

City of Scottsbluff, Nebraska

Monday, July 6, 2020

Regular Meeting

Item Resolut.1

Council to discuss and consider action on the revised Tax Increment Financing Guidelines and Application and approve the Resolution.

Staff Contact: Starr Lehl, Economic Development Director



Tax Increment Financing (TIF) Guidelines and Application

City of Scottsbluff, Nebraska

Revised ~~November 2016~~

June 2020

I. INTRODUCTION

~~The purpose of this guide is to describe the criteria for the use of Tax Increment Financing (TIF) and the procedures which will be~~The procedures below are used by the City of Scottsbluff City Council, Planning Commission, and Community Redevelopment Authority (“CRA”) for evaluating proposals requesting Tax Increment Financing (“TIF”) for projects within the City of Scottsbluff, ~~Nebraska. The implementation of TIF is governed by Nebraska’s Community Development Law, Sections 18-2101 – 18-2144. The following. These~~ are guidelines only, and TIF applications ~~and~~, plans, and projects are ~~always~~ subject to final approval by the City and the provisions of the Nebraska Community Development Law, as it may be amended from time to time.

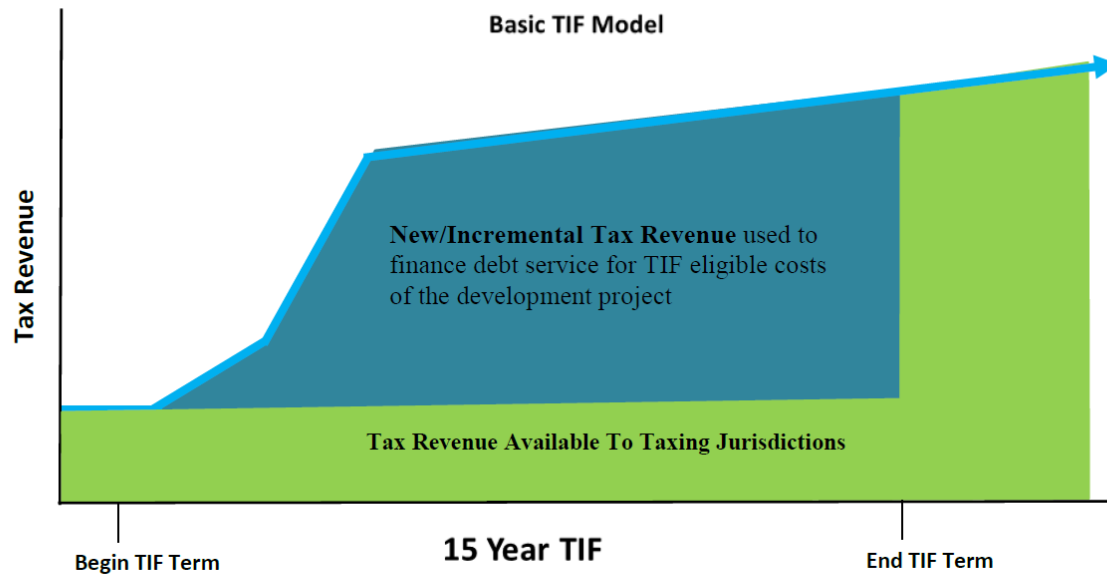
What is TIF?

~~One of the best tools the City has to incentivize the redevelopment of~~Property located in a blighted and substandard ~~properties is Tax Increment Financing (TIF). Properties located in blighted and substandard areas~~area can be extremely expensive to ~~demolish, rehabilitate and develop. TIF can make development or redevelopment of these sites financially feasible by providing funding for the acquisition of these sites, demolition of existing structures, and other eligible site improvements.~~

~~In 1980, the voters of the State of Nebraska approved a constitutional amendment permitting the use of TIF to help finance redevelopment projects. TIF funds generally allow for acquisition of property, site preparation, and construction of public improvements associated with projects. In 1984, State voters approved an additional constitutional amendment extending the use of TIF to help finance rehabilitation projects as well.~~

~~TIF in Nebraska is primarily designed to finance certain eligible costs (further explained below) associated with a private development project. Essentially, the property tax increases resulting from a development are targeted to repay the eligible costs required by a project. TIF provides a means of encouraging~~TIF encourages private investment in ~~areas in need of redevelopment, especially in deteriorating areas, these areas~~ by allowing ~~city governments~~the City to ~~devote~~pledge, for up to 15 years, increases in ~~specific~~ property tax revenue ~~as a result of resulting from the redevelopment~~development to ~~repay the eligible~~payment of certain costs associated with the development. The chart below demonstrates the public and private benefits of TIF.

