City of Scottsbluff, Nebraska

Thursday, September 17, 2020 Regular Meeting

Item 1

Review Redevelopment Plan

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN YOLO Properties Carwash

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CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN YOLO Properties Carwash

1. Introduction/Executive Summary

YOLO Properties 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"), according 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 high performance tunnel 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)

The City has declared the Project Site and surrounding areas as blighted and substandard as defined in the Nebraska Community Development Law. See Attachment 1.

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

- Boundaries of the Project Site: The Project Site is described as an approximately one acre A. parcel lying directly south of W. 29th Street and directly west of the property located at 2822 Avenue I in Scottsbluff, Nebraska. An aerial map of the Project Site is attached as Attachment 2.
- В. Land Acquisition: The Redeveloper has a purchase agreement for purchasing the Project Site which is contingent on the Redeveloper obtaining financing.
- *C*. Land Uses: See Attachment 3 for existing land uses of the area surrounding the Project Site. The Project Site will be used as a high performance tunnel car wash facility. Renderings of the facility are attached as Attachment 4.
- D. Land Coverage, and Building Intensities: The Project Site is approximately 46,640 square feet. The building will be 5,112 square feet (10.96% of the Project Site). The concrete parking and sidewalk will be 24,856 square feet (53.29% of the Project Site). See the Site Plan attached as Attachment 5.
- Site Plan: See Attachment 5. E.
- F. Existing Uses and Condition: The Project Site is currently vacant, undeveloped 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.

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- I. Zoning Changes: The Project Site is zoned as agricultural. Thus, the Project Site will need to re-zoned as commercial. The Project Site is in a primarily commercial district, with the exception of R-1A immediately to the east. See Attachment 6. Approval of the Redevelopment Plan does not approve any zoning changes. The Redeveloper must go through the proper procedure for rezoning, independently of the process for obtaining approval for this Redevelopment Plan.
- J. Additional Public Facilities and Utilities: A sewer line will need to be extended through the adjacent property along 29th Street for approximately 40 feet.
- 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: The Project Site will need to be platted to divide the Project Site into a single, independent lot. No other ordinance or building code changes are contemplated by the Plan.
- 4. <u>Conformity to General Plan of the City (NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a)).</u>

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

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Northwest District and in an Automobile Commercial Neighborhood. One of the principles for sustainable development for the Northwest District is to encourage new development to be contiguous with existing development. The Automobile Commercial Neighborhoods contemplate daytime and nighttime activity, a wide variety of building types and sizes, and C-2 and C-3 as appropriate zones. The Redeveloper's development of the Project Site is consistent with the Comprehensive Plan. Relevant excerpts from the Comprehensive Plan are attached as Attachment 7.

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 according to NEB. REV. STAT. § 18-2147. The amount of the available proceeds from tax increment financing ("TIF Revenues") is estimated at approximately \$485,160.00, calculated as follows:

| a. | Estimated Base Value: | \$ 2,600.00 |
|----|--|----------------|
| b. | Estimated Project Completion Value: | \$1,500,000.00 |
| C. | Tax Increment (b minus a): | \$1,497,400.00 |
| d. | Estimated Levy: | 2.16% |
| e. | Annual Projected Shift (rounded): | \$ 32,344.00 |
| f. | Total TIF Available (e multiplied by 15) | \$ 485,160.00 |

Note: The above figures are based on estimated values, project completion/phasing timelines, 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. The principal amount of the TIF Indebtedness will be based on the eligible expenses actually incurred. The interest rate will be established as set forth in the Redevelopment Contract.

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. Based on the current costs to develop high performance tunnel car-washes, tax increment financing is extremely important to the viability of the Project. Tax increment financing is needed to keep the debt to equity ratio acceptable to Redeveloper's lender.

Notwithstanding the foregoing, the Redeveloper understands the liability of the CRA and City shall be limited to the TIF Revenues received by the CRA with respect to the Project available to pay the TIF Indebtedness issued for this Project and the Redeveloper shall look exclusively thereto for the payment on 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 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 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 cost that the Redeveloper proposes to be paid for with TIF Revenues, to the extent available:

| Description | Estin | Estimated Costs | |
|------------------------|-------|-----------------|--|
| Land Acquisition | \$ | 400,000.00 | |
| Site Preparation | \$ | 76,000.00 | |
| Sidewalk/Drive Access | \$ | 7,100.00 | |
| Site Engineering | \$ | 19,267.00 | |
| Plan Preparation/Legal | \$ | 10,250.00 | |
| Total | \$ | 512,617.00 | |

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 the private improvements such as the building and equipment estimated at almost \$3,000,000.

Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. A "TIF Adjustment" is made to show the TIF eligible expenses that will not be covered by TIF, but rather private investment. This breakdown does not account for interest to be paid out of TIF funds.

| Description | TIF F | unds (eligible) | Private | Funds | Totals | |
|------------------------|-------|-----------------|---------|--------------|--------|--------------|
| Land Acquisition | \$ | 400,000.00 | | | | |
| Site Preparation | \$ | 76,000.00 | | | | |
| Sidewalk/Drive Access | \$ | 7,100.00 | | | | |
| Building | | | \$ | 1,592,900.00 | | |
| Architecuture | | | \$ | 50,733.00 | | |
| Site Engineering | \$ | 19,267.00 | | | | |
| Equipment | | | \$ | 1,200,000.00 | | |
| Contingencies | | | \$ | 76,000.00 | | |
| Plan Preparation/Legal | \$ | 10,250.00 | \$ | 1,000.00 | | |
| Subtotals | \$ | 512,617.00 | \$ | 2,920,633.00 | | |
| TIF Adjustment | \$ | (27,457.00) | \$ | 27,457.00 | | |
| Totals | \$ | 485,160.00 | \$ | 2,948,090.00 | \$ | 3,433,250.00 |

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, as limited by tax increment revenues received.

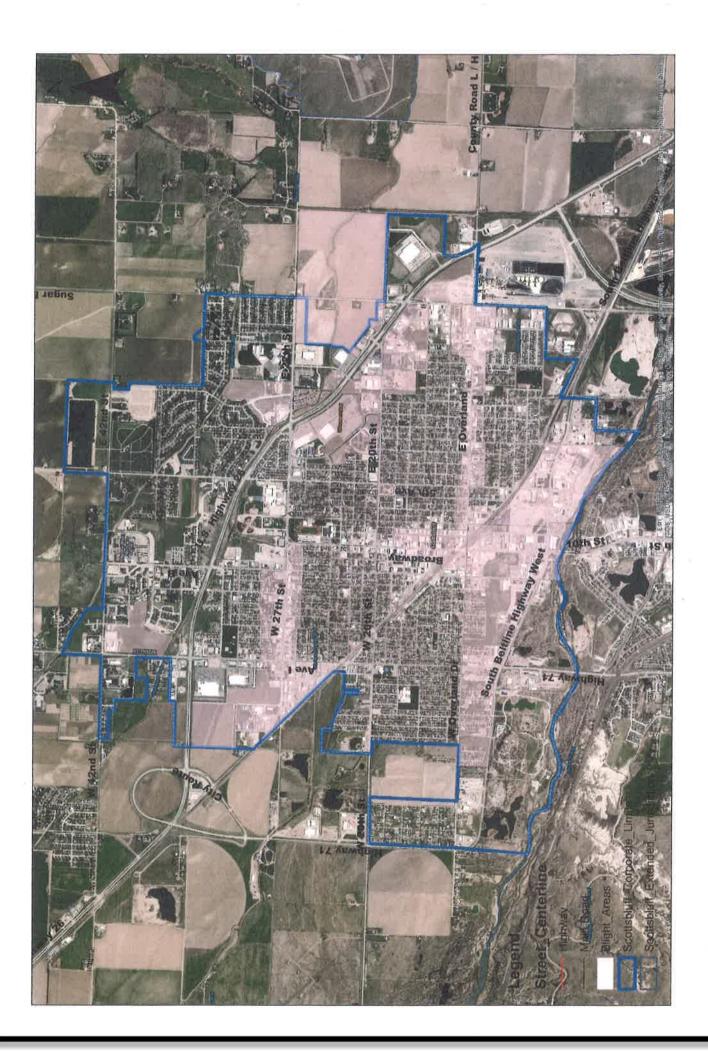
A proposed statutory Cost-Benefit Analysis of the Project is attached as Attachment 8.

6. <u>Implementation of the Plan</u>

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 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.

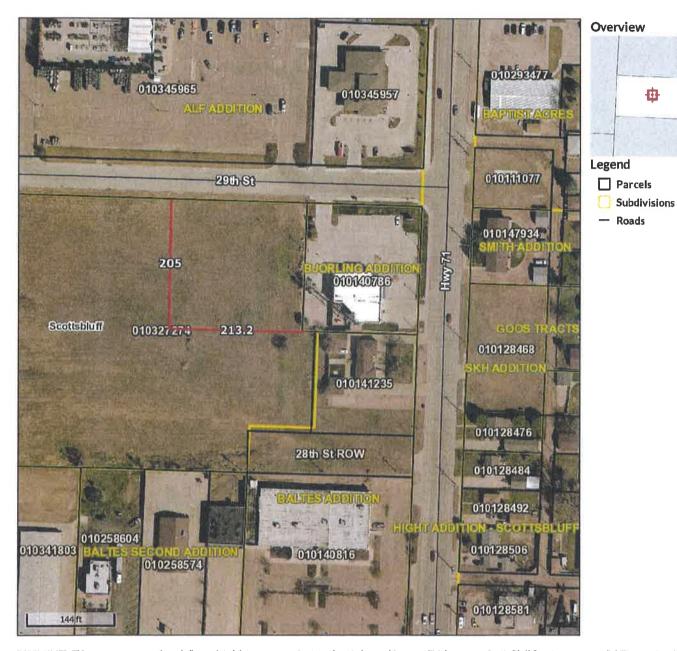
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YOLO Properties Carwash Redevelopment Plan Attachment 1 Blighted and Substandard Map



