

City of Scottsbluff, Nebraska

Monday, October 18, 2021

Regular Meeting

Item Pub. Hear.1

Council to conduct a public hearing set for this date at 6:00 p.m. for the purpose of reviewing and obtaining comment on a Redevelopment Plan submitted by 26 Group, LLC for the 26 Group Fuel Station and Convenience Store-West Project.

Staff Contact: Zachary Glaubius, Planning Administrator

CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN
26 Group Fuel Station and Convenience Store-West

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CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN
26 Group Fuel Station and Convenience Store-West

1. Introduction/Executive Summary

26 Group, 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 fuel station and convenience store (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)

- A. *Boundaries of the Project Site:*** The Project Site is described as Lots 11, 12, and 13, Hight’s Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska commonly known as 823, 827, 831, and 837, W. 27th Street, Scottsbluff, Nebraska. Aerial maps of the Project Site are attached as Attachment 2.
- B. *Land Acquisition:*** The Redeveloper purchased the Project Site on June 4, 2021 in contemplation of redeveloping the Project Site according to this Plan.
- C. *Land Uses:*** The Redeveloper intends to build a new fuel station for cars and pickups and a convenience store. The convenience store will include a beer/wine cave, a co-branded fast food area, restrooms, and office area.
- D. *Land Coverage, and Building Intensities:*** The Project Site is approximately 40,500 square feet. The proposed estimated building coverages are as follows:
- Convenience Store: 7,500 square feet
 - Canopies: 24’x 132’
- See Attachment 3, Site Plan and Elevations.
- E. *Site Plan:*** See Attachment 3.
- F. *Existing Uses and Condition:*** The Project Site is currently comprised of old, vacant buildings. The buildings were previously used by a gaming machine business, a laundromat, and a plumbing business.

- G. *Demolition and Removal of Structures:*** The developer intends to demolish all of the current structures on the Project Site.
 - H. *Population Densities:*** The Plan does not contemplate a change in population densities around the Project Site. Increased traffic to and use on the Project Site will likely result due to the increased employment and customers on the Project Site.
 - I. *Zoning Changes:*** The Project Site is zoned as C-2 (Neighborhood and Retail Commercial) which includes convenience stores with dispensing gasoline and restaurants as principal permitted uses. Thus, no zoning changes are necessary.
 - J. *Additional Public Facilities and Utilities:*** No additional public facilities and utilities are anticipated.
 - 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:*** No ordinance or building code changes are contemplated by the Plan.
- 4. Conformity to General Plan of the City (NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a)).**

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

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Northwest District and in a Northwest Commercial Neighborhood. Principles for sustainable development for the Northwest District include encouraging new development to be contiguous with existing development, building successful nodes at major intersections of 27th Street through aesthetics, building design, and encouraging commercial and mixed uses, and directing higher intensity uses toward arterials, with highest intensities at intersections of arterials and collectors. The Northwest Commercial Neighborhoods contemplate heavier daytime use, 24 hour retail, fast-food, or traveler activity, multi-modal accommodations integrated on 27th Street and included on Avenue I, and C-2 as the appropriate zone. The Redeveloper's development of the Project Site is consistent with the Comprehensive Plan. Relevant excerpts from the Comprehensive Plan are attached as Attachment 4.

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 \$865,485.00, calculated as follows:

a. Estimated Base Value:	\$ 341,050.00
b. Estimated Value at Completion:	\$3,000,000.00
c. Tax Increment (b minus a):	\$2,658,950.00
d. Estimated Levy:	2.17%
e. Average Annual Projected Shift (rounded):	\$ 57,699.00
f. Total TIF Available (e multiplied by 15)	\$ 865,485.00

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 the Plan would not be economically feasible and would not occur in the blighted and substandard area without the use of tax increment financing. The Redeveloper’s lender has requested that the Redeveloper obtain additional funding for the Project.

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:

Land Acquisition	\$ 600,000.00
Site Preparation/Import Fill	\$ 45,000.00
Tank Removal	\$ 50,000.00
Stormwater Drainage	\$ 60,000.00
Site Demolition	\$ 150,000.00
Site Utilities	\$ 70,000.00
Civil Engineering	\$ 21,000.00
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 13,905.00
Total	\$ 1,009,905.00

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 \$2,494,325.00.

