

# **City of Scottsbluff, Nebraska**

**Monday, May 20, 2019**

**Regular Meeting**

## **Item Pub. Hear.2**

**Council to conduct a Public Hearing for this date at 6:05 p.m. for the purpose of reviewing and obtaining comment on a Redevelopment Plan submitted by 1dash5 Enterprises, LLC for the Scooter's Drive thru Coffee Kiosk Project.**

*The area to be redeveloped under the Redevelopment Plan is legally described as Tracts 3 and 4, Graves Tracts, an addition to the City of Scottsbluff, Scotts Bluff County, Nebraska. This Redevelopment Plan includes a request for tax increment financing.*

**Staff Contact: Nathan Johnson, City Manager**

## **CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**

*Scooter's Drive Thru Coffee Kiosk*

*By: 1dash5 Enterprises, LLC*

### **1. Introduction/Executive Summary**

1dash5 Enterprises, 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" (as defined below) into a Scooters Coffee Drive-thru kiosk. 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)**

The City has 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 the southeast corner of West Overland and Avenue I. The legal description of the Project Site is:

Tracts 3 and 4, Graves Tracts, an addition to the City of Scottsbluff, Scotts Bluff County, Nebraska, EXCEPT the West 17 fee of Tract 4 thereof.

Aerial maps of the Project Site are found in Attachment 1.

#### ***B. Land Acquisition:*** The Redeveloper plans on privately acquiring the Project Site as part of this Plan.

#### ***C. Land Uses, Land Coverage and Building Intensities:*** The Redeveloper intends to construct a Scooters Coffee Drive-thru kiosk. This will include an approximately 544 square foot building and an off-street parking lot and drive thru-area and landscaping. (See Attachment 3).

#### ***D. Existing Uses and Condition:*** The Project Site is currently vacant land (See Attachment 2). The Project Site is currently in the flood plain.

#### ***E. Site Plan:*** See Attachment 3 (Please Note: The Site Plan is preliminary).

#### ***F. Demolition and Removal of Structures:*** None

#### ***G. Population Densities:*** The Plan does not contemplate a change in population densities around the Project Site. The Redeveloper expects an increase in use of the area by employees and customers of Scooters.

- H. Zoning Changes:** The Project Site is zoned as C-2 (Neighborhood Commercial), which includes drive-through restaurants, bakeries, and other similar retail and service establishments as permitted uses. Thus, no zoning changes are necessary.
- I. Additional Public Facilities and Utilities:** The Project will require sanitary sewer, water, electric and fiber optic utility connections.
- J. Street Layouts, Street Levels, and Grades:** No changes to street layouts and street levels are needed for this Plan. The Project Site is currently in the flood plain which will require significant costs for preparing the Project Site for construction; proper elevation and drainage issues will need to be addressed prior to construction on the Project Site.
- K. 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 Southwest District. A principle of sustainable development for the Southwest District is to encourage infill development through mitigation of blighted properties and incentives. A principle of interconnection of neighborhoods and amenities for the Southwest District is to allow and encourage neighborhood commercial development at node intersections and corridors within walking distance to residential neighborhoods. The Redeveloper's Plan 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 all in accordance with NEB. REV. STAT. § 18-2147. The amount of the available proceeds from tax increment financing ("TIF Revenues") is estimated at approximately \$87,300.00, calculated as follows:

Current Assessed Value	\$ 30,518.00
Estimated Value after Completion	\$ 300,000.00
Increment Value	\$ 269,482.00
Multiplied by approximate 2.16% levy	x .0216
Annual TIF Revenues Generated (Rounded)	\$ 5,820.00
Multiplied by 15 years (Maximum Duration of TIF)	x 15
Estimated TIF Revenues Available:	<u>\$ 87,300.00</u>

*Note: The above figures are based on estimated values and levy rates. Actual values and rates may vary materially from the estimated amounts.*

The TIF Revenues will be used to make principal and interest payments toward a tax increment financing bond ("TIF Indebtedness") to be held or sold by the Redeveloper.

