

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

Item Auto Spa1

Review Redevelopment Plan.

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN

Auto Spa Development

By: Auto Spa, LLC

1. Introduction/Executive Summary

Auto Spa, LLC (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 develop the “Project Site” into a single-bay car wash facility (the “Project”). The Project Site has been declared to be blighted and substandard. 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 July 6, 2010, 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 near the intersection of 27th Street and Avenue I and is legally described as Lot 1, Block 1, Plat of Burlington Northern Subdivision of Blocks One, Two, Three, Four Five, and Six, a Subdivision to the City of Scottsbluff, Scotts Bluff County, Nebraska. The Project will also involve the adjacent City owned property, for which Redeveloper will obtain a license from the City. Aerial maps of the Project Site are found in Attachment 1.
- B. *Land Acquisition:*** The Redeveloper acquired the Project Site on September 8, 2018 in contemplation of this Project.
- C. *Land Uses:*** See Attachment 2 for existing land uses of the area surrounding the Project Site. The Project Site will be used for a single-bay car wash facility. Adjacent City property will be used, under a license from the City, for ingress and egress to and from the Project Site.
- D. *Land Coverage, and Building Intensities:*** The Project Site is currently vacant. The Project Site is approximately 6,490 square feet. The building will be 1,200 square feet.
- E. *Site Plan:*** See Attachment 3.
- F. *Existing Uses and Condition:*** The Project Site is currently vacant, unused land.
- G. *Demolition and Removal of Structures:*** None
- H. *Population Densities:*** The Plan does not contemplate a change in population densities around the Project Site. The intersection of 27th and Avenue I is already a busy intersection and thus increased traffic will be slight.

- I. **Zoning Changes:** The Project Site is zoned as M-1 (Light Manufacturing and Industrial), which includes “automated or coin-operated car wash” as a permitted use. Thus, no zoning changes are necessary.
 - J. **Additional Public Facilities and Utilities:** The adjacent City property will be used by the Redeveloper under a license agreement with the City for ingress and egress to and from the Project Site. The Redeveloper will also need to obtain City water and sewer connections to the Project Site.
 - 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 and Northwest Commercial Neighborhood, which contemplates heavier daytime use, traveler activity, and multi-modal accommodations. The Redeveloper’s Project 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 \$77,400.00, calculated as follows:

2019 Assessed Value:		
Land:	\$ 25,960.00	
Building/Improvements	\$ 0.00	
Total		<u>\$ 25,960.00</u>
Estimated Value after Completion		
Land:	\$ 25,960.00	
Building:	\$ 237,925.00	
Total		<u>\$263,885.00</u>
Increment Value:		\$237,925.00
Multiplied by approximate 2.17% levy	x 0.0217	
Annual TIF Revenues Generated (Rounded)		\$ 5,160.00
Multiplied by 15 years (Maximum Duration of TIF)	x 15	
Estimated TIF Revenues Available:		<u>\$ 77,400.00</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. Tax increment financing is needed to keep the debt service ratio acceptable to Redeveloper's lender.

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 to the extent available:

<u>Description</u>	<u>Estimated Cost</u>
Site Acquisition	\$ 33,500.00
Site Preparation	\$ 7,500.00
Access License/Improvements	\$ 49,500.00
Sewer/Water connections	\$ 8,500.00
Plan preparation/legal	\$ 6,192.00
TOTAL	\$ 105,192.00

A statutory Cost-Benefit Analysis of the Project is attached as Attachment 4.

B. Private Investment/Financing. The estimated TIF Revenues available will not be sufficient to cover the eligible costs. 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 at approximately \$410,000.00.

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: 12/05/2018

Auto Spa, LLC.

