people for contracts to help build. They have also been in contact with NPPD and also Source Gas in regards to easements. Part of the property is in the flood plain and will need to meet elevation compliance.

Mike Sarchet also spoke in favor of this improvement. Moved by Beatty, seconded by Knapper “to refer this project on to the Planning Commission,” “YEAS”, Covalt, Knapper, Beatty, and Phillips; “NAYS” None; “ABSENT”, Trumbull.

A presentation was given by Daniel Bennett from Panhandle Area Development District (PADD) on PADD’s Brownfield Inventory Project. The definition of Brownfield includes property where there is “the potential presence of a hazardous substance”. In particular, a site where there could be contaminants that might create additional costs when moving forward with development. PADD is doing a Panhandle-wide inventory assessment of Brownfield properties in hopes of being able to make a regional application for grants which would provide funds for Phase 1 & 2 studies and to help owners with costs of clean up. PADD would like to set a community meeting to brainstorm for opportunities for reuse and redevelopment of Brownfield properties. PADD is working with a consultant out of Kansas and would like to set a special meeting with the CRA members and others, possibly June 14 – 16th for a couple hours. Bennett will inform the CRA when such meeting is set with the consultant.

Moved by Beatty, seconded by Knapper, “to adjourn the meeting at 6:15 p.m.,” “YEAS”, Covalt, Knapper, Beatty and Phillips; “NAYS” none; “ABSENT” Trumbull.

Nathan Johnson, Secretary