

CITY OF SCOTTSBLUFF
Scottsbluff City Hall City Council Chambers
2525 Circle Drive, Scottsbluff, NE 69361
COMMUNITY REDEVELOPMENT AUTHORITY

Regular Meeting
October 24, 2016
5:00 PM

1. Roll Call
2. **For public information, a copy of the Nebraska Open Meetings Act is posted in the back of the room on the north wall.**
3. Notice of changes in the agenda by the city manager (Additions may not be made to this agenda less than 24 hours before the beginning of the meeting unless added under Item 4 of this agenda.)
4. Citizens with business not scheduled on the agenda (As required by state law, no matter may be considered under this item unless the committee determines that the matter requires emergency action.)
5. Minutes
 - a) Approve Minutes of the June 2, 2016 Meeting.
6. Project Reports
 - a) CRA to review the Draft Tax Increment Financing (TIF) Guideline document, discuss and consider recommendation to City Council.
 - b) CRA to discuss and consider prioritization of current brownfields to be eligible for potential grant funds through PADD.
 - c) Update on potential Community Redevelopment Authority funding.
 - d) Update on the Five 22 Developing, LLC Housing Development, John Adams Developer.
7. Executive Session (to consider any of the above matters, where an Executive Session is appropriate). Following passage of motion to enter into executive session, presiding officer must state purpose.
 - a) Executive Session.
8. Adjournment.

City of Scottsbluff, Nebraska
Monday, October 24, 2016
Regular Meeting

Item 1

Approve Minutes of the June 2, 2016 Meeting.

Staff Contact: Chris Burbach, Deputy City Clerk

City of Scottsbluff
Community Redevelopment Authority
June 2, 2016

A meeting of the Community Redevelopment Authority (CRA) Committee was held on June 2, 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: Bill Trumbull, Kelley Beatty, Joanne Phillips, Seth Covalt and Bill Knapper. In attendance on behalf of the City were City Manager Nathan Johnson, Deputy City Attorney, Rick Ediger, Deputy City Attorney John Selzer and City Clerk, Cindy Dickinson.

Chairman Trumbull 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 Committee Member Phillips, seconded by Committee Member Knapper, "to approve the minutes of the April 25, 2016 Meeting, "YEAS", Covalt, Knapper, Beatty, Phillips and Trumbull; "NAYS" none.

Deputy City Attorney Selzer, presented the Five 22 Developing Housing Redevelopment, explained the obligation of the CRA, which includes a determination as to whether the redevelopment plan conforms with the Comprehensive Plan. The Planning Commission reviewed and agreed that the development located in the Southwest part of Scottsbluff, complies with the following principles of development: supports the work force, encourages in-fill development, and continues a neighborhood style of housing with streets and sidewalks.

The CRA conducted a cost benefit analysis showing that the development will produce an estimated \$709,826.00 in TIF revenue, which will support a bond in the amount of approximately \$500,410.00. The principal and interest of the bond will go to the redeveloper. This will leverage about \$3.7 million of private funds.

The current value of all 21 lots in the development is \$68,310.00. This produces about \$1500.00 total in tax revenue. The redevelopers estimate that with the construction of the homes, the value of each lot will be \$120,000.00 per lot, increasing the tax revenue by approximately \$49,000.00 annually. This tax on the incremental increase would then go to the redevelopers to support the bond. After 15 years, it would return to the taxing jurisdictions.

This project benefits public infrastructure needs because of the completion of Avenue G between West Overland and West 11th Street. Although there is no employment within the project area, but this plan will create affordable housing which will have a positive impact on employment in the City and surrounding areas.

The other issue to evaluate is if the project meets the "but for" test, meaning but for the tax increment financing the project would not be feasible. The redevelopers have demonstrated that this financing is necessary to make the project work, considering the cost of the infrastructure, street and housing. If the CRA approves this plan, it will then go to the City Council for their consideration.

Mr. John Adams, redeveloper of the project, asked questions about the timing of the funding and payment process of the initial expenses. Mr. Selzer explained the process of creating the bond which is supported by the tax revenues. The developer can either hold the bond or sell it, or use it as collateral for the loan at the bank. Mr. Selzer explained that timing is crucial with these TIF projects to get the greatest value as possible.

Moved by Beatty, seconded by Phillips, "to approve the Five 22 Developing LLC Housing Redevelopment Plan and Resolution for the property located at lots 1-10, and lots 13-23, Rosenberger Addition located on Ave. G between West Overland and 11th Street," "YEAS", Covalt, Knapper, Beatty, Phillips and Trumbull; "NAYS" none.

RESOLUTION NO. CRA 16-06-01

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 *Five 22 Developing, LLC Housing Redevelopment Plan* (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, 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 \$105,000.00; (b) the estimated cost of preparing the project area for redevelopment is \$25,200.00; (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) tax increment financing for other eligible costs in the estimated amount of \$500,410.00 and (ii) 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, which shall be subject to the CRA entering into an agreed upon redevelopment contract with the redeveloper, 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 June 2, 2016.