YOLO Properties Carwash Redevelopment Plan Attachment 2 Map of Project Site



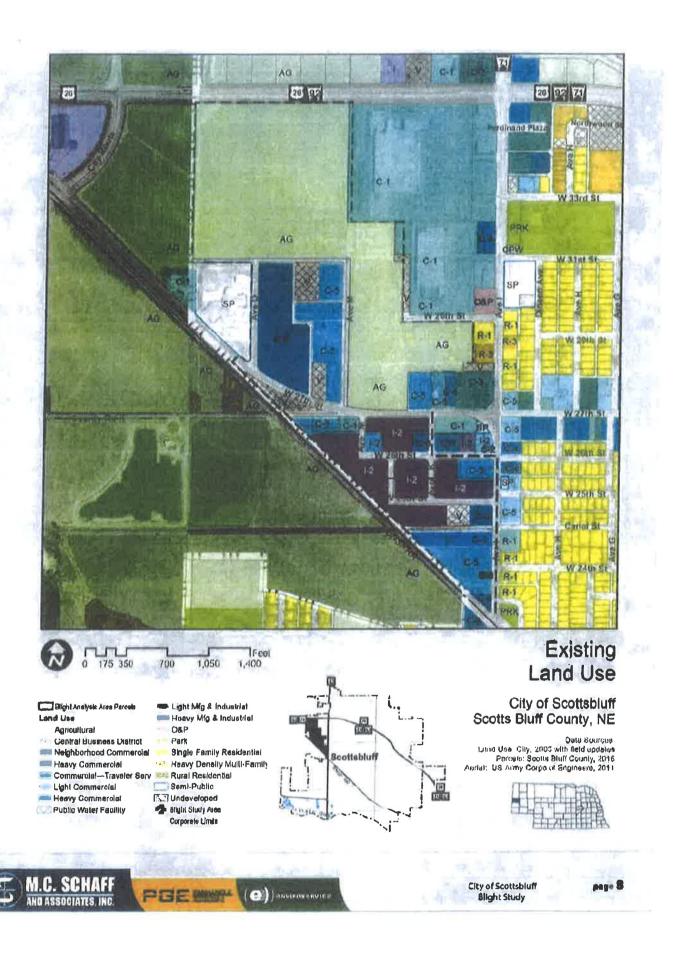


DISCLAIMER: This map measurement's and all associated data are approximate and not to be used for any official purposes. Scotts Bluff County assumes no liability associated with the use or misuse of this information.

Date created: 1/22/2020

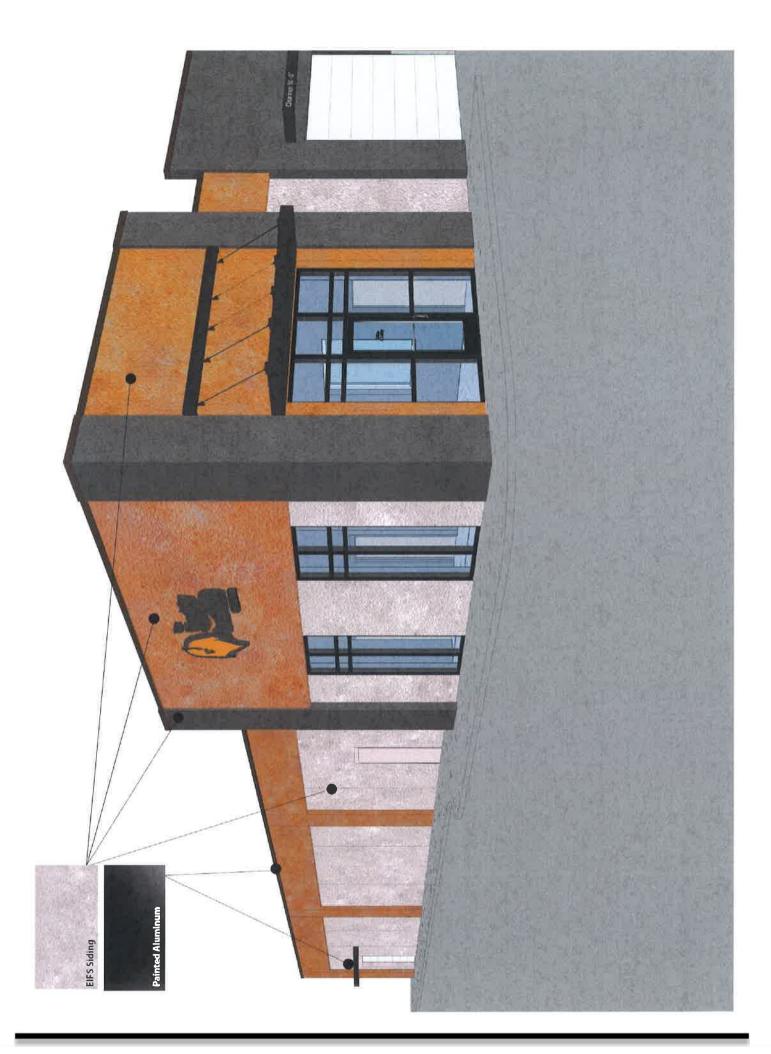
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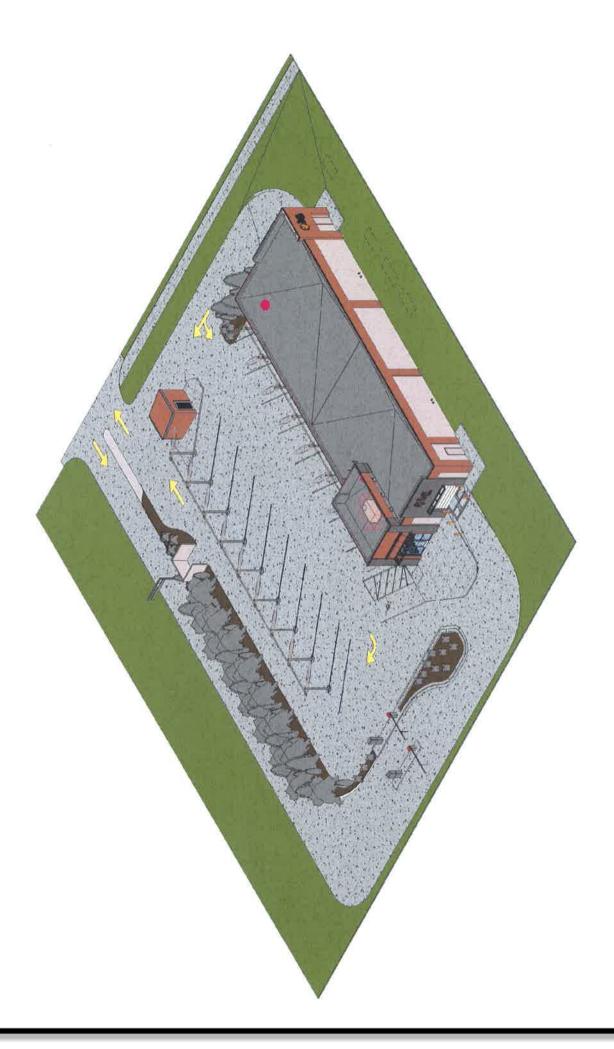
YOLO Properties Carwash Redevelopment Plan Attachment 3 Current Land Use Map

