

**City of Scottsbluff, Nebraska**  
**Wednesday, December 12, 2018**  
**Regular Meeting**

**Item PIVO1**

**Review Redevelopment Plan.**

**Staff Contact: Starr Lehl**

**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**

*HPB Expansion*

*By PIVO, Inc.*

**1. Introduction/Executive Summary**

PIVO, Inc. (the “Redeveloper”) submits this Redevelopment Plan (“Plan”) to the City of Scottsbluff City Council (the “City”), the City of Scottsbluff Planning Commission (“Planning Commission”), and the City of Scottsbluff Community Redevelopment Authority (the “CRA”), pursuant to the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*

Under this Plan, the Redeveloper proposes to expand its building on the “Project Site” (as defined below) to make room for expanded operations. The Project Site has been declared to be blighted and substandard. On the Project Site the Redeveloper desires to build an addition to its current building (the “Project”). The Project will require demolition of a portion of the City’s storm drain, which runs east/west through the Project Site, and re-routing of the drain in City right-of-way, north of the Project Site. The Redeveloper is requesting tax increment financing for certain eligible costs and expenses related to the Project.

**2. Blighted and Substandard Condition of Project Site (NEB. REV. STAT. §§ 18-2103 (3) and (31) and 18-2109)**

On November 20, 2017, the City declared the Project Site and surrounding areas as blighted and substandard as defined in the Nebraska Community Development Law.

**3. Statutory Elements (NEB. REV. STAT. §§ 18-2103(27) and 18-2111)**

- A. *Boundaries of the Project Site:*** The Project Site is located at 2810 Avenue M and is legally described as Lot 3B, Block 2, Amended Plat of Lots 3A and 5, Block 2, Case Subdivision to the City of Scottsbluff, Scotts Bluff County, Nebraska and the adjacent City right-of-way. Aerial maps of the Project Site are found in Attachment 1.
- B. *Land Acquisition:*** No land acquisition is contemplated under this Plan. The Redeveloper owns the Project Site.
- C. *Land Coverage, and Building Intensities:*** The Project Site is 153,767 square feet (3.53 acres). The current warehouse building is 41,870 square feet, with additional paving. There is a utility building on the north area of the Project Site which is 3,600 square feet. See Attachment 2. The new expansion will be an additional 11,955 square feet.
- D. *Land Uses:*** See Attachment 3 for existing land uses of the area surrounding the Project Site. This Project is the expansion of a current business operation, so no changes in land uses of the Project Site are contemplated.
- E. *Existing Uses and Condition:*** The south portion of the Project Site includes the Redeveloper’s current warehouse and office building. This Plan primarily addresses the expansion of the building to the northwest portion of the Project Site which currently is vacant, unused land.
- F. *Site Plan:*** See Attachment 4.

- G. ***Demolition and Removal of Structures:*** The City's storm drain running east/west through the Project Site will need to be demolished and removed. The lean-to structure on the northwest side of the building will also be demolished and abandoned electrical and refrigeration components will be removed. See Attachment 5 for a picture of the lean-to to be demolished.
  - H. ***Population Densities:*** The Plan does not contemplate a change in population densities around the Project Site.
  - I. ***Zoning Changes:*** The Project Site is zoned as C-3 (Heavy Commercial), which includes warehousing/wholesaling activities as a permitted use. Thus, no zoning changes are necessary.
  - J. ***Additional Public Facilities and Utilities:*** The City storm drain must be reconstructed as shown on the Site Plan. This Plan also includes the potential improvements to the alley on the west side of the Project Site, to the extent tax increment financing is available.
  - K. ***Street Layouts, Street Levels, and Grades:*** No changes to street layouts, street levels, and grades are needed for this Plan.
  - L. ***Ordinance and Building Code Changes:*** No ordinance or building code changes are contemplated by the Plan.
4. **Conformity to General Plan of the City (NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a)).**

The Planning Commission, City, and CRA are all tasked with determining whether this Plan conforms to the general plan for the development of the City as a whole. NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a).

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Northwest District and in an Automobile Commercial Neighborhood, which contemplates daytime and nighttime activity, commercial vehicle access, and a wide variety of building types and sizes. The Redeveloper's potential expansion of its business on the Project Site is consistent with the Comprehensive Plan.