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SCOTTSBLUFF

ATTEST:

_____Chair

_____Recording Secretary

CRA Chairman Trumbull declared a conflict of interest regarding the Owen Oral Surgery Items and announced that he will step aside as Chairman and Vice Chair Phillips will assume the duties of Chairman. Mr. Trumbull will abstain from voting or discussing these items. The City Attorney's office also has a conflict of interest which resulted in the review of the documents being considered by independent counsel, on behalf of the City.

Mr. Selzer, representing Owen Development, LLC, explained that proposed revised redevelopment plan is an example of a non-substantial modification. Following additional review by outside attorney Jim Ellison, and approval by City Council, there were a few minor modification recommendations which are reflected in the revised plan. The site development costs were itemized, and, parking lot paving, signage and other miscellaneous site improvements will not be paid for with TIF funds. The street paving in front of the business will be included in the TIF funding. Staff agreed that it is prudent to ratify the plan with these modifications.

Moved by Knapper, seconded by Beatty, "to approve the Owen Oral Surgery Redevelopment Plan, as modified, which was approved by the City Council," "YEAS", Covalt, Knapper, Beatty, Phillips and; "NAYS" none; "ABSTAIN", Trumbull.

RESOLUTION NO. CRA 16-06-02

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").

b. The Redevelopment Plan, was modified by the direction and authority of the CRA on or about April 28, 2016 and the Redevelopment Plan, as modified, was approved by the City Council on May 2, 2016.

c. The modification does not substantially change the scope of the Redevelopment Plan.

Resolved:

1. The CRA ratifies the modification of the Redevelopment Plan as approved by the City Council.

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

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

PASSED AND APPROVED on June 2, 2016.

COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF SCOTTSBLUFF

ATTEST:

Vice Chair

Recording Secretary

Mr. Selzer presented the contract and Bond for the Owen Oral Surgery Project. Attorney Ellison's review suggested a few minor changes which were included in the contract. It basically sets forth that the redeveloper is obligated to implement the plan and the city will use the tax revenues to pay off the bond. City Manager Johnson explained that in the contract there is a blank on page six for the administrative fee. The City is currently looking at this amount from a staff level. The fee will probably now be more than \$4,000.000, however, we are looking at a set percentage rate. It's important to cover attorney and city staff fees. Mr. Ediger added that this is important to discuss for future projects also, so that the city is not out-of-pocket for all administrative costs. Approval of the contract should include a provision for the administrative fee.

Moved by Beatty, seconded by Knapper, "to approve the Resolution adopting, approving, and authorizing the Vice Chairperson to execute the Redevelopment Contract and TIF Bond for the Owen Oral Surgery Redevelopment Plan, and provide for city staff to negotiate the administrative fee," "YEAS", Covalt, Knapper, Beatty, Phillips and; "NAYS" none; "ABSTAIN", Trumbull.

RESOLUTION NO. CRA 16-06-03

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.* (the “Act”), 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 (the “Authority”). 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 Planning Commission recommended approval of the Redevelopment Plan to the Authority and City Council.

c. The Authority and City of Scottsbluff City Council have approved and adopted the Redevelopment Plan.

d. The Authority and Owen Development, LLC (the “Redeveloper”) desire to enter into a Redevelopment Contract (the “Contract”) under which the Authority will provide a grant and tax increment financing to the Redeveloper to assist with the implementation of the Redevelopment Plan. Capitalized terms not otherwise defined in this Resolution shall have the same meaning as provided for in the Contract.

Resolved:

1. The Contract between the Authority and Redeveloper as presented is approved. The Vice Chair of the Authority is authorized to sign the Contract on behalf of the Authority. This Resolution shall be construed consistently with the Contract.

2. A tax increment revenue bond in the aggregate principal amount of \$204,000.00 is ordered issued in accordance with NEB. REV. STAT. § 18-2125 by the Authority and shall be designated as “Tax Increment Revenue Bond (Owen Development)” (the “Bond”).

3. Pursuant to the provisions of NEB. REV. STAT. § 18-2147 and the terms of the Contract the effective date is hereby confirmed as January 1, 2017, after which ad valorem taxes on real property located within the Site (as defined in the Contract) may be apportioned pursuant to said section 18-2147. Said taxes shall be divided as follows:

a. That portion of the ad valorem tax on the Site which is produced by levy at the rate fixed each year by or for each public body upon the "redevelopment project valuation" (as defined in the Act) 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 on the Site in excess of such amount (the “TIF Revenues”), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority (the “Bond Fund” as defined in the Contract) to pay the principal of, the interest on, and any premium due in connection with the Bond. When such Bond, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property related to the project shall be paid into the funds of the respective public bodies.