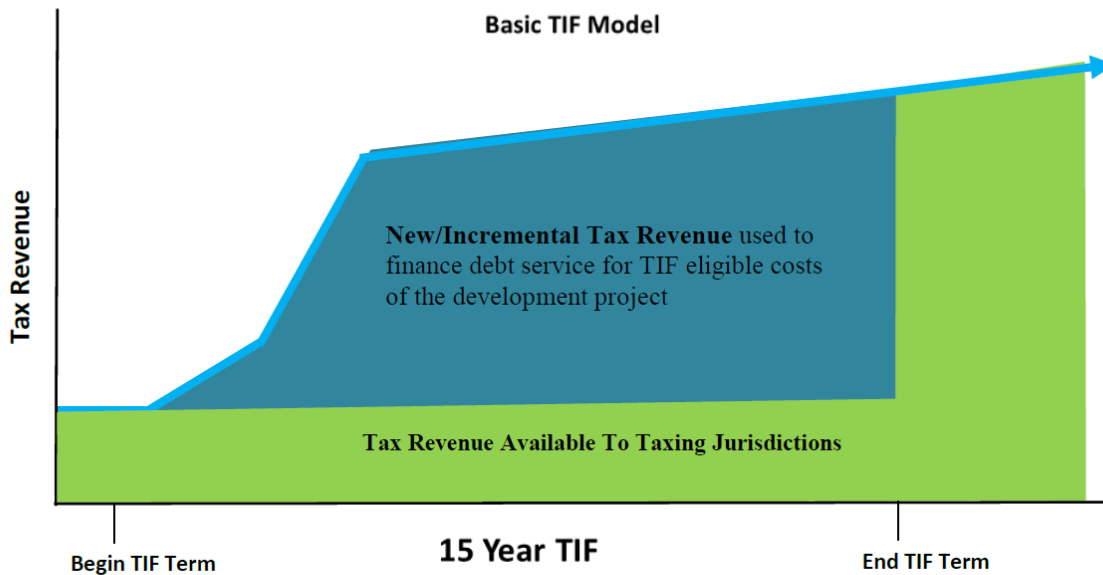
A True Public/Private Tool



NOTE: Typically there is a sharp increase in assessed valuation within the first few years, then a plateau or gradual increase in valuation.

TIF has emerged as one of the City of Scottsbluff's most effective redevelopment and economic development tools, but it is important to remember that there are several restrictions to TIF. TIF can only be utilized in areas that the City has designated as "blighted and substandard." State statute also requires that any project utilizing TIF must pass the "but for" test, meaning that the project would not be economically feasible without the use of TIF. TIF is an extremely important tool for redevelopment, and when used correctly, is of great benefit to the City and private developers.

A True Public/Private Tool



II. PROGRAM GOALS

~~The City's Comprehensive Plan, adopted in 2016, developed a community vision based on the input of a large representation of the City's residents. The following four development principles were identified to guide the implementation of this Community Vision. TIF projects that adhere to these principles will be of highest priority to the City. Please note that the principles listed below are an abbreviated version of the principles listed in the Comprehensive Plan. The Comprehensive Plan can be found on the City's website (Scottsbluff.org) or can be obtained at City Hall and should be referred to for a more complete description of these principles.~~

Community Vision

~~Scottsbluff will be a place where current and future generations want to pursue their aspirations—a place of opportunity.~~

Interconnection of neighborhoods and amenities

The interconnection of neighborhoods and amenities means where residents live will be connected to the places and things they utilize. It also promotes safe and efficient movement of goods and people to and from other communities and around the City.

Sustainable development

Development should be responsive to the market and social needs of the region and City infrastructure and policies should accommodate development's swift responsiveness. City investments should be fiscally conservative and equitable throughout the City. Growth will not saddle future generations with long term environmental or economic burdens. Development and redevelopment will best respond to the needs of the community if the community is involved in shaping those plans. Included in this strategy are:

- Prioritization of infill development through incentives, residential home rehabilitation, and Brownfields redevelopment.
- Redevelopment in blighted areas that holistically address the economic, social, business, and physical health needs of the community.
- Build a strong community core through place making, mixes of uses, integration of motorized and non-motorized transportation options, and strategic investments for social and economic stability.

Access to culture and recreation

Recreational and entertainment amenities should be woven into the fabric of the community. These amenities include parks and outdoor spaces, playgrounds, sidewalks, walking trails, pools, entertainment venues, restaurants, and plazas. Integrating these amenities into the shared spaces in the community works to promote a community where people want to be and improve the wellness of the community.

Strong neighborhoods and places rooted in our unique character

Communities that make investments to improve quality of life and sense of place are the communities where people and businesses are moving. Scottsbluff will continue to bring energy, stability, and business to the community through place-based development. Enhancing the lived experiences and cultural experiences in the community strengthens the bond residents feel to remain in or return to the community. Scottsbluff also knows strong neighborhoods and housing options help build a strong workforce and healthy families. Together, strong neighborhoods and memorable places help residents grow roots in the community and attract others to live and invest here.

III. PROGRAM CRITERIA

Mandatory Criteria of the TIF Program

Applications for TIF assistance ~~must meet~~ the mandatory criteria in order for the project to be considered. The application must demonstrate how the project meets the required criteria.

A project ~~must meet each of the following~~ criteria:

1. ~~The project must be located within an area that has been, or is eligible to be, designated as blighted and substandard or within an area eligible for a designation as blighted and substandard as required and set forth by State Statute. See defined in the City of Scottsbluff website (Scottsbluff.org). (Community Development Law §18-2109).~~
 - A.) If the proposed ~~TIF~~ project is not within an area designated as blighted and substandard, the applicant may submit to the City of Scottsbluff a written request ~~to the City of Scottsbluff requesting for~~ a study to determine whether the area ~~meets the statutory definition. The City will then prepare a blighted and substandard study at the cost of the developer. An applicant may also submit to the City a blighted and substandard study for the City's review and use in determining whether an area qualifies to be designated as blighted and substandard. Any study will be at the expense of the applicant.~~
 - B.) The qualification of an area as blighted and substandard does not automatically mean the City will designate the area as blighted and substandard. Making such a this designation remains in the sole and absolute discretion of the City Council.
2. ~~The use of TIF for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions and the costs and benefits of the project are must be in the long-term best interest of the community. (Community Development Law §18-2113 and §18-2116)~~
3. ~~The applicant is able to demonstrate that the~~3. The project would not be economically feasible and would not occur in the blighted and substandard area without the use of TIF. ~~Return on investment assists in determining the economic feasibility of the project. (Community Development Law §18-2113 and §18-2116)~~
4. ~~The project must further the objectives of the City's Comprehensive Plan. See Section II, Program Goals, for the main principles set forth by the City of Scottsbluff Comprehensive Plan. (Community Development Law §18-2112 and §18-2116)~~

Other Criteria and Considerations of the TIF Program

15. The applicant must ~~secure financing or~~ be able to show a the financial ability to complete the project, including any public improvements, as ~~required presented~~. The financial ability can be contingent on TIF being granted. However, the applicant must understand that TIF typically only pays for a small portion of a project. ~~The incremental tax allocations paid into Scotts Bluff County are forwarded to the owner/developer, or their assignees, as they are received by the County, to amortize the TIF loan. Except for the incremental tax allocations for the permitted term, the The City assumes no responsibility for the repayment payment of any TIF loan.~~

~~2. project expenses, except to the extent tax increment financing is granted.~~ The City assumes no responsibility for selling or purchasing any TIF ~~loan~~note or bond.