5. Proposed Financing

A. **Tax Increment Financing.** The Redeveloper is requesting tax increment financing to pay for statutorily eligible expenses, to the extent such funds are available. The tax increment financing will be generated from the increased property taxes to be paid on the Project Site after development. The amount of the available proceeds from tax increment financing (“TIF Revenues”) is estimated at approximately \$276,000.00, calculated as follows:

Current Assessed Value:		
Land:	\$ 114,256.00	
Building/Improvements	<u>\$1,837,360.00</u>	
Total		<u>\$1,951,616.00</u>
Estimated Value after Completion		
Land:	\$ 114,256.00	
Building:	<u>\$2,685,744.00</u>	
Total		<u>\$2,800,000.00</u>
Increment Value:		\$848,384.00
Multiplied by approximate 2.17% levy	x 0.0217	
Annual TIF Revenues Generated (Rounded)		\$ 18,400.00
Multiplied by 15 years (Maximum Duration of TIF)	x 15	
Estimated TIF Revenues Available:		<u>\$276,000.00</u>

This estimated amount must be reduced to present value based on an interest rate to be agreed upon by the Redeveloper and the City to support a tax increment financing bond (“TIF Indebtedness”).

Because the Plan proposes the use of tax increment financing, the City must find that the Plan would not be economically feasible without the use of tax increment financing and the Project would not occur in the blighted and substandard area without the use of tax increment financing. The City and the CRA must also find that 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 have been analyzed and been found to be in the long-term best interest of the community. NEB. REV. STAT. §§ 18-2113(2) and 18-2116(1)(b).

The Redeveloper certifies that this Plan would not be economically feasible, and the Project would not occur at the Project Site without the use of tax increment financing. The City storm drain was not located on City maps prior to project conception and was not marked by the City during location services. However, re-routing the drain is necessary to preserve the integrity of the building expansion and to avoid future issues the City may face in terms of accessing the drain. This unanticipated expense adds approximately \$100,000.00 to the cost of the Project. Demolishing and moving the drain was an unanticipated expense not originally accounted for by the Redeveloper, is not typical in a development project, and has inhibited development potential in this case. Upon discovery of the storm drain issue, the Redeveloper sought options from the City for addressing the issue and tax increment financing became the public/private solution for the Project to move forward. Other eligible expenses were also identified to enhance the feasibility of the Project, which will incentivize this development.

Notwithstanding the foregoing, the Redeveloper understands the liability of the CRA and City is limited to the TIF Revenues received by the CRA related to the Project to pay the TIF Indebtedness. The Redeveloper shall look exclusively to the TIF Revenues related to this Project for the payment of any TIF Indebtedness. The Redeveloper acknowledges that the above figures are, and any TIF Indebtedness will be set, based on estimates and assumptions, including expectations as to the completion of construction and property valuations suggested by the Redeveloper, which may alter substantially and materially, and that tax increment revenues may be altered or eliminated entirely based on future decisions of the Nebraska Legislature or the voters of the State of Nebraska or by future court decisions.

Below are the portions of the project, and estimated costs, which the Redeveloper proposes to be paid for with TIF Revenues:

<u>Description</u>	<u>Estimated Cost</u>
Site Preparation	\$ 16,032.00
Storm Drain Demolition and Reconstruction	\$ 81,250.00
Civil Engineering/Site Design	\$ 13,500.00
Plan Preparation/Legal	\$ 10,000.00
Demolition/Relocation of abandoned	
Electrical and refrigeration	\$ 5,000.00
Storm Water Retention/Fee	\$ 20,000.00
<u>Alley Improvements*</u>	<u>\$ 12,000.00</u>
TOTAL	\$ 157,782.00

\*Alley improvements on the west side of the Project Site may be added based on final costs of other items and remaining TIF Revenues available.

A statutory Cost-Benefit Analysis of the Project is attached as Attachment 6.

**B. Private Investment/Financing.** The Redeveloper will make a substantial private investment in and obtain private financing for in the private improvements such as the building and personal property estimated between \$600,000.00 and \$800,000.00.

