

City of Scottsbluff, Nebraska
Wednesday, October 14, 2020
Regular Meeting

Item Min1

Approve Minutes of the September 17, 2020 Meeting.

Staff Contact: Starr Lehl

City of Scottsbluff
Community Redevelopment Authority
September 17, 2020

A meeting of the Community Redevelopment Authority (CRA) was held on Thursday, September 17, 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, September 11, 2020.

The meeting convened at 12:04 p.m. by Chairman Trumbull. Roll call was taken. The following CRA members were present: Bill Trumbull, Katie Camacho, Mary Skiles, 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 on the wall for the public's review.

Chairman Trumbull asked if there were any citizens in the audience with business not on the agenda and there were none.

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

Motion by Knapper, second by Franco to approve the minutes from the September 2, 2020 meeting. "Yeas" Skiles, Trumbull, Camacho, Knapper, Franco "Nays", none.

Chairman Trumbull opened the meeting by introducing the MTL Commodity Laundromat Project and stating the CRA needs to review the Redevelopment Plan, conduct the Cost Benefit Analysis and make a recommendation to the City Council. He then requested information from attorney Selzer.

Selzer informed the CRA there was an error in the version of the Redevelopment Plan in the CRA's meeting packet, which stated that the building would be 9,525 sq. ft. He explained that this was incorrect and the building will be 3,600 to 3,700 sq. ft. and the parking lot will be the 9,525 sq. ft. This information has been updated in the Plan but the updated version was not included in the packet sent out to the CRA.

Selzer then introduced Mr. Simmons and stated that Mr. Simmons could answer any questions about the Redevelopment Plan. Chairman Trumbull asked for questions from the CRA and audience and seeing none, asked Selzer to review the Plan.

Selzer reported to the CRA that so far the CRA has given conceptual approval for the plan to move through the process; the Planning Commission has passed a resolution (included in the packet) and given a positive recommendation of the plan, and the City Council has a public hearing scheduled for Monday, September 21st for the purpose of reviewing and obtaining comment on the Redevelopment Plan.

Selzer explained that the CRA must review whether the Redevelopment Plan conforms to the City's Comprehensive Plan. This project involves the lot just north of Kelly's Liquor and according to the Comprehensive Plan, it is in the Northwest District and the Northwest Commercial Neighborhood. One of the principles for sustainable development within the Northwest District is to encourage new development to be contiguous to existing development. The Northwest Commercial Neighborhood contemplates heavier daytime use, 24 hour activities, traffic heaviest during the day and decreases at night, lower noise, and C-2 as the appropriate zone. The Project Site is zoned as C-2 which includes self-service laundromats as a principle permitted use, so no zoning change is necessary. Selzer explained that it is the City Attorney's office's opinion that the Redevelopment Plan is consistent with the City's

Comprehensive Plan. Selzer explained that the Planning Commission also recommended the Plan and agreed it does comply with the Comprehensive Plan. Selzer asked if there were any questions regarding this component of the Plan. Seeing none, he continued to the review of the Cost Benefit Analysis.

Selzer explained that a proposed Cost Benefit Analysis is under Attachment 8 of the Plan. Selzer went through the Cost Benefit Analysis. He explained the project sources and uses of funds. An estimated \$124,815 of TIF revenues will be available from this project and that is going to leverage, according to the estimates provided by the Redeveloper, approximately \$388,185 in private sector investment, which is over \$3.00 for every TIF dollar invested. Selzer explained that the Cost Benefit Analysis shows a breakdown of eligible expenditures available for TIF proceeds and what the private funds will go towards. The eligible TIF expenses are more than what the TIF funds will provide, so an adjustment for purposes of analysis is made to show that amount will be paid by private funds as well.

Selzer explained that tax shifts from the project. Taxes derived from the base value of the Project Site will not to be shifted. The current value of the property is \$116,012 and brings in \$2,395 in taxes per year for the City of Scottsbluff, Scotts Bluff County, WNCC, Scottsbluff Public Schools, ESU 13, and North Platte NRD. The increased revenues from the project will not be available for 15 years after the effective date and during that time, the revenues will be used to reimburse the redeveloper for its eligible expenses. Selzer asked if there were questions about the numbers and again reminded the CRA they are all estimates.

Chairman Trumbull asked Selzer to run through the figures at the bottom of the Cost Benefit Analysis. Selzer explained the City does not have a pot of TIF money. Selzer stated that sometimes there is a misconception that the City has a large pot of TIF money and that the City is telling people where it goes and what projects to bring forward. Selzer explained that the TIF money is generated by the project itself. Right now, this lot right now is valued at \$116,000 and so is generating \$2,395 in tax revenue each year and that tax revenue is divided among the taxing jurisdictions. With this development, the value will go up to approximately \$500,000 based on estimates by the Redeveloper. This will produce an additional estimated amount of tax revenues of approximately \$8,321 each year. Instead of going to the local tax jurisdiction, the additional tax revenues, which the Redeveloper pays, goes back to the Redeveloper to reimburse him for the eligible expenses, and there is a note or bond that used to do that. After the note is paid off, or even if they are not paid off after 15 years, the full value of the property, including improvements, go on the tax rolls and the taxing jurisdictions receive the additional revenue from the property being redeveloped. The importance of the base value is that the taxes on this amount throughout the 15 years continue to go to the taxing jurisdictions.