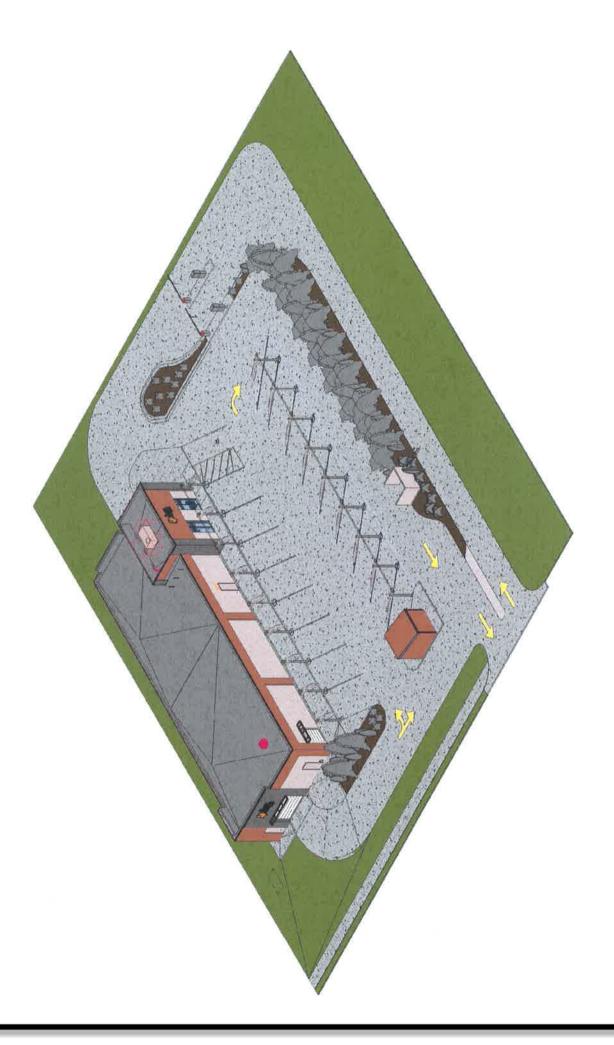


YOLO Properties Carwash Redevelopment Plan Attachment 4 Renderings of Facility

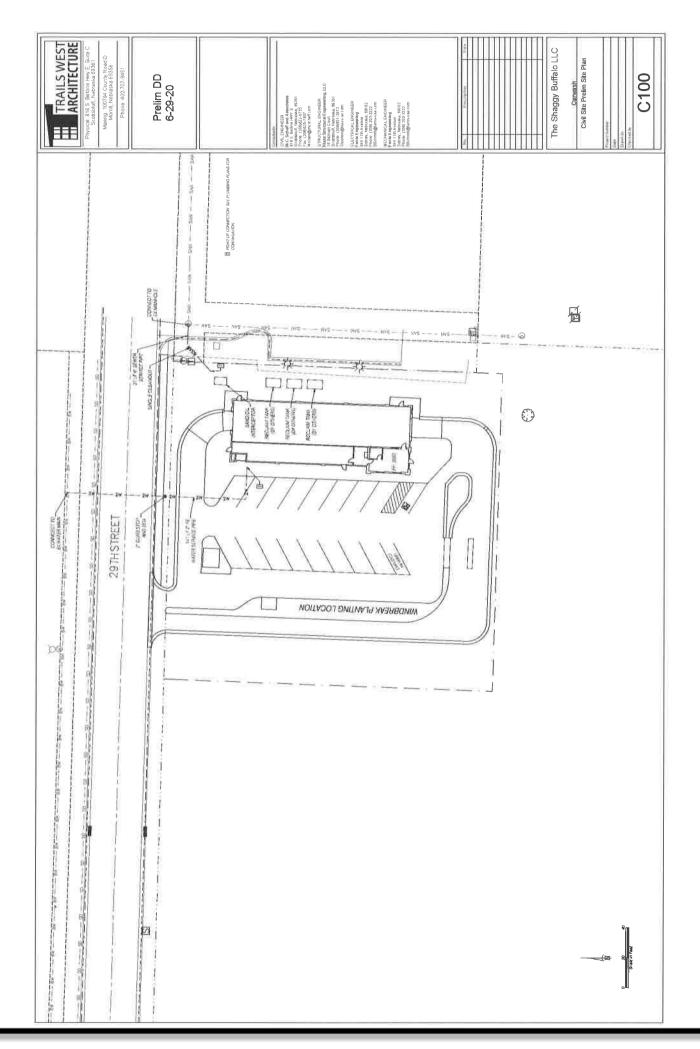


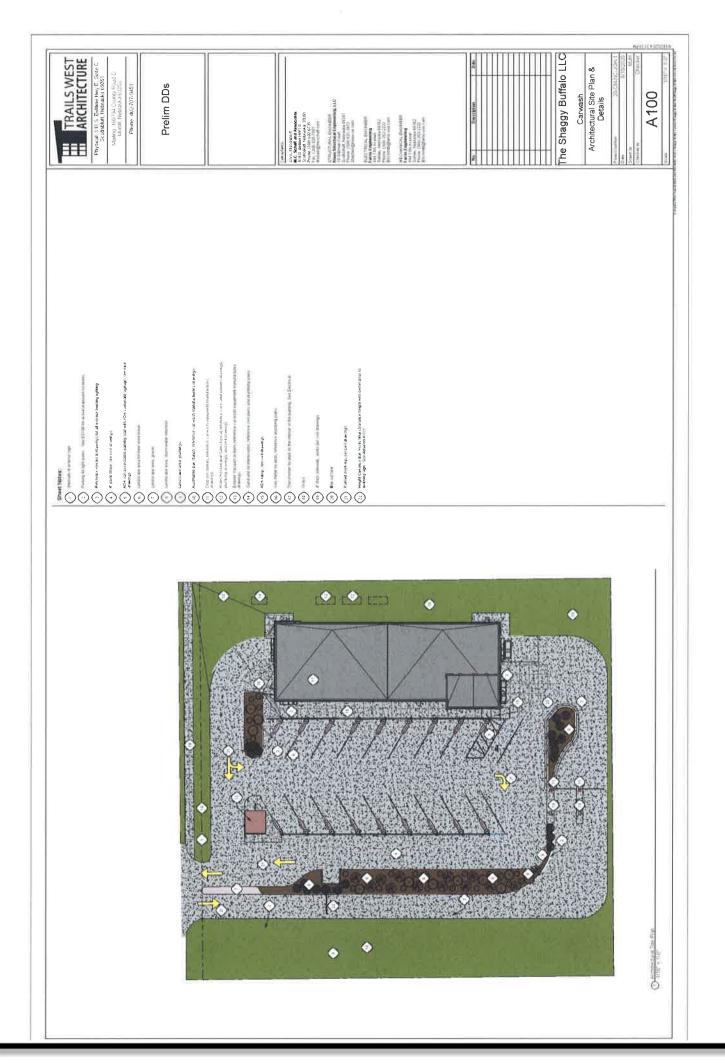




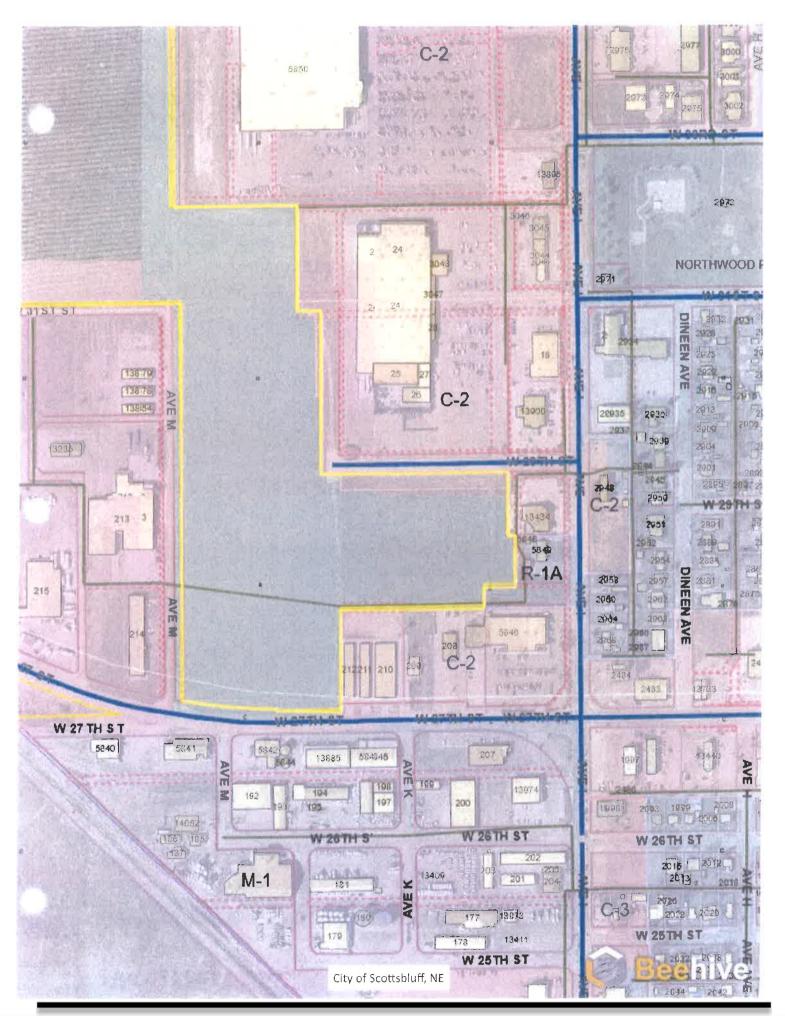


YOLO Properties Carwash Redevelopment Plan Attachment 5 Site Plan

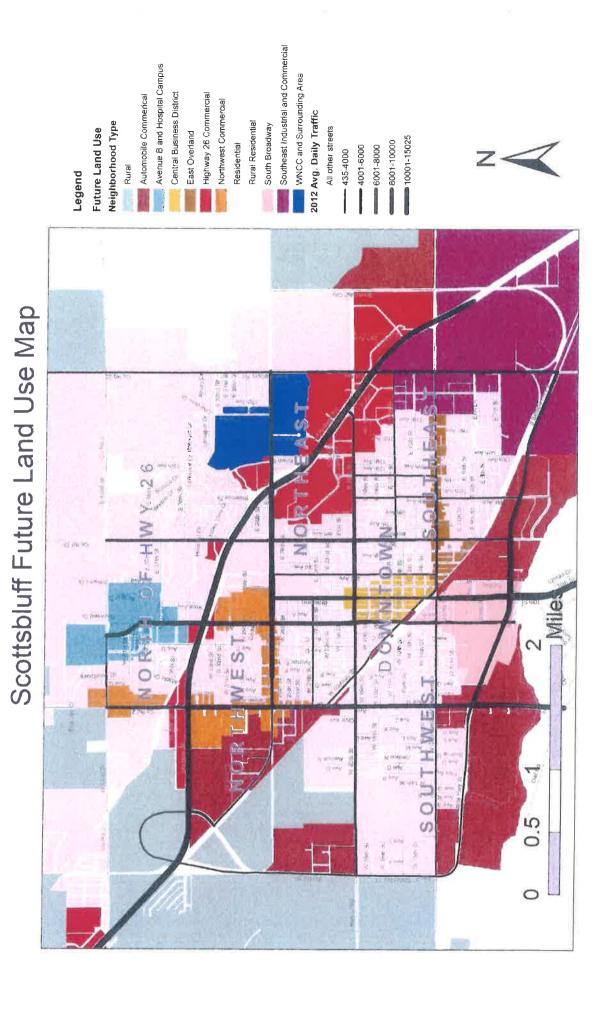




YOLO Properties Carwash Redevelopment Plan Attachment 6 Zoning Map



YOLO Properties Carwash Redevelopment Plan Attachment 7 Excerpts from Comprehensive Plan



Summary of Neighborhood Types

| Neighborhood | Characteristics |
|--|---|
| East Overland | Hours: Active daytime, limited nighttime activities Auto: Human scale transportation oriented. Formalized bicycle and pedestrian accommodations. Mass: Dense business corridor built near or to the street, one to two stories, Corners built out to develop 'nodes' of activity Emissions: High activity during the day, generally residential daily business traffic, low amounts of noise and smells, and enforced aesthetic and design standards. Appropriate zones: C-1, C-2, R-1a* |