*Please note that all the figures in this Plan are estimates.*

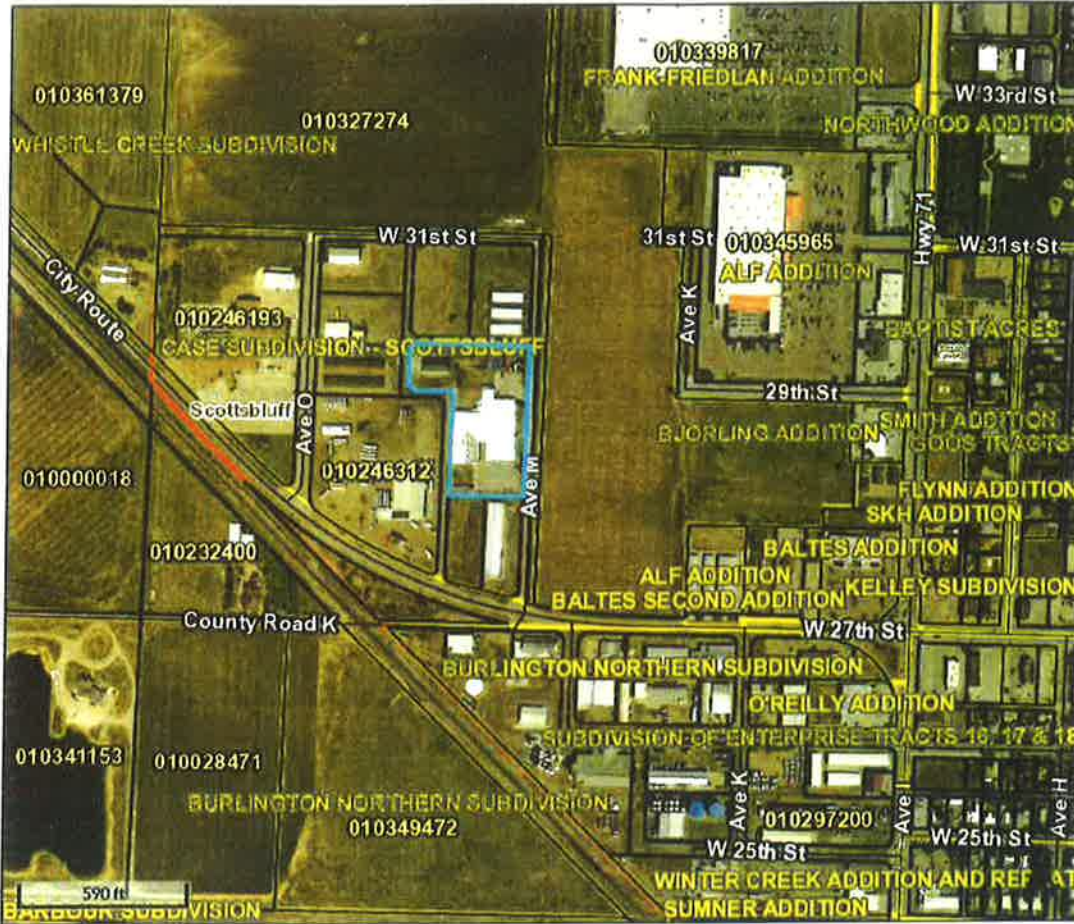
This Redevelopment Plan is submitted by the Redeveloper on the date set forth below.

Dated: 12/06/2018

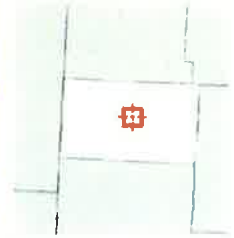
PIVO, Inc.

By:   
Jeffrey J. Schinost, President

**HPB Expansion Redevelopment Plan  
Attachment 1  
Aerial Maps**



**Overview**



**Legend**

-  Parcels
-  Subdivisions
-  Roads

<b>Parcel ID</b>	010246223	<b>Alternate ID</b>	n/a	<b>Owner Address</b>	PIVO INC
<b>Sec/Twp/Rng</b>	15/22/55	<b>Class</b>	n/a		D/B/A HIGH PLAINS BUDWEISER
<b>Property Address</b>	2810 AVE M	<b>Acreage</b>	n/a		PO BOX 771
					SCOTTSBLUFF NE 69363

**District** n/a  
**Brief Tax Description** LT 3B, BLK 2, AMENDED PLAT OF LTS 3A & 5, BLK 2, CASE SUB  
 (Note: Not to be used on legal documents)

DISCLAIMER: This map measurement's and all associated data are approximate and not to be used for any official purposes. Scotts Bluff County assumes no liability associated with the use or misuse of this information.

