

City of Scottsbluff, Nebraska
Monday, November 28, 2016
Regular Meeting

Item 1

Approve Minutes of the October 24, 2016 Meeting.

Staff Contact: Chris Burbach, Deputy City Clerk

City of Scottsbluff
Community Redevelopment Authority
October 24, 2016

A meeting of the Community Redevelopment Authority (CRA) Committee was held on October 24, 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, Kelly Beatty, Joanne Phillips and Bill Knapper. Absent: Seth Covalt. In attendance on behalf of the City were City Manager Nathan Johnson, Deputy City Attorney John Selzer, Deputy City Clerk, Chris Burbach and City Finance Director, Liz Hilyard.

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.

Kelly Beatty stated that his name was misspelled in the June 2, 2016 minutes. Moved by Knapper, seconded by Beatty, "to approve the minutes of the June 2, 2016 Meeting with the spelling correction of Kelly Beatty's name in the second paragraph," "YEAS", Knapper, Beatty, Phillips and Trumbull; "NAYS" none. Absent: Covalt.

Committee member Seth Covalt arrived at 5:05 p.m.

City Manager Johnson presented the Draft copy of the Tax Increment Financing (TIF) Guideline document for the committee to review and discuss. There are still corrections and changes that will need to be made to this draft copy, so the committee will not make a recommendation to the City Council at this time. (See draft copy attached to minutes.)

Deputy City Attorney Selzer stated that the City did a nice job of putting this document together and it would have been very helpful to have earlier in the year for the housing project that started a few months ago, as it would have answered a lot of questions. It will be very helpful in the future for those who want to come in and apply for TIF projects.

Mr. Johnson explained that they used the template from the City of Omaha to create this document and incorporated changes that would meet the needs of the City of Scottsbluff from the City's Comprehensive Plan. He and Mr. Selzer then went over the document with the committee members.

The following is input and discussion from staff and committee members on various items of the document:

- Mr. Johnson told the committee that in Section III Program Criteria; that he would like their input about the possibility of the city having an outside source doing a study to determine the areas in the city that could be designated as blighted and substandard. The cost of the study would be passed on to the costs of a developer. This would be substantially lower to do it all at once than project by project. By having the designation, the city could promote economic development in those specific areas. The City is trying to be pro-active by having blighted and substandard designations already done for developers who want to use TIF. Mr. Trumbull asked if it would be feasible to include the whole city in this study. Mr Selzer said that it would make more sense to pinpoint and prioritize areas that would meet the criteria of blighted and substandard. The city can only have 35% of the city designated as blighted and substandard and are at 22% right now.
- Section IV. Project Selection: Mr. Johnson explained that the City's primary point of contact for a project within the city will fluctuate depending on the project. For example, if it involves a new park, someone from the Parks Department could be the point of contact. But it would ultimately be a team of individuals working on the TIF project to cover all aspects. This would be for the initial application to the City for review to be selected to continue on in the process of going

before the Planning Commission and Community Redevelopment Authority. This step will eliminate any additional legal and/or administration costs to the developer, if the application is not approved to move forward.

- Section VI. TIF Fee Structure: Committee Members felt there should be in the guidelines, a minimum dollar amount set for a TIF bond in order to make application. After discussion, members agreed that the minimum should be \$50,000.00. There were questions in regards to the processing fees in the document. Mr. Selzer stated that the wording needs to be clarified because it is confusing as is. Finance Director Liz Hilyard commented that they may not want to put a maximum amount on the 1% processing fee. The committee asked staff to bring back examples of what fees would be for different amount projects. Mr. Johnson asked if the examples should be included in the document. Committee members concurred that they should.

Mr. Johnson stated that staff will make the necessary changes and bring the guideline document back to the next meeting for more discussion, before it goes to the City Council.

Mr. Johnson presented an inventory list of Brownfields from PADD that was comprised from workshops they held. PADD has applied for grant funds that could be available in May 2017. The city would like the CRA to come up with a list of Brownfields that they would like the grant money to be used on. Mr. Johnson explained that a Brownfield is a site that is very dilapidated, that could possibly also have some environmental cleanup issues that are associated with the facility/site. The site would most likely need a lot of substantial work to be done in order to have the site go back to potential new owners. A good example would be an old refinery that would need environmental assessments and mitigation, opposed to a residential site. Mr. Johnson stated that the list presented is mostly from the East Overland corridor and he would like the committee to look at other brownfields throughout the community to be included for consideration. Discussion will be held at a future meeting to prioritize a list that can be used to create the Brownfield inventory list needed by the City.

Mr. Johnson informed the committee that the City has some industrial property that will be sold before December 31, 2016. Staff will check with Legal and the auditors, but the money coming from the sale of the industrial lands could potentially become a funding source for the CRA. The City Council would need to approve this and funds would not become available until the next budget year beginning October 1, 2017. Mr. Trumbull asked if LB840 funds could be used. Mr. Johnson stated that staff will look into whether there would be anyway LB840 funds could be used on a project by project basis.

Mr. Selzer gave an update on the Five 22 Developing LLC Housing Redevelopment. At this time they are looking for financing and won't be going forward with the project until next year. They are not abandoning the project, just trying to move forward. May need to amend the plan to change the dates when the project moves forward.

Mr. Trumbull asked Ms. Hilyard if the TIF audit had been completed. Ms. Hilyard stated she had just received another inquiry today which she answered. Mr. Trumbull asked what other cities were being audited. Ms. Hilyard stated they are Omaha, Grand Island, Kearney, Alliance and Scottsbluff. Mr. Johnson stated that this is the first time they have audited the TIF and the city has been able to provide them with everything that they need.

Moved by Covalt, seconded by Phillips, "to adjourn the meeting at 6:25 p.m.," "YEAS", Covalt, Knapper, Beatty, Phillips and Trumbull; "NAYS" none.

Nathan Johnson, Secretary

Recording Secretary