~~3.6. All TIF projects must comply with City codes and zoning ordinances, and will be approved subject to compliance with these codes and zoning ordinances, to include urban design review, when applicable.~~

~~III. a) A TIF pre-application meeting must be scheduled for all proposed TIF projects that will include City staff as designated by the City Manager.~~

~~b) A Site Plan Review is highly encouraged to determine if the site complies with the current ordinance and addresses the required public improvements. To request a Site Plan Review, contact the City of Scottsbluff at (308) 630-6254.~~

~~c) No Building Permit will be issued based on a site plan that does not comply with the provisions of the City's Zoning Ordinance.~~

TIF ELIGIBLE COSTS

~~4. The City will not consider applications for projects which will not support at least a \$50,000.00 TIF bond or do not have at least \$50,000.00 in TIF eligible costs.~~

Uses of TIF

~~TIF is primarily designed to finance public improvements associated with a project.~~

The following are generally considered TIF eligible costs: (but is not an exhaustive list):

• ~~1. Total amount of public~~ Public improvements associated with the ~~TIF~~ redevelopment project ~~plan~~.
Public improvements can be located on a redevelopment project site, directly adjacent to the redevelopment project site, or within the general vicinity of the redevelopment project site if those improvements are necessary for or associated with the project.

• ~~2.~~ Acquisition costs of redevelopment project sites.

• ~~3.~~ Site preparation, demolition, grading, ~~surcharging, special foundations,~~ and other pre-development work prior to construction of the project.

• ~~4. such as architectural~~ Architectural and engineering services related to the project as well as environmental services and studies.

• ~~5.~~ Utility extensions ~~and hookups~~.

• ~~6.~~ Rehabilitation, major renovations, and retrofitting of structures within the redevelopment project area. ~~TIF will not cover normal maintenance and repair costs, which exceed minimum building and design standards and prevent the recurrence of substandard and blighted conditions.~~

• ~~7.~~ Public parking.

• ~~Traffic studies, market studies, and appraisals~~⁸. ~~Costs~~ associated with the redevelopment project site-plan preparation and approval.

• ~~TIF fees.~~

IV. PROJECT SELECTION

APPLICATION ~~Process~~ (See separate TIF/PLAN DEVELOPMENT)

1. Application Form attached to these Guidelines)

Process: The City Manager or ~~designee should~~ Economic Development Director will be the applicant's primary point of contact for the project. ~~This will help ensure that the TIF application, Redevelopment Plan and Redevelopment Agreement approval process are consistent with the timelines for other project site requirement(s) and approvals.~~

All applications for TIF must be submitted to ~~the City of Scottsbluff~~ Staff for review ~~along with at \$250.00 application fee~~ before ~~the project is~~ initially ~~presenting the application to the Community Redevelopment Authority (CRA). Submittal of the application generally establishes when the Redevelopment Project Plan will be presented to the CRA. CRA meetings are generally scheduled for the 4th Monday of each month at 5:00pm. This scheduled date may change due to holidays or other circumstances. The applicant will be contacted to give a brief presentation to the CRA regarding the TIF project. The TIF Application Submittal Deadline is fourteen (14) business days prior to the CRA meeting at which the application will be presented.~~

On the TIF Submittal Deadline Date by noon:

- ~~Submit one (1) hard copy of the entire, completed TIF Application,~~
- ~~Email an electronic copy of the TIF Application,~~
- ~~Submit the \$250.00 TIF Application Fee.~~

(See Appendix A.) The TIF application will be evaluated by City Staff, which may request further information from the applicant or require revisions to the application. ~~After final evaluation of the TIF application that is determined to be ready to move forward~~ approved by City Staff, the applicant will be notified ~~to: of the appropriate CRA meeting to attend to present the proposed TIF project.~~

- ~~Submit three (3) hard copies of the revised (if applicable), completed TIF Application,~~
- ~~Email the revised (if applicable), completed TIF Application.~~

Also, the applicant will be notified of the appropriate meetings to attend to present the TIF project. Once the CRA has provided its recommendation and approval of the initial application, a Redevelopment Project Plan will be prepared by City Staff, **OR** the applicant can hire a qualified person to prepare the plan. If the City Staff prepares the Redevelopment Project Plan, it will be ready within 30 days after application approval and payment of the processing fees (explained below), absent circumstances beyond the City's control.

~~V. APPROVAL PROCESS~~

After approval of the application by the Community Redevelopment Authority, the project goes through the following process:

1.2. Preparation of a Redevelopment Project Plan: The Redevelopment Plan has certain statutory requirements ~~and will include a definition of the Tax Increment Project Area. It will also contain information about the use of TIF funds.~~ City Staff can prepare the Plan with the assistance of the ~~Developer~~ applicant. Alternately, the applicant can hire a qualified person to prepare the Plan and submit that plan to the City for consideration. If the applicant submits a Plan to the City staff, the City staff may require certain revisions to the Plan ~~prior to submitting the plan to the Planning Commission (see next step).~~ If further information or revisions are required, the approval of the Plan may be delayed.

V. APPROVAL PROCESS

2.1. Conceptual Approval of the Application/Redevelopment Plan by the CRA: The TIF application or draft of the Redevelopment Plan is first submitted ~~the CRA which will conduct a preliminary cost-benefit analysis. (See Appendix B.) The CRA will determine whether to conceptually approve the application or draft Plan. Conceptual approval of the application or Plan by the CRA does not guarantee the applicant that final approval of the Plan will be granted.~~

2. Approval of the Redevelopment Plan: After conceptual approval, the Plan is then referred to the Planning Commission for a public hearing and its recommendation as to whether ~~or not the plan~~ Plan is consistent with the goals set out in the City's Comprehensive Plan. ~~The Planning Commission will also hold a public hearing to allow for public input on the project.~~ Following the Planning Commission recommendation, the Plan is then submitted to the CRA for further review. The CRA will conduct an updated cost-benefit analysis and make a recommendation regarding the Plan to City Council. The Plan is then forwarded to City Council for a public hearing. Following the public hearing, City Council can approve a resolution adopting the Redevelopment Plan.