Date created: 11/16/2018

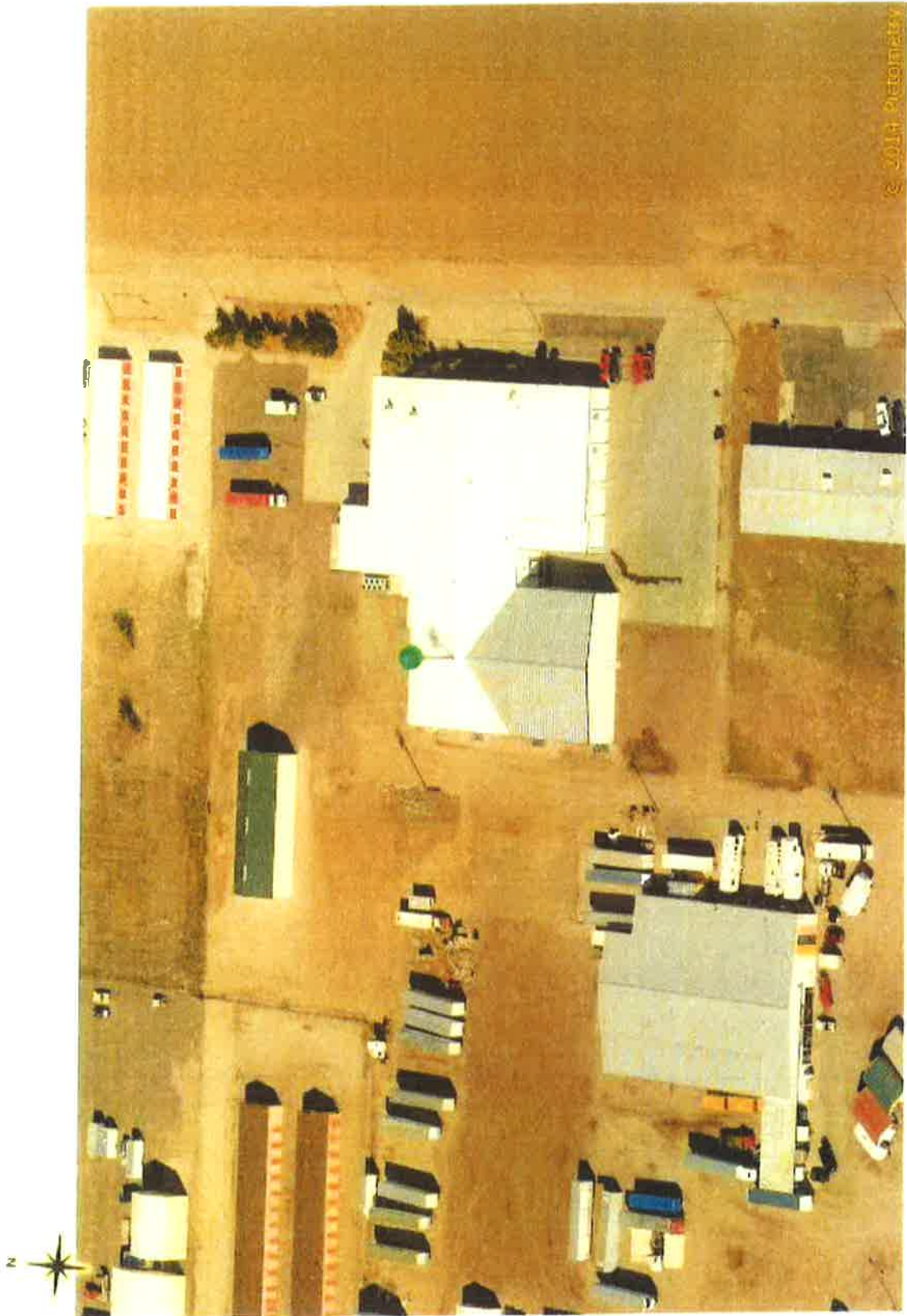
Developed by  Schneider  
 GEOSPATIAL



# Project Site





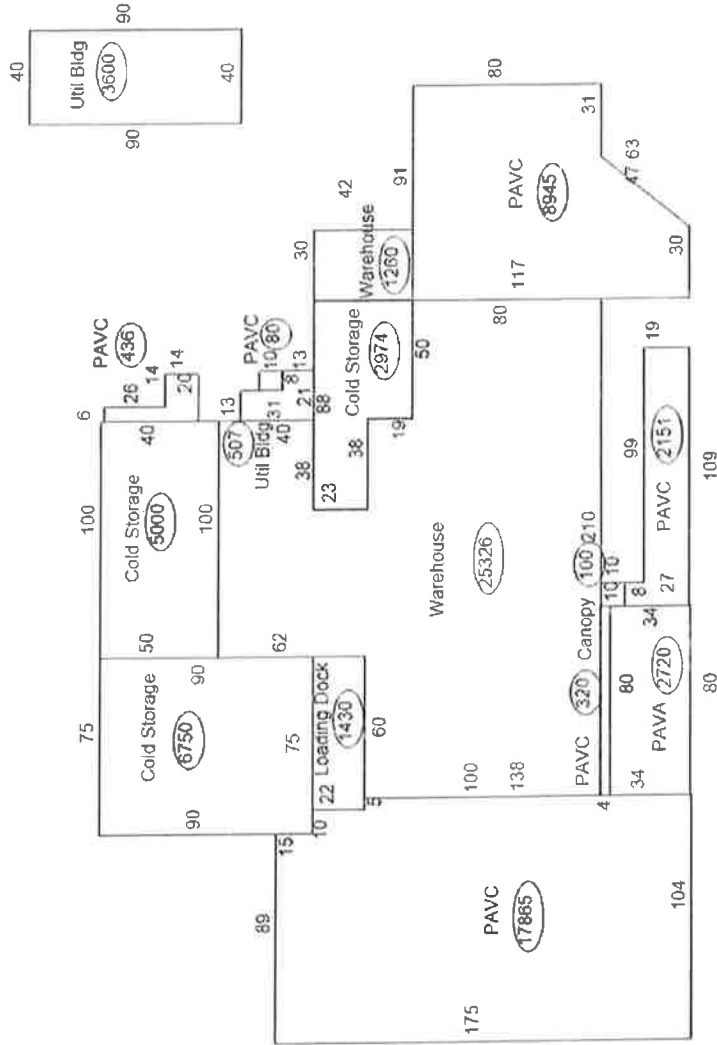


**HPB Expansion Redevelopment Plan  
Attachment 2  
Land Coverage**

**SCOTTS BLUFF COUNTY**  
Appraisal Sketch



Parcel ID: 010246223  
 Owner: PIVO INC  
 Situs: 2810 AVE M SCOTTSBLUFF NE 69361  
 Neighborhood: 1010 - E OVERLD. IND. OUTSKIRTS  
 Legal: (19456) LT 3B, BLK 2, AMENDED PLAT OF LTS 3A & 5, BLK 2, CASE SUB  
 Cadastral ID: 1673-15-451-010  
 PAD Class Code: 01-03-03-01-03-05  
 State GEO: 1673-15-0-09477-002-0003



Sequence	Code	Description	Base Area	Multiplier	Total Area
1	COMM	Cold Storage	5,000	1.00	5,000
2	COMM	Cold Storage	6,750	1.00	6,750
3	COMM	Cold Storage	2,974	1.00	2,974
4	COMM	Warehouse	1,260	1.00	1,260
5	COMM	Util Bldg	507	1.00	507
6	COMM	Util Bldg	3,600	1.00	3,600
7	COMM	Warehouse	25,326	1.00	25,326
8	COMM	PAVC	436	1.00	436
9	COMM	Loading Dock	1,430	1.00	1,430
10	COMM	PAVC	8,945	1.00	8,945