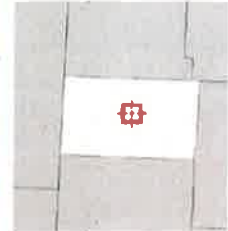
By: 

Casey York, Sole Member

**Auto Spa Redevelopment Plan
Attachment 1
Aerial Maps**



Overview



Legend

- Parcels
- Subdivisions
- Roads

Parcel ID	010294910	Alternate ID	n/a	Owner Address	AUTO SPALLC
Sec/Twp/Rng	22/22/55	Class	n/a		902 MOCKINGBIRD DR
Property Address	2424 AVE I	Acreage	n/a		SCOTTSBLUFF NE 69361
District	n/a				
Brief Tax Description	LT 1, BLK 1, BURLINGTON NORTHERN SUB				
	<i>(Note: Not to be used on legal documents)</i>				

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: 11/18/2018

Developed by **Schneider**
GEOSPATIAL

Project Site



04/02/2017

**Auto Spa Redevelopment Plan
Attachment 2
Land Use**



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



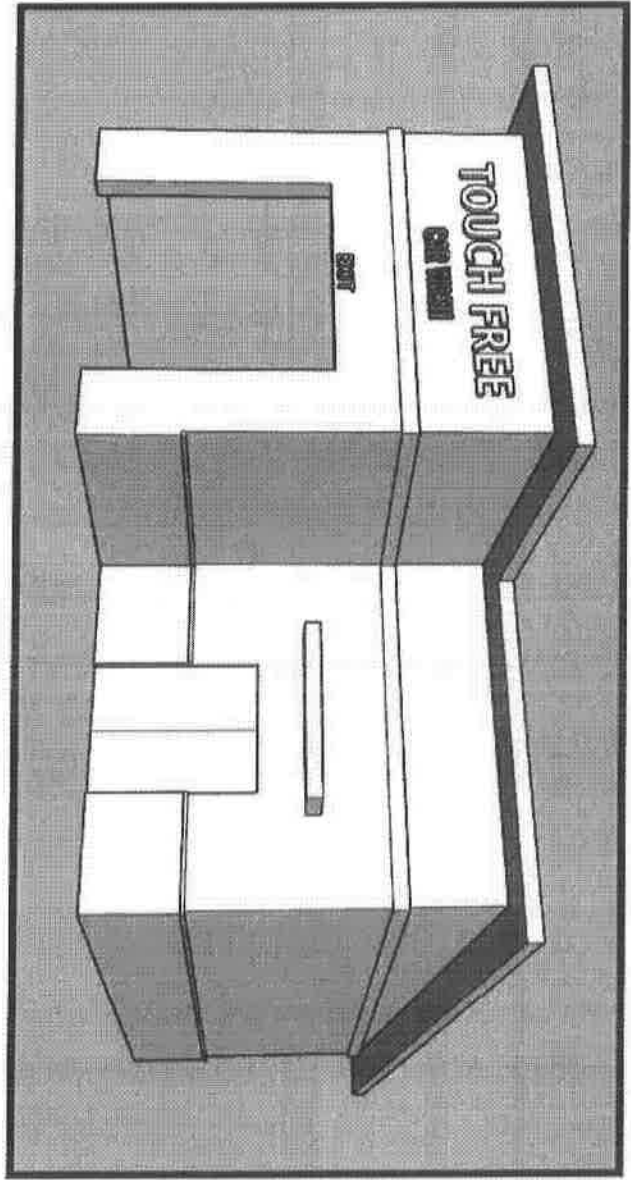
Existing Land Use

City of Scottsbluff
Scotts Bluff County, NE

Data Sources:
Land Use: City, 2003 with field updates
Parcels: Scotts Bluff County, 2016
Aerial: US Army Corps of Engineers, 2011