| Southeast Industrial | Hours: Active daytime and nighttime Auto: Heavy traffic both personal and commercial motorized vehicles Mass: Wide variety of buildings Emissions: High amounts of noise and smells tolerated closer to highway 26. Heavy day-time traffic acceptable closer to residential areas west of 21st Avenue Appropriate zones: C-3, M-1, M-2 |
| WNCC Campus and Surrounding Area | Hours: Daytime, generally 8-5 working hours. Auto: Both motorized and non-motorized traffic should be well facilitated, Motorize vehicle convenience should yield to pedestrian connectivity Mass: Variety of building types and heights and setbacks. Moderate to low density with accompanying open space and landscaping. Emissions: High activity during the day, generally residential daily business traffic, low amounts of noise and smells, and enforced aesthetic and design standards. Appropriate zones: R-1a, O-P, R-4 |
| Highway 26 Commercial | Hours: Daytime and evening. Nighttime activity acceptable adjacent to highway. Auto: Motorized vehicle oriented to facilitate both personal and commercial vehicle Formalized pedestrian and cycling facilities. Mass: Variety of building types and heights and setbacks. Moderate to high density and mixes of uses. Emissions: High activity during the day, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards. Appropriate zones: C-2, PBC, O-P, R-4 |
| Avenue B and Hospital Campus | Hours: Daytime and evening. Nighttime activity acceptable adjacent to highway. Auto: Motorized-vehicle oriented to facilitate both personal and commercial vehicle Formalized pedestrian and cycling facilities. Mass: Variety of building types and heights and setbacks. Moderate to high density and mixes of uses. Emissions: High activity during the day, low amounts of non-restaurant smells, low noise, and enforced aesthetic and landscaping standards. Appropriate zones: C-2, PBC, O-P, R-5 |
| Northwest Commercial | Hours: Heavier daytime use, 24 hour retail, fast-food, or traveler activity accepted. Auto: Multi-modal accommodations integrated on 27th street and included on Avenue I. Mass: Big box with surface parking acceptable when built to design code, shared buildings, built out along key intersections, low height, set-backs to encourage walkability on 27th st. Emissions: Traffic heaviest in the day but continuing through the night, low amount of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards. Appropriate zones: C-2 |