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 the Plan would not be economically feasible and would not occur in the blighted and substandard area without the use of tax increment financing. In light of the significant costs of site preparation due to the Project Site existing in the flood plain, as well other budgetary factors in building another kiosk in Scottsbluff, tax increment financing is critical in the Redeveloper's decision to proceed with the Project in the current Project Site.

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/or certain project costs incurred by the Redeveloper, and that tax increment revenues may be altered or eliminated entirely based on future decision 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 Acquisition	\$ 57,000.00
Site Preparation/Drainage	\$ 25,750.00
Civil Engineering	\$ 5,000.00
<u>Plan Preparation/Legal</u>	<u>\$ 6,984.00</u>
TOTAL	\$ 94,734.00

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

**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 at \$345,000.00.

*Please note that all the figures in this Plan are estimates and tax increment financing granted will be based on actual costs incurred for eligible expenses.*

6. Implementation of the Plan.

Upon approval of this Plan, the Redeveloper will enter into a Redevelopment Contract with the CRA which shall govern the implementation of this Plan. All public improvements related to this Plan shall be according to (a) plans and specifications approved in writing by the City in advance of commencement of construction, (b) all ordinances and codes adopted by the City, as in effect at the time that the public improvements are constructed, and (c) any other agreement related to the public improvements between the Redeveloper and the City. The Redevelopment Contract between the Redeveloper and the CRA shall not replace or supersede the need for the Redeveloper to obtain other agreements, consents, permits, or licenses from the City related to the public improvements or other improvements as may be required by the City for the type of work to be performed on the Project Site.