**SCOTTS BLUFF COUNTY**  
Appraisal Sketch

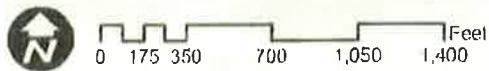
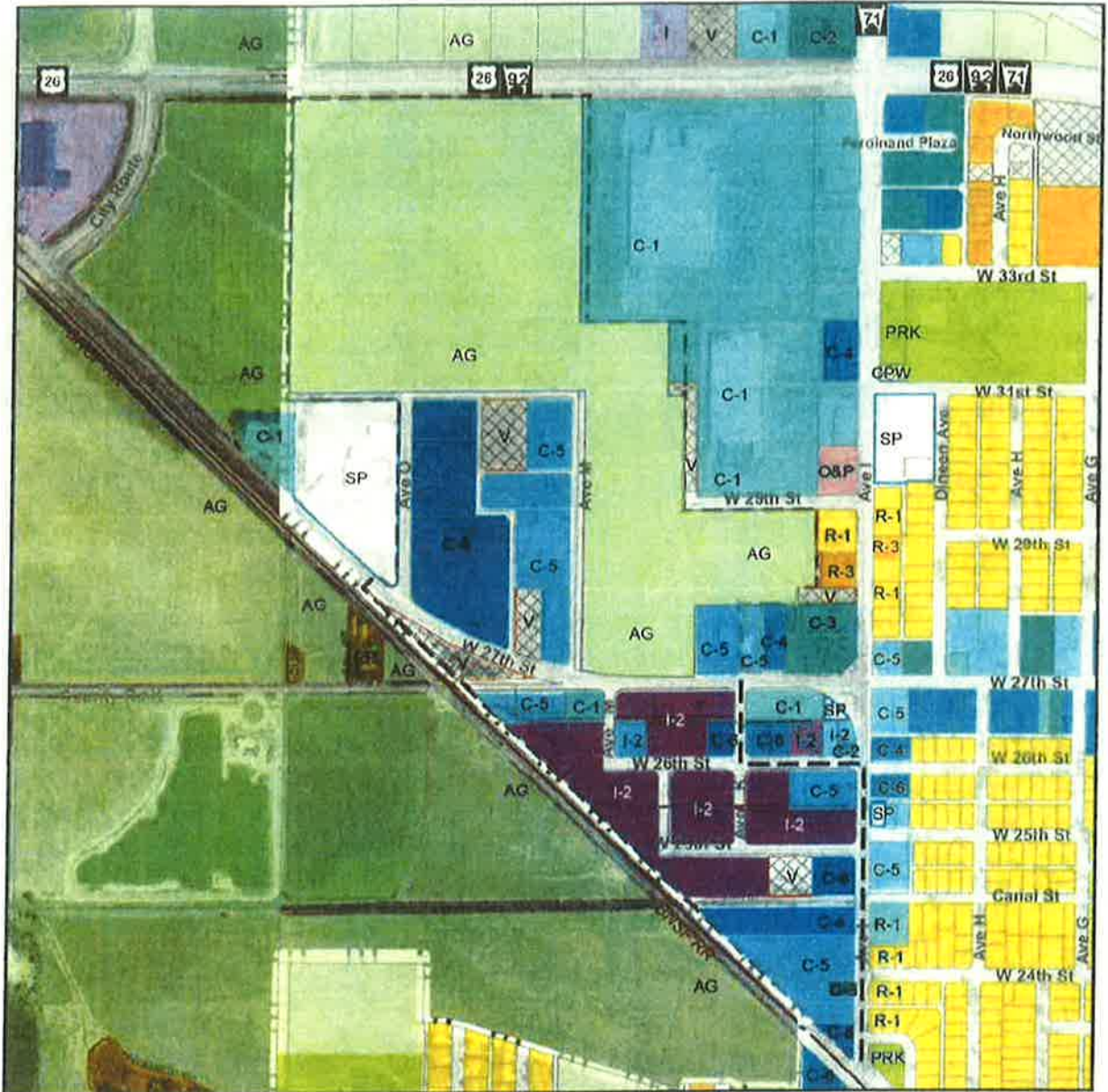
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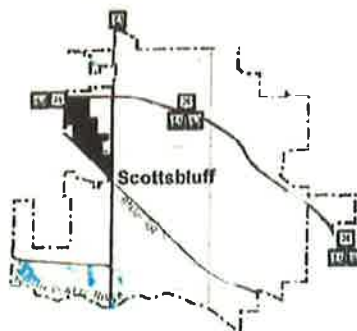
Sequence	Code	Description	Base Area	Multiplier	Total Area
11	COMM	PAVA	2,720	1.00	2,720
12	COMM	PAVC	17,865	1.00	17,865
13	COMM	PAVC	320	1.00	320
14	COMM	Canopy	100	1.00	100
15	COMM	PAVC	2,151	1.00	2,151
16	COMM	PAVC	80	1.00	80
<b>Total Building Area</b>			<b>79,464</b>		<b>79,464</b>