| South Broadway | Hours: Heavier daytime use, evening retail. Auto: Multi-modal transportation well accommodated. Mass: Higher density development, generally low buildings though 2.5-3 stories is acceptable. Broadway setbacks set eventually to be near or on the street. Larger for big box. Emissions: Traffic heaviest in the day but continuing through the night, commercial deliveries frequent, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards. Appropriate zones: C-1, O-P, C-2, R-4, PBC* |
|------------------------------|---|
| Central Business District | Hours: Active daytime, evening, and nighttime activities Auto: Formalized bicycle and pedestrian accommodations. Pedestrian oriented along Broadway Mass: Allowable height up to 70 feet, zero setbacks. Buildings should take up entire lot-green space provided in public facilities. Emissions: High activity during the day, evening, and late night. Lights that reflect historical character of district. Appropriate zones: C-1 |
| Automobile Commercial | Hours: Daytime and nighttime activity Auto: Motorized traffic oriented with ease of commercial vehicle access Mass: Wide variety of building types and sizes Emissions: Noises and heavier commercial traffic associated with business Appropriate zones: C-2, C-3, PBC, R-4 |
| Rural Residential | Hours: Generally daytime activity Auto: Motorized traffic oriented Mass: Some agricultural activity, low traffic intensity, dust from unpaved roads Emissions: Noises and heavier commercial traffic associated with business Appropriate zones: R-1b, AR |
| Residential | Hours: Daytime activity Auto: Generally personal motorized traffic only, safe streets for non-motorized transportation Mass: Generally small buildings, single family homes predominately with ample setbacks Emissions: No offensive smells or noises, low traffic, well maintained properties |

these zones may be appropriate in certain areas

Appropriate zones: R-1a, Due to higher intensity of traffic and density in R-4 and R-6,



1. Growing as a regional leader of commerce and economic opportunity

- Home to employment hubs, Housing that supports a thriving workforce, High transportation accessibility
- 2. Living into our unique character of a city in the country
 - Home to retail amenities to serve the surrounding neighborhoods and the region
- Promoting the health and happiness of all citizens
 - Clean, safe neighborhoods, multimodal active transportation options, access to parks
- 4. Inclusive Opportunities for participation in civic life
 - Strong civic groups, available resources, community events

Principles:

5. Interconnection of Neighborhoods and amenities

- Improve pedestrian and cycling facilities across the highway and throughout the neighborhood. Utilize neighborhood through streets, Railway St., and multi-modal accommodations along 27th St and Ave. B.
- b. Safe and efficient motorized transportation along major arterials, encouraging shared driveways and limited access points.
- c. Safe routes to school with attention to crosswalks on high traffic roads, crossing guards, and drop-off, pick-up traffic flow.

6. Sustainable development

- a. Incorporate native species, and natural landscaping into codes commercial development and campus landscape design.
- b. Natural stormwater facilities in uses with high percentage of impervious surfaces.
- c. Direct higher intensity uses towards arterials, with highest intensities at intersections of arterials and collectors.
- d. Build successful nodes at major intersections on 27^{th} street through aesthetics, building design, and encouraging commercial and mixes of uses.
- e. Preserve undeveloped land where city utilities could be extended for long term (10-20 year) development needs.
- of. Encourage new development to be contiguous with existing development with planned linkages between roads and utilities.
 - g. Avoid development in floodplain
 - h. Restrict uses that may have a negative impact on the City's wellfield.

7. Access to culture and recreation

- a. Connect residential areas to parks through walking and biking trail connectivity and attention to pedestrian accommodations along and across heavily trafficked thoroughfares.
- b. Plan for a public access to a park or greenspace in current and new development, striving for no one residence to be more than a quarter mile walking distance from recreation facilities.
- c. Encourage opening school grounds as regular park access.
- d. Create positive, safe gathering places for neighbors and youth in parks and outside of
- 8. Strong neighborhoods and places, rooted in our unique character

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- a. Make programs that encourage up-keep of private property and neighborhoods more accessible and better communicated.
- b. Facilitate and support neighborhood involvement in plans, studies, and community events.
- c. Continue traditional neighborhood style of homes, streets, and sidewalks in residential areas.
- d. Improve aesthetics and landscaping along collectors, arterials, and in front of businesses, utilizing native species and enforcing design standards in Northwest Commercial Corridors.

