

**City of Scottsbluff, Nebraska**  
**Thursday, September 17, 2020**  
**Regular Meeting**

**Item Min1**

**Approve Minutes of the September 2, 2020 Meeting.**

**Staff Contact: Starr Lehl**

City of Scottsbluff  
Community Redevelopment Authority  
September 2, 2020

A meeting of the Community Redevelopment Authority (CRA) was held on Wednesday, September 2, 2020 at 12:00p.m. at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Notice of the meeting was published in the Star-Herald on Friday, August 28, 2020.

The meeting convened at 12:00 p.m. by Chairman Trumbull. Roll call was taken. The following CRA members were present: Bill Trumbull, Katie Camacho. Mary Skiles Absent: William Knapper, Robert Franco. In attendance on behalf of the city were Interim City Manager, Rick Kuckkahan, Economic Development Director, Starr Lehl and Legal Counsel, John Selzer.

Chairman Trumbull informed those in attendance that a copy of the Nebraska Open meetings Act is available for the public's review.

Chairman Trumbull asked if there were changes to the agenda and there were no changes.

Motion by Camacho, second by Skiles to approve the minutes from the June 17, 2020 meeting. "Yeas" Skiles, Trumbull, Camacho, "Nays", none, Absent: Knapper, Franco.

Member Knapper arrived at 12:04 p.m.

Chairman Trumbull introduced new CRA member, Mary Skiles to the group and welcomed her aboard.

Chairman Trumbull opened by informing the CRA and audience that the CRA has two potential TIF projects to consider, one a laundromat and the other a carwash. He then turned the floor over to Legal Counsel, John Selzer.

Selzer reminded the CRA of the revisions to the TIF guidelines recently approved and that this is the first step in the process which is to approve the preliminary application and Cost Benefit Analysis. Selzer informed the CRA that the advertising for public hearings has already been put into place, but could be stopped in the event the CRA did not approve of the applications. He also explained the next step is to forward the redevelopment plans to the planning commission which has a meeting scheduled for Monday, September 14<sup>th</sup>. Following the planning commission recommendation the plans would come back to the CRA on September 17<sup>th</sup> for a final recommendation to the city council to consider at its September 21<sup>st</sup> meeting.

Selzer reviewed the application and the preliminary cost benefit analysis for the MTL Commodity Corporation Laundromat project. He explained TIF funds are being requested for the purchase of the property located just north of Kelly's Liquor Cabinet in the amount of \$117,500, for water service to property in the amount of \$4,500, for relocation of the sewer main in the amount of \$3,750, and for site preparation in the amount of \$7,500. The application and materials are available for public view at city hall at any time. Selzer explained the tax revenues and tax shifts resulting from the proposed TIF. Taxes from base value of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The current value of the Project Site is \$116,012. Taxes from the current value of the Project Site are approximately \$2,395.00 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. Selzer reviewed the other portions of the preliminary cost benefit analysis including public infrastructure impacts, impacts on employment, and impacts on Scottsbluff Public Schools.

Chairman Trumbull informed the CRA that all of these figures are preliminary and when the project comes back to the CRA project costs could be refined and the duty of the CRA is to review the plan to ensure it makes sense and is a benefit to the citizens and tax payers of the city. Trumbull reviewed the plan and how the costs are laid out for the improvements to the property. Chairman Trumbull asked owner, Mark Simmons if he had any comments and he responded no unless there were any questions. Chairman Trumbull asked if the current laundromat would remain functioning and Simmons answer was no. Selzer asked Simmons to explain the issue with the current sewer main and what would need to be done. Simmons responded there is a sewer main that runs through the middle of the lot that will need to be relocated because building on top of it would not be permissible. Member Camacho asked if the area for both applications was already blighted and the answer was yes they are.

Chairman Trumbull asked for additional questions from owner Simmons or attorney Selzer on the project and there were none. Motion by Knapper, second by Camacho to approve the preliminary Cost Benefit Analysis for the laundromat project and to forward the Redevelopment Plan on to the Planning Commission. "Yeas" Skiles, Trumbull, Camacho and Knapper, "Nays", none, absent Franco.

Chairman Trumbull then introduced the YOLO Properties Carwash project and deferred to legal counsel. Selzer disclosed that he had worked with the developer to assist him with setting up his LLCs but that Selzer is representing the city on in connection with the Redevelopment Plan and TIF .

Selzer explained that the project is a proposed carwash to be located just to the west of the Viaro Wireless building and would be on a one acre lot. Selzer went over the preliminary cost benefit analysis. The cost of the 1 acre of property is \$400,000 so the majority of TIF requested is proposed to be used for land acquisition of the site. The estimated value of the project is \$1,000,000 and with that estimate, the TIF will bring approximately \$323,160. Selzer explained that the redeveloper had to estimate the base value since the land is not subdivided as of yet, so it was calculated on a per acre basis.