3. Approval of the Redevelopment Agreement: Following approval of the Redevelopment Plan, the ~~City~~CRA and the owner/developer ~~negotiate~~must enter into a Redevelopment Agreement. The Agreement sets forth the ~~mutual~~ responsibilities of both parties ~~and may include the financial terms of the project. As part of the agreement process, the owner/developer will either demonstrate that they can finance the TIF bond or negotiate loan terms with a private lender. The Redevelopment Agreement will then be submitted to the CRA for approval.~~ The CRA may simultaneously authorize ~~the~~a TIF ~~bond~~note. However, a TIF ~~bond~~note will not be issued by the CRA until eligible project costs are incurred. Interest rates on ~~bonds~~TIF notes will be determined by the market at the time the ~~bond~~note is issued.

VI. TIF FEE STRUCTURE

The fee structure for TIF projects are as follows:

1. An initial application fee of \$250.00 ~~is~~ due upon submission of the TIF application.

2. Upon conceptual approval of TIF application or draft Plan by the CRA, a processing fee based on the schedule below shall be remitted if the applicant wishes a Plan to be ~~created and~~ considered by the Planning Commission, CRA, and City Council. The processing fee is intended to cover the City's costs and expenses in creating and/or reviewing the Plan and cost-benefit analysis and running the Plan through the appropriate approval process.

~~The processing fee shall be paid prior to the City's preparation and/or review of the Plan.~~ If the processing fee has not been paid for a period of six (6) months after notification of conceptual approval, the application shall be deemed abandoned and the application fee forfeited. The processing fee schedule is as follows:

- If the estimated TIF proceeds available for the Project are \$50,000.00 to \$75,000.00, the processing fee shall be equal to 5% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.
- If the estimated TIF proceeds available for the Project are \$75,000.01 to \$100,000.00, the processing fee shall be equal to 8% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.
- If the estimated TIF proceeds available for the Project are over \$100,000.00, the processing fee shall be the greater of (a) \$5,000.00 or (b) 1% of the estimated TIF proceeds. This processing fee will be in addition to the administrative fee set forth below.

3. Upon approval of the Redevelopment Plan and Redevelopment Agreement, the person or organization receiving the TIF Proceeds estimated to be over \$100,000.00 shall pay an administrative fee of \$5,000. The administrative fee is intended to cover the City's costs and expenses of administering the TIF ~~bond~~note during its life.

Below are examples of the ~~Fees~~fees due to the City for particular projects:

Estimated TIF Proceeds	Application Fee	Processing Fee	Administrative Fee	Total

\$50,000.00	\$250.00	\$2,500.00 (5%)	Included in Processing Fee	\$2,750.00
\$75,000.00	\$250.00	\$3,750.00 (5%)	Included in Processing Fee	\$4,000.00
\$80,000.00	\$250.00	\$6,400.00 (8%)	Included in Processing Fee	\$6,650.00
\$100,000.00	\$250.00	\$8,000.00 (8%)	Included in Processing Fee	\$8,250.00
\$110,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$350,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$500,000.00	\$250.00	\$5,000.00 (1%)	\$5,000.00	\$10,250.00
\$600,000.00	\$250.00	\$6,000.00 (1%)	\$5,000.00	\$11,250.00
\$1,000,000.00	\$250.00	\$10,000.00 (1%)	\$5,000.00	\$15,250.00

VII. ~~POLICY~~

~~This policy shall be reviewed and updated as necessary. Any changes shall be approved by the City Manager and submitted to the Mayor and City Council for their approval.~~

VIII. ~~DISCLAIMER~~

~~This Policy contains~~ These guidelines contain general guidance only and shall not be deemed a contract or promise by the City or any of its departments to provide TIF proceeds or any services outlined above. ~~All timelines set forth herein are approximations~~ Any timeline given by the City or its representative shall be deemed an approximation only and while developers may use these timelines for planning purposes, they should not rely on such timelines, nor shall the City, the CRA, the Planning Commission, or any of their respective officers, agents, ~~and employees~~, and representatives be liable for not strictly adhering to any deadline set forth or implied ~~herein~~. The City, by and through the City Manager, reserves the right to reasonably alter these policies or equitably adjust the fee charged in connection with any project if, in the City Manager's discretion such alterations or adjustments are in the best interest of the City. Nothing ~~herein in these guidelines~~, including the payment of any fees, shall guarantee TIF to any person or entity. The receipt of TIF is subject to the developer meeting all statutory and local requirements of TIF and the approval of the City.

DRAFT

APPENDIX A

APPLICATION FOR TAX INCREMENT FINANCING

Please note that the following application must be typed— prior to submission to the City of Scottsbluff. You should attach additional pages when necessary. The applicant(s) or a designated representative ~~must~~may be asked to be present at the Community Redevelopment Authority (CRA), Planning Commission, and City Council meetings to answer any questions related to the project. Proper notice of ~~both~~all meetings will be given to applicants by City Staff. **Failure to complete any of these application requirements may result in ineligibility for or delay of approval of Tax Increment Financing.**

1. Please state, the name, address, telephone number and email address of the Redeveloper(s) (the applicant). If the Redeveloper is a business entity, please include the name of the designated representative of the business and the position title.

2. Please describe the property to be redeveloped (the “Project Site”) by address, legal description, or, if necessary, general location. Please include all parcel numbers included in the Project Site. —These can be obtained from the Scotts Bluff County Assessor website: <http://www.scottsbluffcounty.org/assessor/assessor-disclaimer-do.html>. — Please attach a map of the Project Site if available.