Dated: 05.15-2019

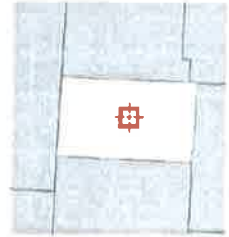
1dash5 Enterprises, LLC

By:   
Gary Rimington, President

**Scooter's Drive Thru Coffee Kiosk Redevelopment Plan  
Attachment 1  
Aerial Maps of Project Site**



**Overview**



**Legend**

-  Parcels
-  Subdivisions
-  Roads

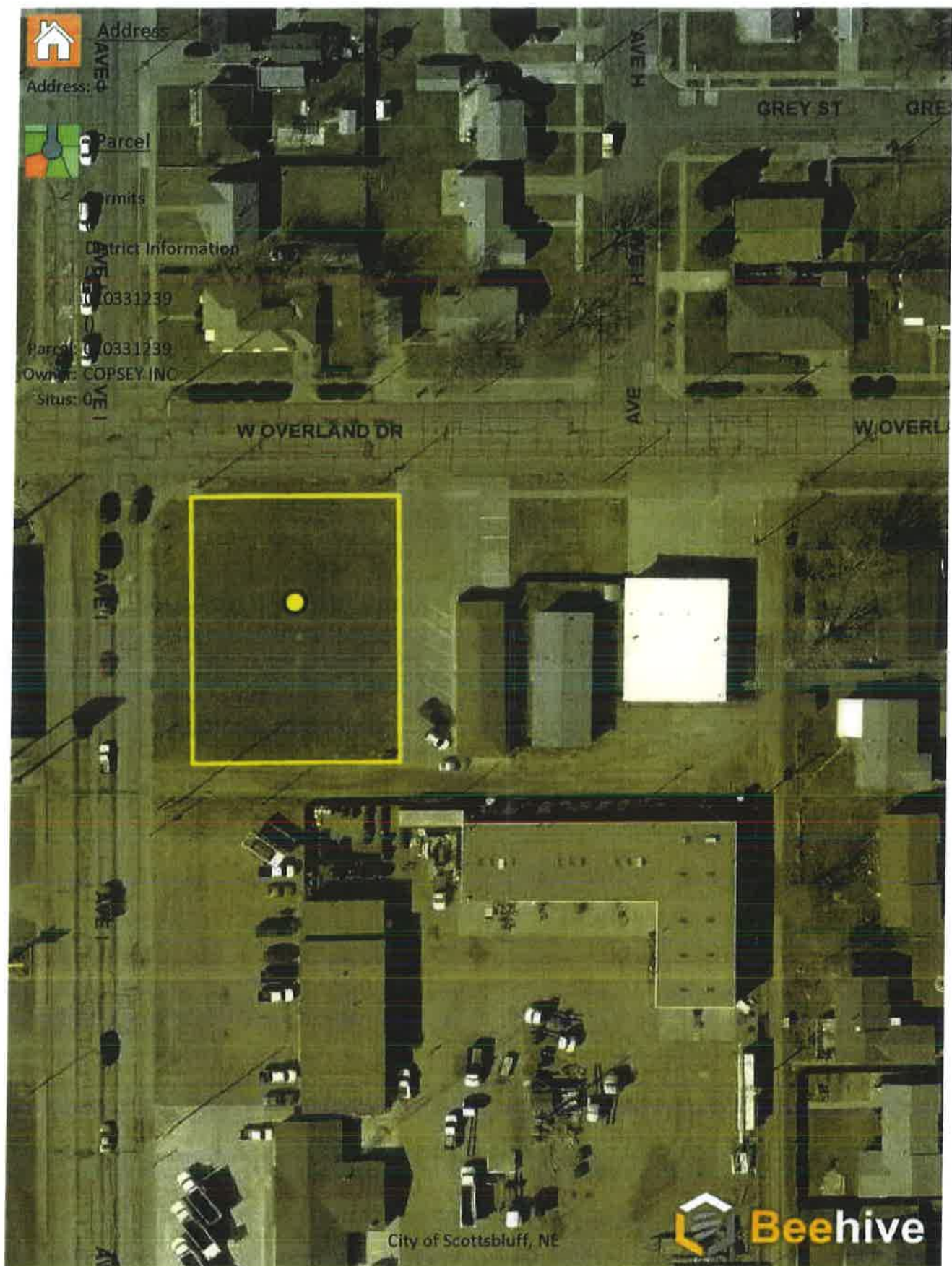
<b>Parcel ID</b>	010331239	<b>Alternate ID</b>	n/a	<b>Owner Address</b>	COPSEY INC
<b>Sec/Twp/Rng</b>	26/22/55	<b>Class</b>	n/a		& MONTY J COPSEY
<b>Property Address</b>		<b>Acreage</b>	n/a		2101 5TH AVE
					SCOTTSSLUFF NE 69361
<b>District</b>	n/a				
<b>Brief Tax Description</b>	LTS 3 & 4, EX W 17' OF LT 4, GRAVES ADD				
	(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: 4/26/2019

Developed by  **Schneider**  
GEOSPATIAL







**Scooter's Drive Thru Coffee Kiosk Redevelopment Plan  
Attachment 2  
Street View of Project Site**



© 2019 Google

**Scooter's Drive Thru Coffee Kiosk Redevelopment Plan  
Attachment 3  
Site Plan**



**Scooter's Drive Thru Coffee Kiosk Redevelopment Plan  
Attachment 4  
Cost Benefit Analysis**

**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**

*Scooter's Drive Thru Coffee Kiosk*

*By: 1dash5 Enterprises, LLC*

**Cost Benefit Analysis**

**A. *Tax Revenues and Tax Shifts Resulting from the Division of Taxes.*** Real estate taxes from the base value of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The base value of the Project Site is \$30,518.00 which produces an annual real estate tax of approximately \$634.12. The tax increment revenues created by the Project are estimated at approximately \$5,280.00 per year. The local taxing jurisdictions are the City, Scotts Bluff County, Scottsbluff Public Schools, WNCC, ESU 13, and North Platte NRD. The tax increment revenues will not be available to local taxing jurisdictions for up to 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 increment revenues 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 water, sanitary sewer, electrical, and fiber optic connections to the Project Site. The Project Site is currently in the flood plain which will require significant costs for preparing the Project Site for construction; proper elevation and drainage issues will need to be addressed prior to construction on the Project Site. 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.*** Employment will increase from zero employees to approximately 5 full-time employees on the Project Site as a result of the Project.