**HPB Expansion Redevelopment Plan  
Attachment 3  
Land Use**





- |                              |                            |
|------------------------------|----------------------------|
| Blight Analysis Area Parcels | Light Mfg & Industrial     |
| <b>Land Use</b>              | Heavy Mfg & Industrial     |
| Agricultural                 | Park                       |
| Central Business District    | Single Family Residential  |
| Neighborhood Commercial      | Heavy Density Multi-Family |
| Heavy Commercial             | Rural Residential          |
| Commercial—Traveler Serv     | Semi-Public                |
| Light Commercial             | Undeveloped                |
| Heavy Commercial             | Blight Study Area          |
| Public Water Facility        | Corporate Limits           |



## Existing Land Use

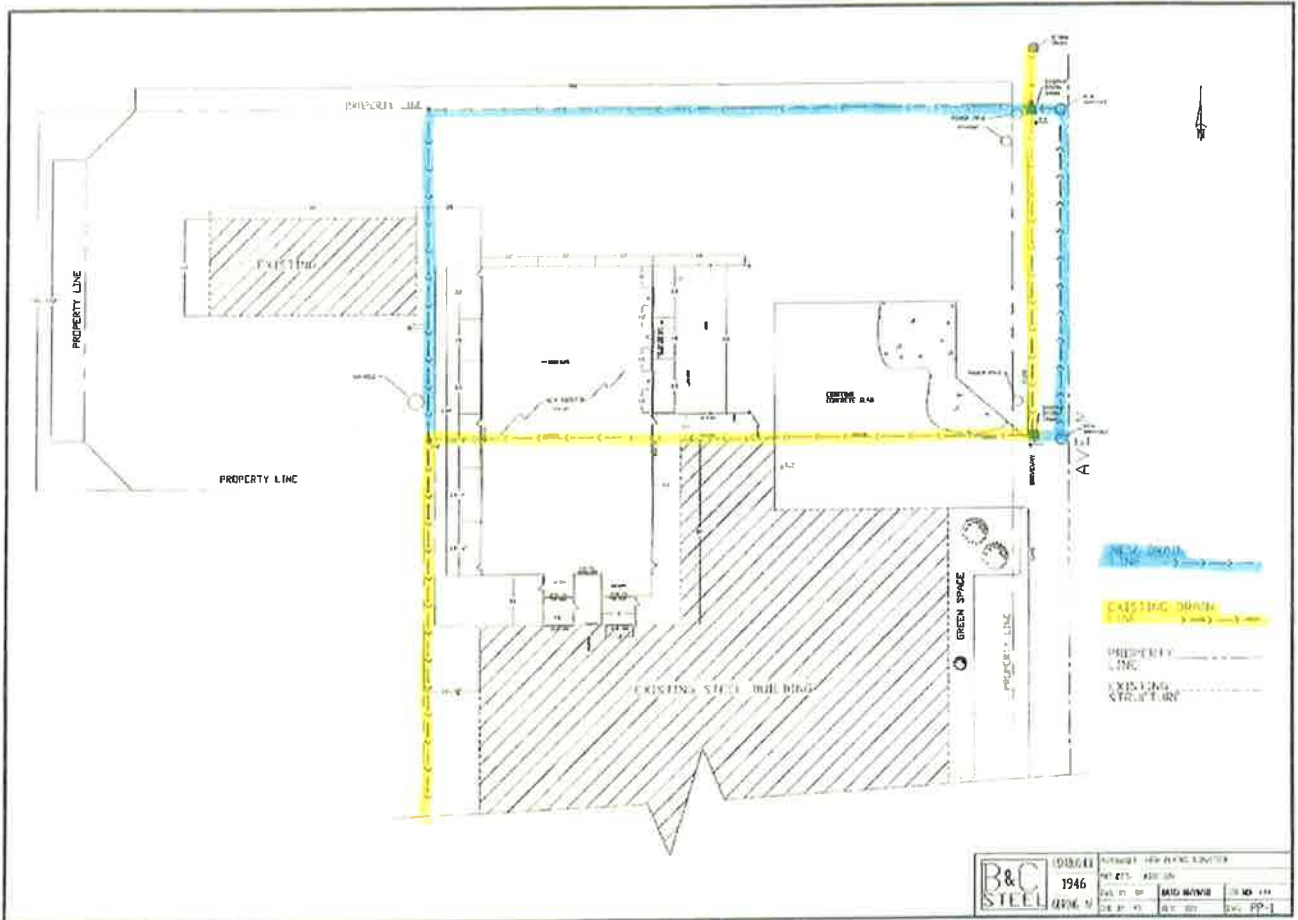
### City of Scottsbluff Scotts Bluff County, NE