3. Please describe the existing uses and condition of the Project Site.

4. If you do not currently own the Project Site, please explain your plan for acquiring the Project Site, including whether you have a current agreement to acquire the Project Site.

5. Please describe the Redevelopment Plan on the Project Site. In your description, please address (please include your answers in an attached document):

- A. Proposed land uses after redevelopment (please attach a land use plan if available).
- B. The necessity of and plan to demolish or remove structures.
- C. Land coverage and building intensities in the Project Site after redevelopment (please attach a site plan if available).
- D. Standards of population densities in the Project Site expected after redevelopment.
- E. A statement of any proposed changes to zoning, street layouts, building codes, or ordinances.
- F. A statement of any planned subdivision to the Project Site.
- G. A statement of additional public facilities and utilities required to support the Project Site after redevelopment.
- H. Employment within the Project Site before and after redevelopment.
- I. Any other information you deem relevant.

6. Please itemize your estimated project costs (please attach copies of bids or estimates to support estimated project costs):

A. Land Acquisition (if applicable):	\$
B. Site Development (itemize):	\$
C. Building Cost:	\$
D. Architectural & Engineering Fees:	\$
E. Legal Fees:	\$
F. Financing Costs:	\$
G. Broker Costs:	\$
H. Contingencies:	\$
I. Other (itemize):	\$

TOTAL \$

7. Please list the names and addresses of all known architects, engineers, and contractors who will be involved with the Project.

8. Please itemize the following regarding the valuation of the Project Site:

- A. Total estimated assessed valuation of Real Property at completion:
- B. Latest property valuation (from R.E. Tax Statement):

9. Please itemize your projected sources of financing for the Project (please include a construction pro forma if available):

A.	Equity:	\$
B.	Bank Loan:	\$
C.	Tax Increment Financing:	\$
D.	Other (itemize):	\$
TOTAL		\$

10. Please set forth your Project schedule.

- A. Expected acquisition date (if applicable):
- B. Demolition start date (if applicable):
- C. Construction start date:
- D. Construction completion date:
- E. If project is phased:

Year _____ % Complete

Year _____ % Complete

11. Please name any other municipality wherein you, or other entities the applicant has been involved with, has completed developments within the last five years.

12. Tax Increment Financing Request:

A. Describe amount and purpose for which Tax Increment Financing is required:

B. Statement of necessity for use of Tax Increment Financing:

C. Have you filed or do you intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act for a project located or to be located within the Project Site?

_____ Yes _____ No

D. If your answer to the previous question 12.C is “Yes,” does such application include, or will such application include, as one of the tax incentives, a refund of the City’s local option sales tax revenue?

_____ Yes _____ No

E. If your answer to question 12.C is “Yes,” has the application been approved under the Nebraska Advantage Act?

_____ Yes _____ No

I certify that the facts and estimates set forth in this application for Tax Increment Financing (TIF) are true and accurate to the best of my knowledge. I understand that false statements on this application shall be considered sufficient cause for ineligibility.

I understand that the City may request additional information it deems relevant and that submitting this application does not guarantee a grant of TIF. All TIF grants are conditional upon (1) approval by the appropriate City authorities and (2) the execution of a contract between you and the CRA.

I agree to maintain all project related receipts for a period of five (5) years beginning at final payment of Tax Increment Financing for audit purposes.

Applicant Name	Signature	Date
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Applicant Name	Signature	Date
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APPENDIX B

COMMUNITY REDEVELOPMENT AUTHORITY, CITY OF SCOTTSBLUFF, NEBRASKA

[NAME OF PROJECT]

COST-BENEFIT ANALYSIS

(Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds: An estimated \$ _____ of TIF Revenues are available for this Project. This public investment will leverage approximately \$ _____ in private sector investment; a private investment of almost \$ _____ for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each:

<u>Description</u>	<u>TIF Funds (eligible)</u>	<u>Private Funds</u>	<u>Total</u>
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B. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.

C. Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from Project Approval.

D. Impacts on Employers and Employees of Firms Locating or Expanding Within the Boundaries of the Redevelopment Project Area.

E. Impacts on other Employers and Employees within the City and immediate area located outside the Redevelopment Project Area.