4. So long as any principal of the Bond remains outstanding the Authority shall not issue any additional bonds payable from the TIF Revenues from the Site without the written consent of the registered

owner (including any pledgee) of the Bond as then outstanding. The Authority further reserves the right to provide for payment of principal on the Bond from the proceeds of a refunding bond or refunding bonds to the extent allowed by law.

5. Pursuant to the terms of the Contract, the City Treasurer as Agent of the Authority is hereby authorized and directed to give notice to the County Assessor and Treasurer of the provision of the Contract for dividing ad valorem taxes in accordance with the requirements of NEB. REV. STAT. § 18-2147(3), listing 2016 as the “base year.”

6. The Bond is a special, limited obligation of the Authority and is not secured by any obligation or pledge of any monies received or to be received from taxation, other than tax increment revenues as set forth in the Contract and as described in NEB. REV. STAT. § 18-2147. The Bond shall not in any event be a debt of the Authority (except to the extent of the tax increment revenues pledged under the Contract), the City, the State, nor any of its political subdivisions, and neither the Authority (except to the extent of the tax increment revenues pledged under the Contract), the City, the State nor any of its political subdivisions is liable in respect thereof. In no event shall the Bond be payable out of any funds or properties other than those of the Authority acquired pursuant to the Contract. The Bond does not constitute a debt within the meaning of any constitutional, statutory, or charter limitation upon the creation of general obligation indebtedness of the Authority and does not impose any general liability upon the Authority. No member or official of the Authority nor any person executing the Bond shall be liable personally on the Bond by reason of its issuance.

Nothing in this Resolution shall preclude the payment of the Bond from (a) the proceeds of future bonds issued pursuant to law or (b) any other legally available funds. Nothing in this Resolution shall prevent the City or the Authority from making advances of its own funds howsoever derived to any of the uses and purposes mentioned in this Resolution and the Contract.

7. The Bond shall be in substantially the form of the attached Exhibit A and shall be subject to the terms and conditions as set forth in the Contract and this Resolution (including those in Exhibit A).

- a. The Bond shall be issued as a single Bond and in fully registered form.
- b. The Bond shall have an appropriate series designation as determined by the Treasurer of the City (the “Agent”), shall be dated the date the Bond is initially issued and delivered, which shall be the date of the first deposit of proceeds of that series in the Project Fund (defined in the Contract) (“Date of Original Issue”), shall mature, subject to right of prior redemption, not later than December 31, 2031, and shall bear interest in the amount determined by the Agent and Redeveloper, not to exceed 7%. The Agent is hereby authorized to, from time to time, specify, set, designate, determine, establish and appoint, as the case may be, and in each case in accordance with and subject to the provisions of this Resolution: (i) the Date of Original Issue, (ii) the principal amount of the Bond as set forth above, (iii) the maturity date of the Bond, which shall be not later than December 31, 2031, (iv) the initial principal payment date and (v) any other term of the Bond not otherwise specifically fixed by the provisions of this Resolution.
- c. The Bond shall be executed by the Vice Chair and Secretary of the Authority and the original, official seal of the City shall be impressed or printed thereon. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if s/he had remained in office until such delivery.
- d. Upon execution of the Bond and compliance with all other provisions of this Resolution and the Contract, the Bond shall be registered by the Agent in the name of the owner or its designee as

the initial registered owner and shall be delivered in consideration of payment of the principal amount thereof to the City's Treasurer in current bankable funds. The Redeveloper may request notation of a pledge interest in the Bond on the records of the Agent. From such purchase price, the Authority is to make a grant to the Redeveloper in accordance with the terms of the Contract.