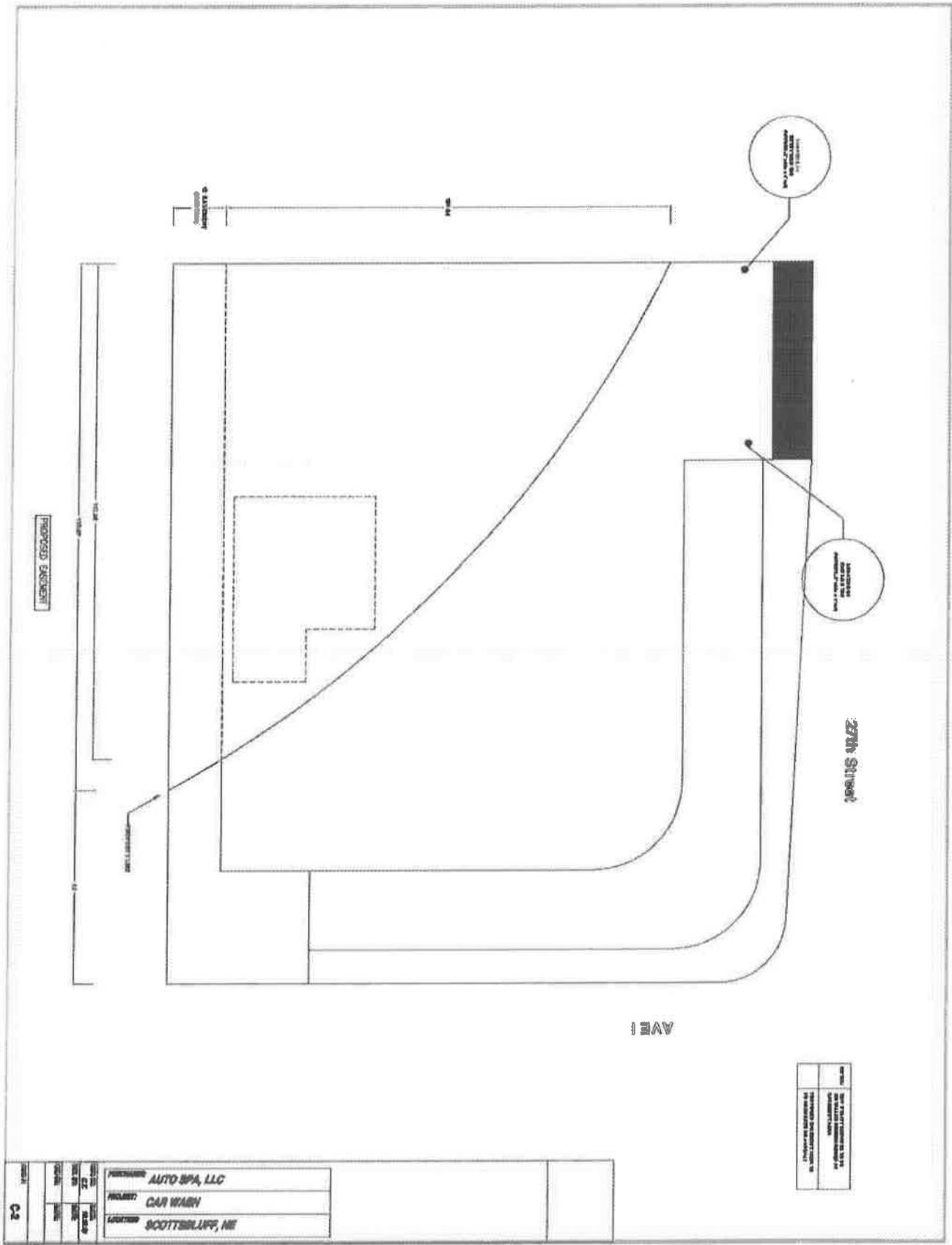


**Auto Spa Redevelopment Plan
Attachment 3
Site Plan**



AUTO SPA, LLC
 SCOTTSBLUFF, NE 69361

PURCHASER: AUTO SPA, LLC		PERMITS SECTION CONSTRUCTION
PROJECT: CAR WASH		
LOCATION: SCOTTSBLUFF, NE		
DATE:	BY:	
DATE:	BY:	
DATE:	BY:	



PROPOSED FACILITY

100'

100'

100'