F. Impacts on Student Populations of School Districts within the City.

G. Other Impacts.

Approved by the Community Redevelopment Authority, City of Scottsbluff
on _____

_____ Chair

Secretary



Tax Increment Financing (TIF) Guidelines and Application

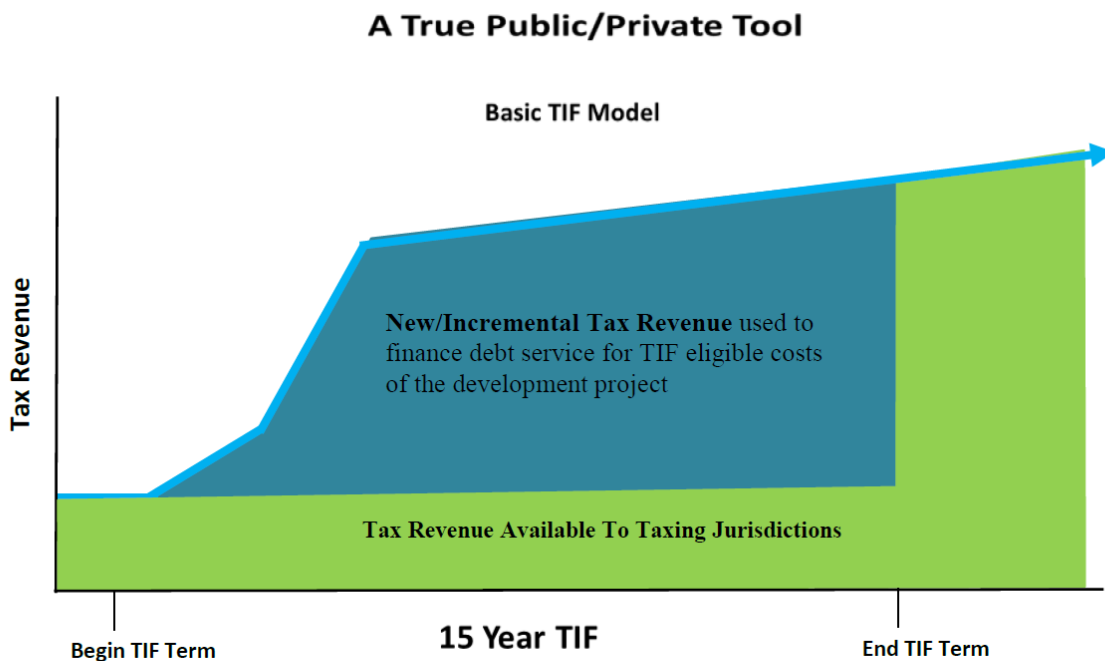
City of Scottsbluff, Nebraska

Revised June 2020

I. INTRODUCTION

The procedures below are used by the City of Scottsbluff City Council, Planning Commission, and Community Redevelopment Authority (“CRA”) for evaluating proposals requesting Tax Increment Financing (“TIF”) for projects within the City of Scottsbluff. These are guidelines only, and TIF applications, plans, and projects are subject to final approval by the City and the provisions of the Nebraska Community Development Law, as it may be amended from time to time.

Property located in a blighted and substandard area can be extremely expensive to develop. TIF encourages private investment in these areas by allowing the City to pledge, for up to 15 years, increases in property tax revenue resulting from the development to the payment of certain costs associated with the development. The chart below demonstrates the public and private benefits of TIF.



II. PROGRAM CRITERIA

1. The project must be located within an area that has been, or is eligible to be, designated as blighted and substandard as defined in the Community Development Law.
 - A.) If the proposed project is not within an area designated as blighted and substandard, the applicant may submit to the City of Scottsbluff a written request for a study to determine whether the area qualifies to be designated as blighted and substandard. Any study will be at the expense of the applicant.
 - B.) The qualification of an area as blighted and substandard does not automatically mean the City will designate the area as blighted and substandard. Making this designation remains in the sole and absolute discretion of the City Council.
2. The costs and benefits of the project must be in the long-term best interest of the community.
3. The project would not be economically feasible and would not occur in the blighted and substandard area without the use of TIF.
4. The project must further the objectives of the City's Comprehensive Plan.
5. The applicant must be able to show the financial ability to complete the project, including any public improvements, as presented. The financial ability can be contingent on TIF being granted. However, the applicant must understand that TIF typically only pays for a small portion of a project. The City assumes no responsibility for the payment of any TIF project expenses, except to the extent tax increment financing is granted. The City assumes no responsibility for selling or purchasing any TIF note or bond.
6. All TIF projects must comply with City codes and zoning ordinances.

III. TIF ELIGIBLE COSTS

The following are generally considered TIF eligible costs (but is not an exhaustive list):

1. Public improvements associated with the redevelopment project. Public improvements can be located on a redevelopment project site, directly adjacent to the redevelopment project site, or within the general vicinity of the redevelopment project site if those improvements are necessary for or associated with the project.
2. Acquisition costs of redevelopment project sites.
3. Site preparation, demolition, grading, and other pre-development work prior to construction of the project.
4. Architectural and engineering services related to the project as well as environmental services and studies.
5. Utility extensions.

6. Rehabilitation, major renovations, and retrofitting of structures within the redevelopment project area which exceed minimum building and design standards and prevent the recurrence of substandard and blighted conditions.
7. Public parking.
8. Costs associated with plan preparation and approval.

IV. APPLICATION/PLAN DEVELOPMENT

1. **Application Process:** The City Manager or Economic Development Director will be the applicant's primary point of contact for the project. All applications for TIF must be submitted to City Staff for review along with at \$250.00 application fee before the project is initially presented to the CRA. (See Appendix A.) The TIF application will be evaluated by City Staff, which may request further information from the applicant or require revisions to the application. After the TIF application is approved by City Staff, the applicant will be notified of the appropriate CRA meeting to attend to present the proposed TIF project.
2. **Preparation of a Redevelopment Project Plan:** The Redevelopment Plan has certain statutory requirements. City Staff can prepare the Plan with the assistance of the applicant. Alternately, the applicant can hire a qualified person to prepare the Plan and submit that plan to the City for consideration. If the applicant submits a Plan to the City staff, the City staff may require certain revisions to the Plan. If further information or revisions are required, the approval of the Plan may be delayed.

V. APPROVAL PROCESS

1. **Conceptual Approval of the Application/Redevelopment Plan by the CRA:** The TIF application or draft of the Redevelopment Plan is first submitted the CRA which will conduct a preliminary cost-benefit analysis. (See Appendix B.) The CRA will determine whether to conceptually approve the application or draft Plan. Conceptual approval of the application or Plan by the CRA does not guarantee the applicant that final approval of the Plan will be granted.
2. **Approval of the Redevelopment Plan:** After conceptual approval, the Plan is then referred to the Planning Commission for a public hearing and its recommendation as to whether the Plan is consistent with the goals set out in the City's Comprehensive Plan. Following the Planning Commission recommendation, the Plan is then submitted to the CRA for further review. The CRA will conduct an updated cost-benefit analysis and make a recommendation regarding the Plan to City Council. The Plan is then forwarded to City Council for a public hearing. Following the public hearing, City Council can approve a resolution adopting the Redevelopment Plan.
3. **Approval of the Redevelopment Agreement:** Following approval of the Redevelopment Plan, the CRA and the owner/developer must enter into a Redevelopment Agreement. The Agreement sets forth the responsibilities of both parties. The CRA may simultaneously authorize a TIF note. However, a TIF note will not be issued by the CRA until eligible project costs are incurred. Interest rates on TIF notes will be determined by the market at the time the note is issued.