- e. The Bond shall be issued to such owner as shall be mutually agreed between the Redeveloper and the Authority for a price equal to 100% of the principal amount thereof. The initial purchaser (and any pledgee) shall be required to deliver an investment representation letter to the Agent. Such letter shall be satisfactory in form to the officers of the Authority, or any one or more of them, as advised by the Authority's attorney. No Bond shall be delivered to any owner unless the City and the Authority shall have received from the owner thereof such documents as may be required by the Authority to demonstrate compliance with all applicable laws. The Authority may impose such restrictions on the transfer of any Bond as may be required to ensure compliance with all requirements relating to any such transfer.
- f. The Bond shall be issued in installments to the purchaser thereof, as the person(s) identified as the owner(s) of the Bond from time to time, as indicated on the books of registry maintained by the Registrar. The records maintained by the Registrar as to principal amount advanced and principal amounts paid on the Bond shall be the official records of the Cumulative Outstanding Principal Amount for all purposes. The Registrar shall have only such duties and obligations as are expressly stated in this Resolution and no other duties or obligations shall be required of the Registrar.
- g. The Agent shall keep and maintain for the Authority books for the registration and transfer of the Bond at City Hall in Scottsbluff, Nebraska. The name and registered address of the registered owner of the Bond (including notation of any pledgee as may be requested by the Redeveloper) shall at all times be recorded in such books. The transfer of the Bond may be registered only upon the books kept for the registration and registration of transfer of the Bond upon surrender thereof to the Registrar, together with an assignment duly executed by the owner or its attorney or legal representative in such form as shall be satisfactory to the Registrar. Prior to any transfer and assignment, the owner will obtain and provide to the Authority an investor's letter in form and substance satisfactory to the Authority evidencing compliance with the provisions of all federal and state securities laws, and will deposit with the Authority an amount to cover all reasonable costs incurred by the Authority, including legal fees, of accomplishing such transfer. A transfer of any Bond may be prohibited by the Authority if a default then exists under the Contract. Upon any such registration of transfer the Authority may execute and deliver in exchange for such Bond a new Bond registered in the name of the transferee, in a principal amount equal to the principal amount of the Bond surrendered or exchanged, of the same series and maturity and bearing interest at the same rate. In all cases in which any Bond shall be exchanged or a transfer of a Bond shall be registered hereunder, the Authority shall at the earliest practicable time execute and deliver a Bond in accordance with the provisions of this Resolution. The Bond surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Registrar. Neither the Authority nor the Registrar shall make a charge for the first such exchange or registration of transfer of any Bond by any owner. The Authority or the Registrar, or both, may make a charge for shipping, printing and out-of-pocket costs for every subsequent exchange or registration of transfer of such Bond sufficient to reimburse it or them for any and all costs required to be paid with respect to such exchange or registration of transfer. The Authority and the Agent shall not be required to transfer the Bond during any period from any Record Date until its immediately following payment date or to transfer the Bond when called for redemption, in whole or in part, for a period of 15 days next preceding any date fixed for redemption or partial redemption.

h. The principal and interest due on the initial payment date and each subsequent payment date prior to maturity shall be payable to the registered owner of record as of the fifteenth day of the calendar month immediately preceding the calendar month in which such payment date occurs (the "Record Date"). If the date for payment shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of Scottsbluff, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day, and payment on such day shall have the same force and effect as if made on the nominal date of payment. Payments on the Bond, except for payments due on final maturity date, or other final payment, shall be made by the Authority by mailing or delivering a check or draft in the amount then available for payment on the Bond to the registered owner of the Bond, as of the Record Date for such payment date, to such owner's registered addresses as shown on the books of registration as required to be maintained hereunder. Payments of principal and interest due at final maturity or other final payment shall be made by the Authority to the registered owner upon presentation and surrender of the Bond to the Authority at the offices at City Hall in the City of Scottsbluff, Nebraska. The Authority and the Agent may treat the registered owner of the Bond as the absolute owner of the Bond for the purpose of making payments thereon and for all other purposes and neither the Authority nor the Agent shall be affected by any notice or knowledge to the contrary, whether the Bond or any installment due thereon shall be overdue or not. All payments on account of principal and interest made to the registered owner of the Bond in accordance with the terms of the Contract and this Resolution shall be valid and effectual and shall be a discharge of the Authority and the Agent, in respect of the liability upon the Bond to the extent of the sum or sums so paid.

i. At any time, the Authority shall have the option of prepaying in whole or in part principal of the Bond. Notice of any optional redemption for the Bond shall be given at the direction of the Authority by the Agent by mail not less than 15 days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of the Bond at said owner's registered address. Notice of call for redemption may be waived in writing by any registered owner. In the event of prepayment in whole the Bond shall be cancelled. The determination of the amount and timing of any optional redemption of the Bond shall be in the absolute discretion of the Authority. The records of the Authority shall govern as to any determination of the principal amount of the Bond outstanding at any time and the registered owner shall have the right to request information in writing from the Authority at any time as to the principal amount outstanding upon the Bond.

8. The Vice Chair and Agent are hereby authorized to take any and all actions, and to execute any and all documents deemed by them necessary to effect the transactions contemplated in the Contract and authorized by this Resolution.

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

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

PASSED AND APPROVED on June 2, 2016

COMMUNITY REDEVELOPMENT
AUTHORITY OF THE CITY OF
SCOTTSBLUFF

Vice Chair

ATTEST:

Recording Secretary

Chairman Trumbull asked about projects in general, if, for some reason a project were not able to move forward. Deputy City Attorney Ediger explained that the plan will remain in place if another developer would want to take it over.

Moved by Knapper, seconded by Phillips, "to adjourn the meeting at 5:45 p.m.," "YEAS", Covalt, Knapper, Beatty, Phillips and Trumbull; "NAYS" none.

Nathan Johnson, Secretary

Recording Secretary

City of Scottsbluff, Nebraska

Monday, October 24, 2016

Regular Meeting

Item 1

CRA to review the Draft Tax Increment Financing (TIF) Guideline document, discuss and consider recommendation to City Council.