Selzer explained the tax revenues and tax shifts resulting from the proposed TIF. 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. Selzer explained the only impact to public infrastructure would be that a sewer line will need to be extended to the west through the adjacent property (Viaro) in order to service the site. Selzer reviewed the other portions of the preliminary cost benefit analysis including impacts on employment, and impacts on Scottsbluff Public Schools.

Selzer introduced the developer, John Hoehne and architect Megan Heyward to the CRA and asked if there were any questions of them. Trumbull asked if the TIF amount was high enough given the

land purchase of \$400,000 and building estimate of \$1.6 million. Hoehne replied he had researched similar facilities across the state and in Cheyenne, WY and the value of the improved property is about \$1,000,000. Selzer explained that the project site will be re-zoned and re-platted and the CRA does not decide or approve those changes. Those changes will go through the City's regular processes, but the redeveloper wants to know first whether it will receive TIF before proceeding with those processes.

Motion by Camacho, second by Knapper to approve the preliminary Cost Benefit Analysis for the carwash project and to forward the Redevelopment Plan on to the Planning Commission. "Yeas" Skiles, Trumbull, Camacho, Knapper, "Nays", none, Absent, Franco.

Trumbull began the next agenda item by explaining there were funds left over from the last East Overland Façade Improvement Program of about \$29,000. These funds were from applicants who were not able to complete the projects applied for during the past two rounds of funding. The additional \$30,000 came from a grant received from the Greater Good fund of Panhandle Partnership and the funds are specifically earmarked for the East Overland Corridor. The information went out and the application deadline was August 31, 2020 with the completion deadline for the projects extended through August 1, 2021 because of the difficulty getting bids and contractors. There are nine applications with the majority of them being straight forward and self-explanatory.

Trumbull asked that Lehl go through all of the projects and the CRA would discuss all of them at the end of the presentation. Camacho asked about how the process of reimbursement works with the program and Lehl explained that the applicants are required to bring in receipts showing actual costs and payment before the grant portion of the project is paid by the city and the check is made out directly to the applicant of the grant and not the contractor.

Lehl proceeded to present the projects including pictures of the nine properties including: 1802 East Overland-Twin City Auto, \$6,000 request; 301 East Overland-Saul Esparza, \$6,000 request; 607 East Overland-Marvel Preschool Academy, \$6,000 request; 1017 East Overland-Edwin Martinez, \$6,000 request; 508 East Overland-Colleen Herman, \$4,600 request; 510-516 East Overland-Colleen Herman, \$1,060.50 request; 518 East Overland-Bakery-Colleen Herman, \$4,100 request; 1901 East Overland Reganis Auto Center, \$4,250 request; 1302 3<sup>rd</sup> Avenue-Cinda Munoz, \$6,000 request.

Lehl reported the total request total \$44,010.50 with approximately \$15,000 left to spend. Lehl informed the CRA several property owners were interested in applying but were unable to get bids from contractors for their projects. Lehl asked the CRA if the CRA would consider extending the deadline for at least 30 days to allow for additional applications.

Mark Simmons, an East Overland business owner told the CRA he would be interested in applying, but could not get bids from contractors. Lehl mentioned there were others she felt would come forward if additional time available.

Discussion was held regarding the extension and if the CRA had the authority to extend the grant deadline and it was decided with input from City Manager Kuckkahan and Legal Counsel that the CRA could set the parameters for the program and the expenditures would need to be approved by the city council as in the past. Discussion was also held about how the property owners were being contacted about the funds being available and why there are repeat applicants for the funds. There are several reasons one being the lack of the matching funds for the project and the amount available and also communication barriers. For the first round of the grants, paperwork was hand delivered to every

property owner in the area. Lehl said she had hand delivered the grant paperwork to property owners over the past two allocations.

Motion by Knapper, second by Skiles to approve the East Overland Façade Improvement Grants presented today. “Yeas” Trumbull, Camacho, Knapper, Skiles, “Nays” none, Absent Franco.

Motion by Skiles, second by Camacho to extend the application deadline for the remainder of the funds through Friday, October 2, 2020. “Yeas” Skiles, Knapper, Camacho, Trumbull “Nays”, none, Absent Franco.

Under staff reports, Lehl reported there will be \$250,000 in funds available for a similar program and would be available to all business and property owners in the TIF District within the City of Scottsbluff. Kuckkahan complemented the CRA on how they set up the East Overland Program and the council would like to see something similar. The funds would need to be spent during the budget year with an additional \$250,000 coming through the CRA and there would be additional discussion regarding these funds. Discussion was held about the minimum and maximum amounts for the grants and other issues that need some refinement as we move into the new grant funds for other property owners.

Trumbull informed the CRA the next meeting would be on Thursday, September 17<sup>th</sup> and wanted to ensure we have a quorum of the CRA to act on the TIF projects. The question was asked about the time of the meeting to make sure the noon meetings work with the members.

Motion by Knapper, second by Skiles to adjourn the meeting at 1:02 p.m. “Yeas” Camacho, Knapper, Skiles, Trumbull, “Nays” none, Absent Franco.

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Rick Kuckkahn

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Starr Lehl