Selzer explained that the next thing to consider on the Cost Benefit Analysis is public infrastructure, community and public service needs impacts, and local tax impacts arising from the project. Selzer explained that the only public infrastructure issue with this project is the relocation of a sewer main running through the lot. The redeveloper is still considering where to site the building on the lot and whether the sewer main will need to be relocated. There will be no additional tax impacts from this.

Selzer explained the next item to consider is the impact to employment in the project area and surrounding areas. There should be no impact on employment, as this is just a movement of operations from one location to another. Mr. Simmons currently has a manager at the current location and that

employee will be employed at the new location. Mr. Simmons does not own the current building he is operating in.

Selzer explained that the impact to the student population in the school district is another thing to consider and there is not expected to be no impacts.

Selzer explained that other impacts will be that local contractors will be performing the work on the new building.

Selzer explained that the CRA can adopt the proposed Cost-Benefit Analysis "as is" or make any changes and that is what will be forwarded on to City Council.

Chairman Trumbull asked Mr. Simmons if he had any comments so far and he said he thought everything was explained very well.

Chairman Trumbull then asked for any question from the CRA for Mr. Simmons or Mr. Selzer.

Selzer then pointed out that in the Plan the Redeveloper certifies that the project would be economically feasible without Tax Increment Financing and that the project would not happen without TIF.

Chairman Trumbull then asked for a motion to approve a Resolution to approve the Redevelopment Plan and Cost Benefit Analysis, forward the Planning Commission recommendation to the City Council, and recommend approval of the Redevelopment Plan to the City Council. Motion by Franco, second by Knapper. "Yeas" Skiles, Trumbull, Camacho, Knapper, Franco, "Nays", none.

The next item is to review the MTL Commodity Laundromat Project Redevelopment Contract. Selzer explained that this is the standard contract used by the CRA for other recent TIF projects. Selzer explained that it doesn't supersede the need for the redeveloper to go through the regular City processes regarding a development or construction project. Selzer explained that by nature, these plans are very preliminary because the redeveloper needs to know if they have TIF funding before they incur a huge expense. The contract gives the redeveloper confidence to move forward with the assurance of the TIF funding. The CRA is approving the contract contingent on City Council approval of the Plan. Selzer explained that the proposed resolution also approves the authorization of the TIF note and from there the process is handled administratively.

Additional discussion was held regarding the interest rate and complete process of the TIF financing including the selling of the bonds and who is ultimately responsible. Selzer gave several examples of how the bonds could be handled. CRA member Skiles asked who checks to see if the expenses are incurred and Selzer explained that the City Attorney, City Manager and Finance Director all review that information.

Chairman Trumbull asked for any other comments or questions regarding the contract and there were none.

Motion by Camacho, second by Knapper to approve the Resolution to approve the Redevelopment Contract and authorize the issuance of the TIF note, conditional on Council approval of the Redevelopment Plan. "Yeas" Skiles, Trumbull, Camacho, Knapper, Franco, "Nays" none.

Chairman Trumbull then introduced the next item on the agenda which is the YOLO Properties Carwash Project.

Selzer explained that this project is another one which the CRA gave preliminary approval to move forward with the process. This project also went to the Planning Commission where a public hearing was held. However, there was no recommendation from the Planning Commission regarding

this project. Selzer explained that the Planning Commission vote to recommend whether the project conformed to the City's Comprehensive Plan was 3 to 3 with one abstention. Selzer explained that under statute the Planning Commission has 30 days to make a recommendation, and if they do not make a recommendation, the CRA must wait the 30 days before making the recommendation to Council. Selzer stated that there will need to be another CRA meeting set outside of the 30 day time period to review the Plan and the Cost Benefit Analysis.

Selzer asked for representatives from YOLO Properties to explain the project and answer any questions from the CRA about the Redevelopment Plan. YOLO representative Kesha Heinzle spoke to the CRA and said she did not understand the decision of the Planning Commission because the property is in a blighted area and meets the criteria of the Comprehensive Plan. Project architect Megan Hayward said she felt there was some confusion on what the Planning Commission members were voting on because a community member who owns a carwash spoke out against the project.

Member Franco spoke about what the role of the CRA is and it is to improve property within the City, not to dictate what types of businesses are allowed. The CRA cannot look at a project and decide if a business is going to cause competition for another business. TIF funding is to improve the property values and the area of Scottsbluff. If the project meets the criteria and is in the proper area, the Planning Commission should look at the Comprehensive Plan and not the competition. It is not up to the CRA or Planning Commission to decide which businesses locate in Scottsbluff.

Chairman Trumbull echoed the remarks and said the CRA and Planning Commission need to comply with state statutes and sometimes put blinders on as to what type of business it is and follow state statutes and city codes to grow the community.

Under staff reports, Lehl informed the CRA there have been some inquiries for the remainder of the East Overland Façade Improvement Program.

City Manager Kuckkahan spoke about the city-wide façade improvement program and this would be discussed at the next meeting.

Lehl introduced Zach Glabius, new city employee in the planning and development area.

Motion by Franco, second by Skiles to adjourn the meeting at 12:42 p.m. "Yeas" Camacho, Knapper, Skiles, Trumbull, Franco "Nays" none.

Rick Kuckkahn

Starr Lehl