Staff Contact: John L. Selzer, Nathan Johnson

I. INTRODUCTION

The purpose of this guide is to describe the criteria for the use of Tax Increment Financing (TIF) and the procedures which will be used by the City of Scottsbluff City Council, Planning Commission, and Community Redevelopment Authority for evaluating proposals requesting TIF for projects within the City of Scottsbluff, Nebraska. The implementation of TIF is governed by Nebraska's Community Development Law, Sections 18-2101 – 18-2144. The following are guidelines only and TIF applications and plans are always subject to final approval by the City.

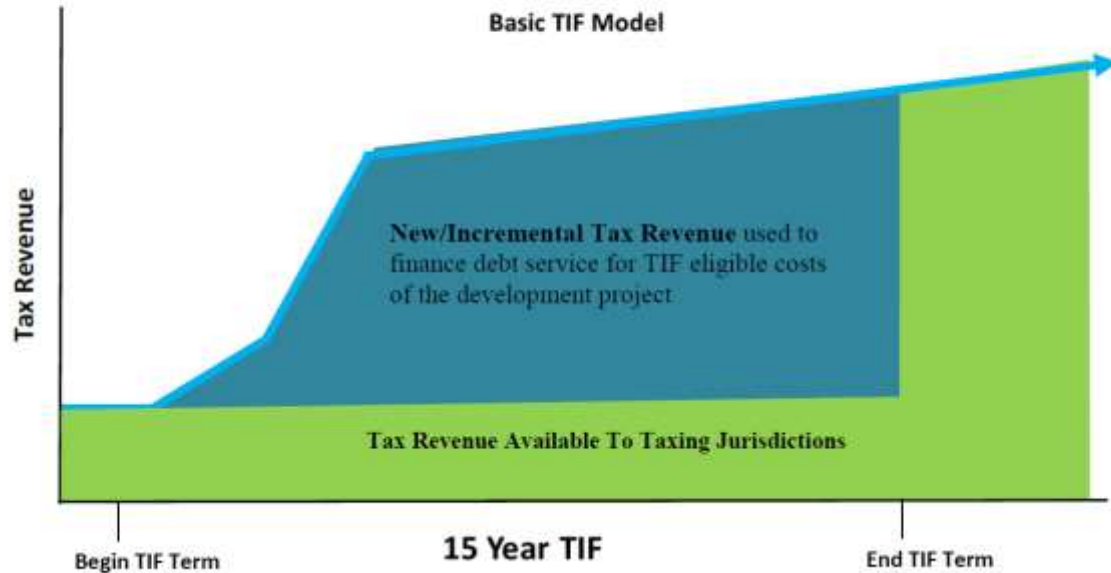
What is TIF?

One of the best tools the City has to incentivize the redevelopment of blighted and substandard properties is Tax Increment Financing. Properties located in blighted and substandard areas, as compared to other areas, can be extremely expensive to demolish, rehabilitate and develop. Tax Increment Financing can make development or redevelopment of these sites financially feasible by providing funding for the acquisition of these sites, demolition of existing structures, and other eligible site improvements.

In 1980, the voters of the State of Nebraska approved a constitutional amendment permitting the use of TIF to help finance redevelopment projects. TIF funds generally allow for acquisition of property, site preparation, and construction of public improvements associated with projects. In 1984, State voters approved an additional constitutional amendment extending the use of TIF to help finance rehabilitation projects as well.

TIF in Nebraska is primarily designed to finance certain eligible costs (further explained below) associated with a private development project. Essentially, the property tax increases resulting from a development are targeted to repay the eligible costs required by a project. TIF provides a means of encouraging private investment in areas in need of redevelopment, especially in deteriorating areas by allowing city governments to devote, for up to 15 years, increases in specific property tax revenue as a result of the redevelopment to repay the eligible costs. The chart below demonstrates the public and private benefits of TIF.

A True Public/Private Tool



NOTE: Typically there is a sharp increase in assessed valuation within the first few years, then a plateau or gradual increase in valuation.

TIF has emerged as one of the City of Scottsbluff's most effective redevelopment and economic development tools, but it is important to remember that there several restrictions to tax increment financing. It can only be utilized in areas that the City has designated as "blighted and substandard." State statute also requires that any project utilizing TIF must pass the "but-for" test, meaning that the project would not be economically feasible without the use of tax increment financing. TIF is an extremely important tool for redevelopment, and when used correctly, is of great benefit to the City.

II. Program Goals

The City's Comprehensive Plan, adopted in 2016, developed a community vision based on the input of a large representation of the City's residents. The following four development principles were identified to guide the implementation of this Community Vision. TIF projects that adhere to these principles will be of highest priority to the City. Please note that the principles listed below are an abbreviated version of the principles listed in the Comprehensive Plan. The Comprehensive Plan can be found on the City's website (scottsbluff.org) or can be obtained at City Hall and should be referred to for a more complete description of these principles.