Data Sources:  
 Land Use: City, 2005 with field updates  
 Parcels: Scotts Bluff County, 2016  
 Aerial: US Army Corps of Engineers, 2011





**HPB Expansion Redevelopment Plan  
Attachment 4  
Site Plan**



**HPB Expansion Redevelopment Plan  
Attachment 5  
Lean-To to be Demolished**



**HPB Expansion Redevelopment Plan  
Attachment 6  
Cost-Benefit Analysis**

**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**

***HPB Expansion***

***By PIVO, Inc.***

**Cost Benefit Analysis**

**A. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.** The base values of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The local taxing jurisdictions are the City, Scotts Bluff County, Scottsbluff Public Schools, WNCC, ESU 13, and North Platte NRD. It is anticipated that the assessed value will increase in the Project Site by approximately \$850,000.00 resulting in a tax increase after completion of approximately \$18,400.00 annually. This tax increment will not be available to local taxing jurisdictions for 15 years after the effective date of the division of taxes, or earlier if the TIF Revenues pay off the TIF Indebtedness early. During those times, the tax increments from the Project Site will be used to reimburse the Redeveloper for the eligible development costs (with interest) necessary for the Project, as set forth in the Redevelopment Plan.

**B. Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from Project Approval.** This Project will demolish portion of the City's storm drain which runs under and directly across the Project Site. The storm drain will be rebuilt and identified in City right-of-way and easements, thus addressing an element of blight in the area. If tax increment financing is available, alley improvements on the west side of the Project Site may also be made to enhance drainage from the Project Site and the property to the west of the Project Site. Tax increment financing will pay for these improvements, and thus, no additional local tax impacts, except those identified in section A above will result from the Project.

**C. Impacts on Employers and Employees of Firms Locating or Expanding Within the Boundaries of the Redevelopment Project Area.** Currently the employment on the Project Site is approximately 20 employees. Employment on the Project Site could increase as a result of the Project due to the possibility of business expansion.

**D. Impacts on other Employers and Employees within the City and immediate area located outside the Redevelopment Project Area.** No negative impacts on other employers and employees in the area are expected.

**E. Impacts on Student Populations of School Districts within the City.** No negative impacts on the student population at Scottsbluff Public Schools are expected.

**F. Other Impacts.**

- The Redeveloper estimates approximately \$20,000.00 of personal property to be added as a result of this Project. Personal property taxes are not included in tax increment financing and are immediately available to the local taxing jurisdictions.
- The expansion of the building on the Project Site will enable the Redeveloper to expand its business operations in Scottsbluff.
- Local contractors and financial institutions will be used for this Project. Tax increment financing in this case will leverage approximately \$600,000.00 to \$800,000.00 in private investment in the community.

*\*This Cost Benefit Analysis may be revised upon further review of the Redevelopment Plan by the Scottsbluff Community Redevelopment Authority.*