**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.***

- This Project will achieve the infill development of vacant land in in furtherance of the Comprehensive Plan.
- This Project will also result in an increase in sales taxes and utility revenue.
- The Redeveloper anticipates using local services when possible for banking, operational supplies, landscaping, and snow removal.



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\*\*Also admitted in Colorado

Please Direct All Correspondence  
To Scottsbluff Office

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To: City of Scottsbluff City Council  
From: John L. Selzer, Deputy City Attorney  
Date: May 16, 2019  
Re: Scooter's Drive Thru Kiosk Store Redevelopment Plan

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**Introduction:** At your May 20, 2019 meeting, you will consider a resolution regarding the Redevelopment Plan for the Scooter's Drive Thru Coffee Kiosk Project submitted by 1dash5 Enterprises, LLC (the "Plan" and the "Project"). The proposed Project is in an area that has previously been designated as blighted and substandard and in need of redevelopment.

## **Standards of Review:**

### ***1. Conformity to Comprehensive Plan and Community Development Law.***

One of the standards of your review is to analyze whether the Project and Plan conform to the 2016 Scottsbluff Comprehensive Plan (the "Comprehensive Plan").

The Project Site is located at the southeast corner of West Overland and Avenue I. The legal description of the Project Site is: Tracts 3 and 4, Graves Tracts, an addition to the City of Scottsbluff, Scotts Bluff County, Nebraska, EXCEPT the West 17 fee of Tract 4 thereof.

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Southwest District. A principle of sustainable development for the Southwest District is to encourage infill development through mitigation of blighted properties and incentives. A principle of interconnection of neighborhoods and amenities for the Southwest District is to allow and encourage neighborhood commercial development at node intersections and corridors within walking distance to residential neighborhoods.

The Project Site is zoned as C-2 (Neighborhood Commercial), which includes drive-through restaurants, bakeries, and other similar retail and service establishments as permitted uses. Thus, no zoning changes are necessary.

Both the Planning Commission and CRA have conducted this same review and recommended approval of the Plan.

In addition, you must consider whether the Plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law. Those declarations include, among other things that:

[Blighted and substandard] conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids herein provided. The elimination of such conditions and the acquisition and preparation of land in or necessary to the renewal of substandard and blighted areas and its sale or lease for development or redevelopment in accordance with general plans and redevelopment plans of communities and any assistance which may be given by any state public body in connection therewith are public uses and purposes for which public money may be expended and private property acquired. The necessity in the public interest for the provisions of the Community Development Law is hereby declared to be a matter of legislative determination. NEB. REV. STAT. § 18-2102.

## **2. *The “But For” Test.***

Because this Plan proposes the use of tax-increment financing (“TIF”), in order to approve the Plan you must determine that the Plan would not be economically feasible or occur in the blighted and substandard area without the use of TIF. The Redeveloper has certified these requirements on Page 3 of the Plan.

## **3. *Cost-Benefit Analysis.***

You must also analyze and, in order to approve the Plan, make a finding 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, having been analyzed by the City Council, are in the long- term best interests of the community. The CRA adopted a cost-benefit analysis which is in your packet.

**Conclusion:** The above findings must be documented in writing. To that end, a proposed resolution for Plan approval is in your packet. Please don’t hesitate to contact us with any questions or concerns prior to the Council meeting.