Community Vision

Scottsbluff will be a place where current and future generations want to pursue their aspirations- a place of opportunity.

Interconnection of Neighborhoods and amenities

The interconnection of neighborhoods and amenities means where residents live will be connected to the places and things they utilize. It also promotes safe and efficient movement of goods and people to and from other communities and around the city.

Sustainable development

Development should be responsive to the market and social needs of the region and City infrastructure and policies should accommodate development's swift responsiveness. City investments should be fiscally conservative and equitable throughout the city. Growth will not saddle future generations with long term environmental or economic burdens. Development and redevelopment will best respond to the needs of the community if the community is involved in shaping those plans. Included in this strategy are:

- Prioritization of infill development through incentives, residential home rehabilitation, and Brownfields redevelopment.
- Redevelopment in blighted areas that holistically address the economic, social, business, and physical health needs of the community.
- Build a strong community core through place making, mixes of uses, integration of motorized and non-motorized transportation options, and strategic investments for social and economic stability.

Access to culture and recreation

Recreational and entertainment amenities should be woven into the fabric of the community. These amenities include parks and outdoor spaces, playgrounds, sidewalks and walking trails, pools, concert venues, restaurants, and plazas. Integrating these amenities into the shared spaces in the community works to promote a community where people want to be and improve the wellness of the community.

Strong neighborhoods and places rooted in our unique character

Communities that make investments to improve quality of life and sense of place are the communities where people and businesses are moving. Scottsbluff will continue the work that has been started to bring energy, stability, and business to the community through place-based development. Enhancing the lived experiences and cultural experiences in the community strengthens the bond residents feel to remain in or return to the community. Scottsbluff also knows strong neighborhoods and housing options help build a strong workforce and healthy families. Together, strong neighborhoods and memorable places help residents grow roots in the community and attract others to live and invest here.

III. PROGRAM CRITERIA

Mandatory Criteria of the TIF Program

Applications for TIF assistance **must meet** the mandatory criteria in order for the project to be considered. The application must demonstrate how the project meets the required criteria.

A project **must meet each of the following** criteria:

1. The project must be located within an area that has been designated as blighted and substandard or within an area eligible for a designation as blighted and substandard as required and set forth by State Statute. See Appendix A for a map of areas currently designated as blighted and substandard by the City of Scottsbluff. **(Community Development Law §18-2109)**
2. The use of TIF for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions and the costs and benefits of the project are in the long-term best interest of the community. **(Community Development Law §18-2113 and §18-2116)**
3. The developer is able to demonstrate that the project would not be **economically feasible** without the use of TIF. In addition, when the project has site alternatives, the proposal must demonstrate that it would not occur in the area without TIF. Return on investment assists in determining the economic feasibility of the project. **(Community Development Law §18-2113 and §18-2116)**
4. The project must further the objectives of the City's Comprehensive Plan. See Section II, Program Goals, for the main principles set forth by the City of Scottsbluff Comprehensive Plan. **(Community Development Law §18-2112 and §18-2116)**

Other Criteria and Considerations of the TIF Program

1. The Project owner/developer must secure financing or be able to show a financial ability to complete the project, including any public improvements, as required. The financial ability can be contingent on TIF being granted. However the owner/developer must understand that TIF typically only pays for a small portion of a project. The incremental tax allocations paid into Scotts Bluff County are forwarded to the owner/developer, or their assignees as received, to amortize the TIF loan. Except for the tax allocations for the permitted term, the City assumes no responsibility for the repayment of any TIF loan.
2. The City assumes no responsibility for the financing of any TIF loan or bond.
3. All TIF projects must comply with city codes and zoning ordinances, and will be approved subject to compliance with these codes and zoning ordinances, to include urban design review, when applicable.
 - a) **A TIF pre-application meeting must be scheduled for all proposed TIF projects and will include City staff.**
 - b) A Site Plan Review is highly encouraged to determine if the site complies with the current ordinance and addresses appropriate public improvements. To request a Site Plan Review, contact Development Services at (308) 630-6254.

c) No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

Uses of TIF

TIF is primarily designed to finance public improvements associated with a project.

The following are considered TIF eligible costs:

- Total amount of public improvements associated with the TIF redevelopment project plan. Public improvements can be located on a redevelopment project site, directly adjacent to the redevelopment project site, or within the general vicinity of the redevelopment project site if those improvements are necessary for the project
- Acquisition costs of redevelopment project sites
- Site preparation, demolition, grading, surcharging, special foundations, and other pre-development work prior to construction of the project such as architectural and engineering services related to the project as well as environmental services and studies
- Utility extensions and hookups
- Rehabilitation, major renovations, and retrofitting of structures within the redevelopment project area. TIF **will not cover** normal maintenance and repair costs.
- Public parking
- Traffic studies, market studies, and appraisals associated with the redevelopment project site
- TIF fees

IV. PROJECT SELECTION

Application Process (See separate TIF Application Form attached to these Guidelines)

The City Manager or designee – should be the applicant’s primary point of contact for the project. This will help ensure that the TIF application, Redevelopment Plan and Redevelopment Agreement approval process with the timelines for other project site requirement(s) and approvals.

