

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

Item PIVO2

Conduct Cost-Benefit Analysis of Redevelopment Plan.

Staff Contact: Starr Lehl

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 value 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.

Approved by the Scottsbluff Redevelopment Authority on December ____, 2018

Chair

Attest:

Secretary