### ***Attachments:***

- Redevelopment Plan
- Planning Commission Plan Resolution
- CRA Plan Resolution
- CRA Cost Benefit Analysis
- Proposed City Council Resolution

RESOLUTION 5-13

BE IT RESOLVED BY THE PLANNING COMMISSION 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 *Scooter's Drive Thru Coffee Kiosk* by 1dash5 Enterprises, LLC (the "Redevelopment Plan") has been submitted to the Planning Commission.

b. The Planning Commission has reviewed the Redevelopment Plan as to its conformity with the 2016 Scottsbluff Comprehensive Plan (the "Comprehensive Plan").

**Resolved:**

1. The Planning Commission finds that Redevelopment Plan conforms to the Comprehensive Plan and recommends approval of the Redevelopment Plan to the Scottsbluff Community Redevelopment Authority and City Council.

2. All prior resolutions of the Commission 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 May 13, 2019

PLANNING COMMISSION OF THE CITY  
OF SCOTTSBLUFF, NEBRASKA

ATTEST:

By: \_\_\_\_\_

  
Chair

By: \_\_\_\_\_

  
Recording Secretary

RESOLUTION NO. 5-16-1

**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 for the *Scooter's Drive Thru Coffee Kiosk* project submitted by 1dash5 Enterprises, LLC (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, vehicular parking, 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. The CRA Chair is authorized to execute the cost benefit analysis to show the CRA's review and discussion thereof.

3. The CRA states: (a) the Redeveloper intends to privately acquire the project area for \$57,000.00; (b) the estimated cost of preparing the project area for redevelopment is \$25,750.00; (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 eligible costs 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 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.

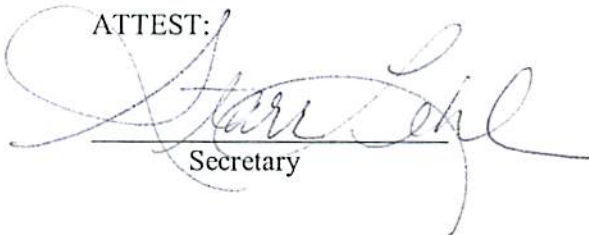
6. All prior resolutions of the CRA in conflict with the terms and provisions of this Resolution are repealed to the extent of such conflicts.

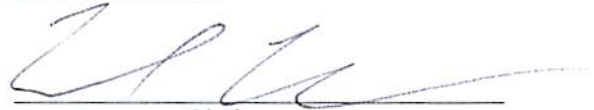
7. This Resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED** on May 16, 2019

**COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
SCOTTSBLUFF**

ATTEST:

  
Secretary

  
Chair



**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**

*Scooter's Drive Thru Coffee Kiosk*

*By: 1dash5 Enterprises, LLC*

**Cost Benefit Analysis**

**A. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.** Real estate taxes from the base value of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The base value of the Project Site is \$30,518.00 which produces an annual real estate tax of approximately \$634.12. The tax increment revenues created by the Project are estimated at approximately \$5,280.00 per year. The local taxing jurisdictions are the City, Scotts Bluff County, Scottsbluff Public Schools, WNCC, ESU 13, and North Platte NRD. The tax increment revenues will not be available to local taxing jurisdictions for up to 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 increment revenues 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 water, sanitary sewer, electrical, and fiber optic connections to the Project Site. The Project Site is currently in the flood plain which will require significant costs for preparing the Project Site for construction; proper elevation and drainage issues will need to be addressed prior to construction on the Project Site. 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.** Employment will increase from zero employees to approximately 5 full-time employees on the Project Site as a result of the Project.

**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.**

- This Project will achieve the infill development of vacant land in furtherance of the Comprehensive Plan.
- This Project will also result in an increase in sales taxes and utility revenue.
- The Redeveloper anticipates using local services when possible for banking, operational supplies, landscaping, and snow removal.

Approved by the Scottsbluff Redevelopment Authority on May 20, 2019

Attest:

Secretary

Chair