All applications for TIF must be submitted to the City of Scottsbluff, for review before presenting to the Planning Commission and Community Redevelopment Authority (CRA). Submittal of the application generally establishes when the Redevelopment Project Plan will be presented to the CRA. CRA meetings are generally scheduled for the 4th Monday of each month at 5:00pm. This scheduled date may change due to holidays or other circumstances. The owner/developer applicant will be contacted to give a brief presentation to the Planning Commission, CRA, or City Council regarding the TIF project. The TIF Application Submittal Deadline is fourteen (14) days prior to the CRA meeting at which the application will be presented.

On the TIF Submittal Deadline Date by noon:

- **Submit one (1) hard copy of the entire, completed TIF Application,**

- **Email an electronic copy of the TIF Application,**
- **Submit the \$250.00 TIF Application Fee.**

The TIF application will be evaluated by City Staff. After final evaluation of the TIF application that is determined to be ready to move forward, the applicant will be notified to:

- **Submit three (3) hard copies of the *revised (if applicable)*, completed TIF Application,**
- **Email the *revised (if applicable)*, completed TIF Application**

Also, the applicant will be notified of the appropriate meetings to attend to present the TIF project. Once the CRA has provided its recommendation and approval of the initial application, a Redevelopment Project Plan will be prepared by City Staff, **OR** the applicant can hire a qualified person to prepare the plan. If the City Staff prepares the Redevelopment Project Plan, it will be ready within 30 days after application approval.

The processing fee is due and payable upon the CRA's approval of the application and prior to consideration of the Planning Commission hearing. The administrative fee of \$5,000.00, if applicable, will be due and payable upon approval of the TIF redevelopment agreement.

V. APPROVAL PROCESS

After approval of the application by the Community Redevelopment Authority, the project goes through the following process:

- 1. Preparation of a Redevelopment Project Plan:** The Redevelopment Plan has certain statutory requirements and will include a definition of the Tax Increment Project Area. It will also contain information about the use of TIF funds. City Staff can prepare the Plan with the assistance of the Developer. **Alternately**, the applicant can hire a qualified person to prepare the redevelopment plan and submit that plan to the City for consideration.
- 2. Approval of the Redevelopment Plan:** The Plan is first submitted to the Planning Commission for its recommendation as to whether or not the plan is consistent with the goals set out in the Comprehensive Plan. The Planning Commission will also hold a public hearing to allow for public input on the project. Following the Planning Commission recommendation, the Plan is then submitted to the Community Redevelopment Authority for a recommendation to Council. The Plan is then forwarded to City Council for a public hearing. Following the public hearing, Council can approve a resolution adopting the Redevelopment Plan.
- 3. Approval of the Redevelopment Agreement:** Following approval of the Redevelopment Plan, the City and the owner/developer negotiate a Redevelopment Agreement. The Agreement sets forth the mutual responsibilities of both parties and may include the financial terms of the project. As part of the agreement process, the owner/developer will either demonstrate that they can finance the TIF loan or negotiate loan terms with a private lender. The Redevelopment Agreement will then be submitted to the CRA for approval. The CRA may simultaneously authorize the TIF bond. However, a TIF bond will

not be issued by the CRA until eligible project costs are incurred. Interest rates on bonds will be determined by the market at the time the bond is issued.

VI. TIF FEE STRUCTURE

The fee structure for TIF projects are as follows:

1. An initial application fee of \$250.00 – due upon submission of the TIF application
2. Upon conceptual approval of TIF application, a processing fee based on the schedule below shall be remitted if the applicant wishes the application to be further considered. This must be paid before the Planning Commission will review the Plan. If the processing fee has not been paid for a period of six (6) months after notification of conceptual approval, the application shall be deemed abandoned and the application fee forfeited. The processing fee schedule is as follows:
 - 1% processing fee on the estimated TIF proceeds available for the Project (subject to the minimum and maximum below)
 - Minimum processing fee of \$5,000 on all projects
 - Maximum processing fee of \$25,000
3. Upon approval of the Redevelopment Plan and Redevelopment Agreement, the person or organization receiving the TIF funds shall pay an administrative fee of \$5,000.

VII. Policy

This policy shall be reviewed and updated as necessary. Any changes shall be approved by the City Manager and submitted to the Mayor and City Council for their approval.