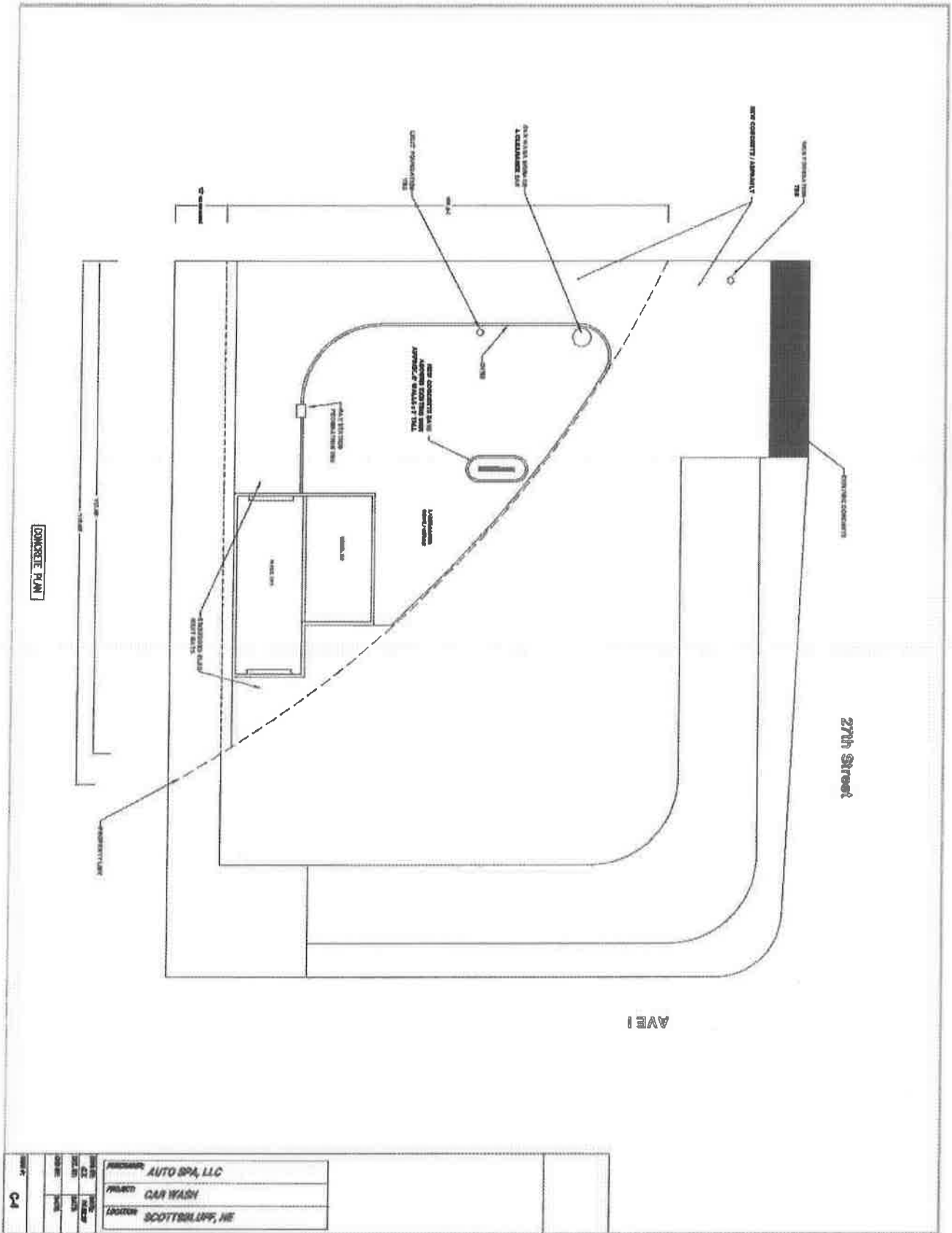
WELL LOCATION

AVENUE

27th Street

2	DATE	
	SCALE	
	BY	
PURCHASER	AUTO BPA, LLC	
PROJECT	CAR WASH	
LOCATION	SCOTTSBUFF, NE	

THIS PLAN IS FOR INFORMATION ONLY AND DOES NOT REPRESENT A CONTRACT. THE CLIENT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.



**Auto Spa Redevelopment Plan
Attachment 4
Cost-Benefit Analysis**

CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN

Auto Spa, LLC

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 \$240,000.00 resulting in a tax increase after completion of approximately \$5,160.00 annually for the years 2020-2034. This tax increment will not be available to local taxing jurisdictions until approximately 2035, 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 require public utilities (sewer and water) to 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. No impact on employment of the Project Site is contemplated.

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. Local contractors will be used for this Project. Tax increment financing in this case will leverage approximately \$410,000.00 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.*