VI. TIF FEE STRUCTURE

The fee structure for TIF projects are as follows:

1. An initial application fee of \$250.00 is due upon submission of the TIF application.
2. Upon conceptual approval of TIF application or draft Plan by the CRA, a processing fee based on the schedule below shall be remitted if the applicant wishes a Plan to be considered by the Planning Commission, CRA, and City Council. The processing fee is intended to cover the City's costs and expenses in creating and/or reviewing the Plan and cost-benefit analysis and running the Plan through the appropriate approval process.

If the processing fee has not been paid for a period of six (6) months after notification of conceptual approval, the application shall be deemed abandoned and the application fee forfeited. The processing fee schedule is as follows:

- If the estimated TIF proceeds available for the Project are \$50,000.00 to \$75,000.00, the processing fee shall be equal to 5% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.
- If the estimated TIF proceeds available for the Project are \$75,000.01 to \$100,000.00, the processing fee shall be equal to 8% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.
- If the estimated TIF proceeds available for the Project are over \$100,000.00, the processing fee shall be the greater of (a) \$5,000.00 or (b) 1% of the estimated TIF proceeds. This processing fee will be in addition to the administrative fee set forth below.

3. Upon approval of the Redevelopment Plan and Redevelopment Agreement, the person or organization receiving the TIF Proceeds estimated to be over \$100,000.00 shall pay an administrative fee of \$5,000. The administrative fee is intended to cover the City's costs and expenses of administering the TIF note during its life.

Below are examples of the fees due to the City for particular projects:

Estimated TIF Proceeds	Application Fee	Processing Fee	Administrative Fee	Total
\$50,000.00	\$250.00	\$2,500.00 (5%)	Included in Processing Fee	\$2,750.00
\$75,000.00	\$250.00	\$3,750.00 (5%)	Included in Processing Fee	\$4,000.00
\$80,000.00	\$250.00	\$6,400.00 (8%)	Included in Processing Fee	\$6,650.00
\$100,000.00	\$250.00	\$8,000.00 (8%)	Included in Processing Fee	\$8,250.00
\$110,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$350,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$500,000.00	\$250.00	\$5,000.00 (1%)	\$5,000.00	\$10,250.00
\$600,000.00	\$250.00	\$6,000.00 (1%)	\$5,000.00	\$11,250.00
\$1,000,000.00	\$250.00	\$10,000.00 (1%)	\$5,000.00	\$15,250.00

VII. DISCLAIMER

These guidelines contain general guidance only and shall not be deemed a contract or promise by the City or any of its departments to provide TIF proceeds or any services outlined above. Any timeline given by the City or its representative shall be deemed an approximation only and while developers may use these timelines for planning purposes, they should not rely on such timelines, nor shall the City, the CRA, the Planning Commission, or any of their respective officers, agents, employees, and representatives be liable for not strictly adhering to any deadline set forth or implied. The City, by and through the City Manager, reserves the right to reasonably alter these policies or equitably adjust the fee charged in connection with any project if, in the City Manager's discretion such alterations or adjustments are in the best interest of the City. Nothing in these guidelines, including the payment of any fees, shall guarantee TIF to any person or entity. The receipt of TIF is subject to the developer meeting all statutory and local requirements of TIF and the approval of the City.

APPENDIX A

APPLICATION FOR TAX INCREMENT FINANCING

Please note that the following application must be typed prior to submission to the City of Scottsbluff. You should attach additional pages when necessary. The applicant(s) or a designated representative may be asked to be present at the Community Redevelopment Authority (CRA), Planning Commission, and City Council meetings to answer any questions related to the project. Proper notice of all meetings will be given to applicants by City Staff. **Failure to complete any of these application requirements may result in ineligibility for or delay of approval of Tax Increment Financing.**

1. Please state, the name, address, telephone number and email address of the Redeveloper(s) (the applicant). If the Redeveloper is a business entity, please include the name of the designated representative of the business and the position title.

2. Please describe the property to be redeveloped (the “Project Site”) by address, legal description, or, if necessary, general location. Please include all parcel numbers included in the Project Site. These can be obtained from the Scotts Bluff County Assessor website: <http://www.scottsbluffcounty.org/assessor/assessor-disclaimer-do.html>. Please attach a map of the Project Site if available.

3. Please describe the existing uses and condition of the Project Site.

4. If you do not currently own the Project Site, please explain your plan for acquiring the Project Site, including whether you have a current agreement to acquire the Project Site.

5. Please describe the Redevelopment Plan on the Project Site. In your description, please address (please include your answers in an attached document):

- A. Proposed land uses after redevelopment (please attach a land use plan if available).
- B. The necessity of and plan to demolish or remove structures.
- C. Land coverage and building intensities in the Project Site after redevelopment (please attach a site plan if available).
- D. Standards of population densities in the Project Site expected after redevelopment.
- E. A statement of any proposed changes to zoning, street layouts, building codes, or ordinances.
- F. A statement of any planned subdivision to the Project Site.
- G. A statement of additional public facilities and utilities required to support the Project Site after redevelopment.
- H. Employment within the Project Site before and after redevelopment.
- I. Any other information you deem relevant.

6. Please itemize your estimated project costs (please attach copies of bids or estimates to support estimated project costs):

A. Land Acquisition (if applicable):	\$
B. Site Development (itemize):	\$
C. Building Cost:	\$
D. Architectural & Engineering Fees:	\$
E. Legal Fees:	\$
F. Financing Costs:	\$
G. Broker Costs:	\$
H. Contingencies:	\$
I. Other (itemize):	\$

TOTAL \$

7. Please list the names and addresses of all known architects, engineers, and contractors who will be involved with the Project.