APPLICATION FOR TAX INCREMENT FINANCING

Please note that the following application must be typed prior to submission to the Development Services office. You should attach additional pages when necessary. The applicant(s) or a designated representative must be present at the Community Redevelopment Authority (CRA), Planning Commission, and City Council meetings to answer any questions related to the project. Proper notice of both meetings will be given to applicants by City Staff. **Failure to complete any of these application requirements may result in ineligibility for or delay of approval of Tax Increment Financing.**

1. Please state, the name, address, telephone number and email address of the Redeveloper(s) (the applicant). If the Redeveloper is a business entity, please include the name of the designated representative of the business and the position title.

2. Please describe the property to be redeveloped (the "Project Site") by address, legal description, or, if necessary, general location. Please include all parcel numbers included in the Project Site. These can be obtained from the Scotts Bluff County Assessor website: <http://www.scottsbluffcounty.org/assessor/assessor-disclaimer-do.html>. Please attach a map of the Project Site if available.

3. Please describe the existing uses and condition of the Project Site.

4. If you do not currently own the Project Site, please explain your plan for acquiring the Project Site, including whether you have a current agreement to acquire the Project Site.

5. Please describe the Redevelopment Plan on the Project Site. In your description, please address (please include your answers in an attached document):

- A. Proposed land uses after redevelopment (please attach a land use plan if available).
- B. The necessity of and plan to demolish or remove structures.
- C. Land coverage and building intensities in the Project Site after redevelopment (please attach a site plan if available).
- D. Standards of population densities in the Project Site expected after redevelopment.
- E. A statement of any proposed changes to zoning, street layouts, building codes, or ordinances.
- F. A statement of any planned subdivision to the Project Site.
- G. A statement of additional public facilities and utilities required to support the Project Site after redevelopment.
- H. Employment within the Project Site before and after redevelopment.
- I. Any other information you deem relevant.

6. Please itemize your estimated project costs (please attach copies of bids or estimates to support estimated project costs):

A. Land Acquisition (if applicable):	\$
B. Site Development (itemize):	\$
C. Building Cost:	\$
D. Architectural & Engineering Fees:	\$
E. Legal Fees:	\$
F. Financing Costs:	\$
G. Broker Costs:	\$
H. Contingencies:	\$
I. Other (itemize):	\$

TOTAL \$

7. Please list the names and addresses of all known architects, engineers, and contractors who will be involved with the Project.

8. Please itemize the following regarding the valuation of the Project Site:

- A. Total estimated assessed valuation of Real Property at completion:
- B. Latest property valuation (from R.E. Tax Statement):

9. Please itemize your projected sources of financing for the Project (please include a construction pro forma if available):

A. Equity:	\$
B. Bank Loan:	\$
C. Tax Increment Financing:	\$
D. Other (itemize):	\$
TOTAL	\$

10. Please set forth your Project schedule.

- A. Expected acquisition date (if applicable):
- B. Demolition start date (if applicable):
- C. Construction start date:
- D. Construction completion date:
- E. If project is phased:

Year _____ % Complete

Year _____ % Complete

11. Please name any other municipality wherein you, or other entities the applicant has been involved with, has completed developments within the last five years.

12. Tax Increment Financing Request:

A. Describe amount and purpose for which tax increment financing is required:

B. Statement of necessity for use of tax increment financing:

C. Have you filed or do you intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act for a project located or to be located within the Project Site?

_____ Yes _____ No

D. If your answer to the previous question 12.C is “Yes,” does such application include, or will such application include, as one of the tax incentives, a refund of the City’s local option sales tax revenue?

_____ Yes _____ No

E. If your answer to question 12.C is “Yes,” has the application been approved under the Nebraska Advantage Act?

_____ Yes _____ No

I certify that the facts and estimates set forth in this application for Tax Increment Financing (TIF) are true and accurate to the best of my knowledge. I understand that false statements on this application shall be considered sufficient cause for ineligibility.

I understand that the City may request additional information it deems relevant and that submitting this application does not guarantee a grant of TIF. All TIF grants are conditional upon (1) approval by the appropriate City authorities and (2) the execution of a contract between you and the CRA.

I agree to maintain all project related receipts for a period of five (5) years beginning at final payment of Tax Increment Financing for audit purposes.

Applicant Name	Signature	Date
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Applicant Name	Signature	Date
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City of Scottsbluff, Nebraska

Monday, October 24, 2016

Regular Meeting

Item 2

CRA to discuss and consider prioritization of current brownfields to be eligible for potential grant funds through PADD.

Staff Contact: Nathan Johnson, City Manager

City of Scottsbluff, Nebraska

Monday, October 24, 2016

Regular Meeting

Item 3

Update on potential Community Redevelopment Authority funding.

Staff Contact: Nathan Johnson, City Manager

City of Scottsbluff, Nebraska

Monday, October 24, 2016

Regular Meeting

Item 4

**Update on the Five 22 Developing, LLC Housing Development,
John Adams Developer.**

Staff Contact: John L. Selzer

City of Scottsbluff, Nebraska
Monday, October 24, 2016
Regular Meeting

Item 1

Executive Session.

Staff Contact: CRA