Northwest Neighborhoods

Northwest Commercial Appropriate Zones: C-2

- Hours: Heavier daytime use, 24 hour retail, fast-food, or traveler activity accepted.
- Auto: Multi-modal accommodations integrated on 27th street and included on Avenue I.
- Mass: Big box stores, shared buildings, low height but smaller setbacks on 27th Street to encourage walkability.
- **Emissions:** Traffic heaviest in the day but continuing through the night, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.
- *This neighborhood may include mixed use zoning in the future. Until the City adds Mixed Use as a zoning district, either C-2 or R-1a would be appropriate zones for this area.

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Community-wide Neighborhoods

Residential

Appropriate Zones: R-1a, Due to higher intensity of traffic and density in R-4 and R-6, these zones may be appropriate in areas adjacent to commercial zones as transition between higher-intensity commercial zones and lower-intensity residential zones.

- Hours: Daytime activity
- Auto: Generally personal motorized traffic only, safe streets for non-motorized transportation
- Mass: Generally small buildings, single family homes predominately with ample setbacks
- Emissions: No offensive smells or noises, low traffic, well maintained properties



Automobile Commercial
Appropriate Zones: C-2, C-3, PBC, R-4

- Hours: Daytime and nighttime activity
- Auto: Motorized traffic oriented with ease of commercial vehicle access
- Mass: Wide variety of building types and sizes
- Emissions: Noises and heavier commercial traffic associated with business

Rural Residential

Appropriate Zones: R-1b, AR

- Hours: Generally daytime activity
- Auto: Motorized traffic oriented
- Mass: Variety of rural residential home styles, very low density
- Emissions: Some agricultural activity, low traffic intensity, dust from unpaved roads

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YOLO Properties Carwash Redevelopment Plan Attachment 8 Proposed Cost-Benefit Analysis

COMMUNITY REDEVELOPMENT AUTHORITY, CITY OF SCOTTSBLUFF, NEBRASKA YOLO Properties Carwash Project

COST-BENEFIT ANALYSIS

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

A. Project Sources/Use of Funds: An estimated \$485,160.00 of TIF Revenues are available for this Project. This public investment will leverage approximately \$2,948,090.00 in private sector investment; a private investment of approximately \$6.07 for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. A "TIF Adjustment" is made to show the TIF eligible expenses that will not be covered by TIF, but rather private investment. This breakdown does not account for interest to be paid out of TIF funds.

| Description | TIF F | unds (eligible) | Priva | ate Funds | Total | S |
|------------------------|-------|-----------------|-------|--------------|-------|--------------|
| Land Acquisition | \$ | 400,000.00 | | | | |
| Site Preparation | \$ | 76,000.00 | | | | |
| Sidewalk/Drive Access | \$ | 7,100.00 | | | | |
| Building | | | \$ | 1,592,900.00 | | |
| Architecuture | | | \$ | 50,733.00 | | |
| Site Engineering | \$ | 19,267.00 | | | | |
| Equipment | | | \$ | 1,200,000.00 | | |
| Contingencies | | | \$ | 76,000.00 | | |
| Plan Preparation/Legal | \$ | 10,250.00 | \$ | 1,000.00 | | |
| Subtotals | \$ | 512,617.00 | \$ | 2,920,633.00 | | |
| TIF Adjustment | \$ | (27,457.00) | \$ | 27,457.00 | | |
| Totals | \$ | 485,160.00 | \$ | 2,948,090.00 | \$ | 3,433,250.00 |

В. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.

Taxes from base value of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The estimated current value of the Project Site is \$2,600.00. Taxes from the current value of the Project Site are approximately \$57.00 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 from this Project will not be available to local taxing jurisdictions for up to 15 years after the effective date of the division of taxes. 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. The estimated average annual tax increment revenues are calculated as follows:

| a. | Estimated Base Value: | \$ 2,600.00 |
|----|--|----------------|
| b. | Estimated Project Completion Value: | \$1,500,000.00 |
| c. | Tax Increment (b minus a): | \$1,497,400.00 |
| d. | Estimated Levy: | 2.16% |
| e. | Annual Projected Shift (rounded): | \$ 32,344.00 |
| f. | Total TIF Available (e multiplied by 15) | \$ 485,160.00 |

Note: The above figures are based on estimated values, project completion/phasing timelines, and levy rates. Actual values and rates may vary materially from the estimated amounts.

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

A sewer line will need to be extended through the adjacent property along 29th Street for approximately 40 feet. There are no additional local tax impacts for this sewer extension.

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

The carwash will provide employment for approximately 4 FTE employees.

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

None anticipated.

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

None anticipated.

G. Other Impacts.

Local contractor will perform the work. Increase in personal property taxes due to \$1,200,000 of equipment.