8. Please itemize the following regarding the valuation of the Project Site:

- A. Total estimated assessed valuation of Real Property at completion:
- B. Latest property valuation (from R.E. Tax Statement):

9. Please itemize your projected sources of financing for the Project (please include a construction pro forma if available):

A.	Equity:	\$
B.	Bank Loan:	\$
C.	Tax Increment Financing:	\$
D.	Other (itemize):	\$
TOTAL		\$

10. Please set forth your Project schedule.

- A. Expected acquisition date (if applicable):
- B. Demolition start date (if applicable):
- C. Construction start date:
- D. Construction completion date:
- E. If project is phased:

Year _____ % Complete
Year _____ % Complete

11. Please name any other municipality wherein you, or other entities the applicant has been involved with, has completed developments within the last five years.

12. Tax Increment Financing Request:

A. Describe amount and purpose for which Tax Increment Financing is required:

B. Statement of necessity for use of Tax Increment Financing:

C. Have you filed or do you intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act for a project located or to be located within the Project Site?

_____ Yes _____ No

D. If your answer to the previous question 12.C is “Yes,” does such application include, or will such application include, as one of the tax incentives, a refund of the City’s local option sales tax revenue?

_____ Yes _____ No

E. If your answer to question 12.C is “Yes,” has the application been approved under the Nebraska Advantage Act?

_____ Yes _____ No

I certify that the facts and estimates set forth in this application for Tax Increment Financing (TIF) are true and accurate to the best of my knowledge. I understand that false statements on this application shall be considered sufficient cause for ineligibility.

I understand that the City may request additional information it deems relevant and that submitting this application does not guarantee a grant of TIF. All TIF grants are conditional upon (1) approval by the appropriate City authorities and (2) the execution of a contract between you and the CRA.

I agree to maintain all project related receipts for a period of five (5) years beginning at final payment of Tax Increment Financing for audit purposes.

Applicant Name	Signature	Date
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Applicant Name	Signature	Date
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APPENDIX B

COMMUNITY REDEVELOPMENT AUTHORITY, CITY OF SCOTTSBLUFF, NEBRASKA
[NAME OF PROJECT]
COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

A. *Project Sources/Use of Funds:* An estimated \$_____ of TIF Revenues are available for this Project. This public investment will leverage approximately \$_____ in private sector investment; a private investment of almost \$_____ for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each:

<u>Description</u>	<u>TIF Funds (eligible)</u>	<u>Private Funds</u>	<u>Total</u>
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B. *Tax Revenues and Tax Shifts Resulting from the Division of Taxes.*

C. *Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from Project Approval.*

D. *Impacts on Employers and Employees of Firms Locating or Expanding Within the Boundaries of the Redevelopment Project Area.*

E. *Impacts on other Employers and Employees within the City and immediate area located outside the Redevelopment Project Area.*

F. *Impacts on Student Populations of School Districts within the City.*

G. *Other Impacts.*

Approved by the Community Redevelopment Authority, City of Scottsbluff
on_____

Chair

Secretary

RESOLUTION NO. 06-17-20

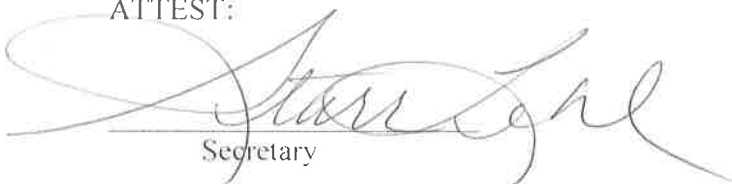
**BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY
OF THE CITY OF SCOTTSBLUFF, NEBRASKA:**

1. The Scottsbluff Community Redevelopment Authority ("CRA") has reviewed the *Tax Increment Financing (TIF) Guidelines and Application for the City of Scottsbluff, Revised June 2020* (the "Guidelines").
2. The Guidelines are consistent with the sound needs of the City ("City") and comprise an integral part of a workable program of the City for utilizing appropriate private and public resources to carry out the provisions, purposes, and declarations of the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.* (the "Act"), including without limitation to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, and to provide for the redevelopment of blighted and substandard areas.
3. The Guidelines are adopted and approved.
4. The form Cost-Benefit Analysis attached as Appendix B to the Guidelines is approved as the model form for use by local redevelopment projects. Any cost-benefit analysis of a redevelopment project conducted by the CRA shall be made available for public inspection at City Hall.
5. The City Staff and their designees are authorized to take any and all actions on behalf of the CRA to carry out the activities and implement the processes set forth in the Guidelines to the fullest extent allowed by the Act. This Resolution and the Guidelines should not be construed to limit the CRA's authority under the Act.
6. This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED on June 17, 2020

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

ATTEST:


Secretary


Chair

RESOLUTION NO. ____

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
SCOTTSDLUFF, NEBRASKA:**

1. The Mayor and City Council of the City of Scottsbluff, Nebraska have reviewed the *Tax Increment Financing (TIF) Guidelines and Application for the City of Scottsbluff, Revised June 2020* (the “Guidelines”).
2. The Guidelines are consistent with the sound needs of the City and comprise an integral part of a workable program of the City for utilizing appropriate private and public resources to carry out the provisions, purposes, and declarations of the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.* (the “Act”), including without limitation to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, and to provide for the redevelopment of blighted and substandard areas.
3. The Guidelines are adopted and approved.
4. The form Cost-Benefit Analysis attached as Appendix B to the Guidelines is approved as the model form for use by local redevelopment projects. Any cost-benefit analysis of a redevelopment project conducted by the Scottsbluff Community Redevelopment Authority (“CRA”) shall be made available for public inspection at City Hall.
5. The City Staff and their designees are authorized to take any and all actions on behalf of the City to carry out the activities and implement the processes set forth in the Guidelines to the fullest extent allowed by the Act. This Resolution and the Guidelines should not be construed to limit the City’s or CRA’s authority under the Act.
6. This Resolution shall become effective immediately upon its adoption.

PASSED and APPROVED on _____

Mayor

ATTEST:

City Clerk (Seal)