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 Funds	Private Funds	
Land Acquisition	\$ 600,000.00		
Legal (non TIF)/Closing Costs		\$ 20,000.00	
Building		\$ 850,000.00	
Site Preparation/Import Fill	\$ 45,000.00		
Paving		\$ 185,000.00	
Stormwater Drainage	\$ 60,000.00		
Tank Removal	\$ 50,000.00		
Site Demolition	\$ 150,000.00		
Site Utilities	\$ 70,000.00		
Restaurant Equipment/Frig/Freezers		\$ 250,000.00	
Fuel Pumps/Tanks/Readers		\$ 710,000.00	
Signage		\$ 80,000.00	
Civil Engineering	\$ 21,000.00		
Architect		\$ 45,000.00	
Landscaping		\$ 15,000.00	
Management Fee		\$ 194,905.00	
Sub Totals	\$ 996,000.00	\$ 2,349,905.00	
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 13,905.00		
Estimated TIF Eligible Expenses	\$ 1,009,905.00		
Adjustment*	\$ (144,420.00)	\$ 144,420.00	Total Project Costs
Totals	\$ 865,485.00	\$ 2,494,325.00	\$ 3,359,810.00

*Adjustment showing TIF eligible costs estimated to not be covered by TIF proceeds

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 5.

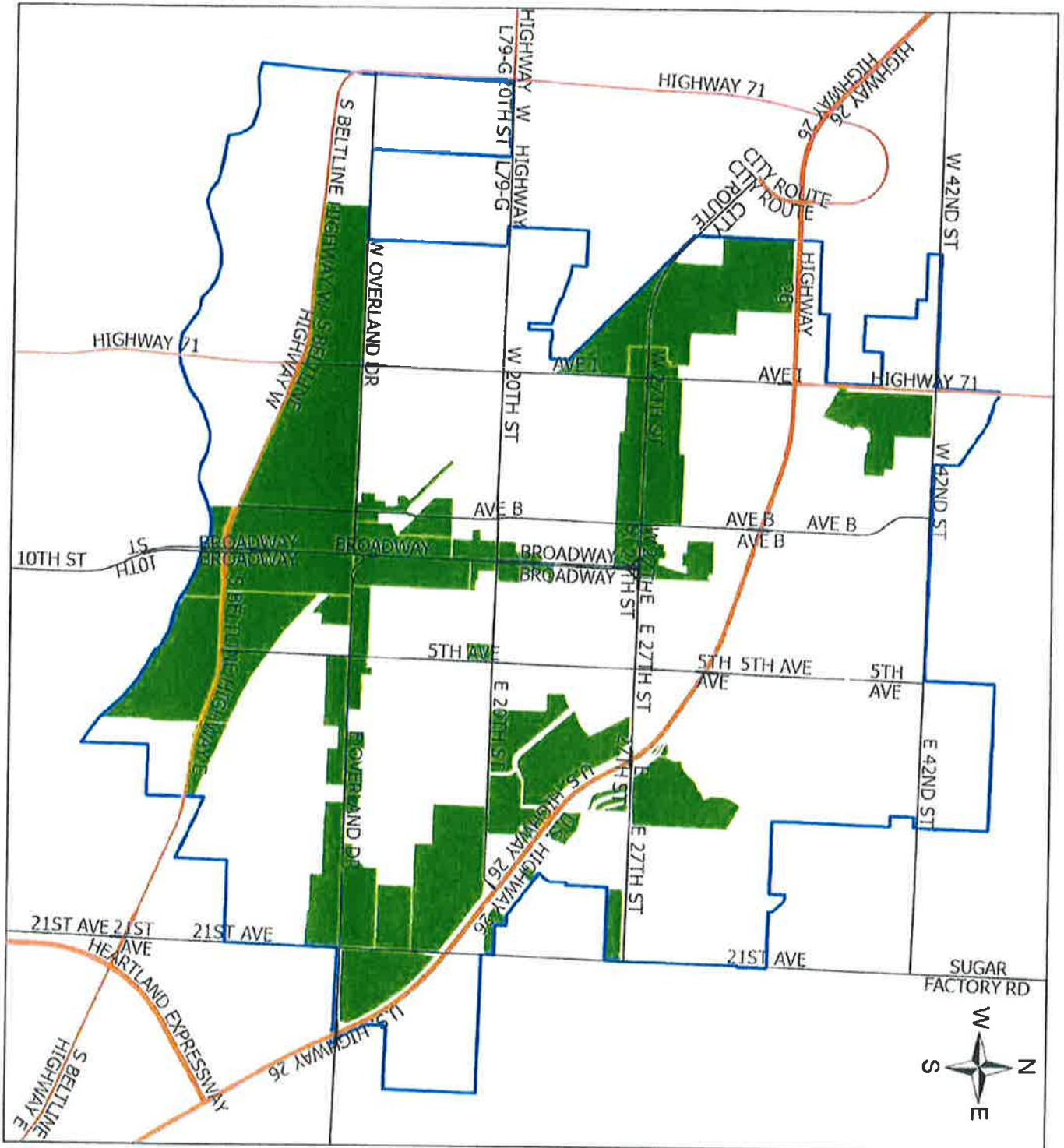
6. Implementation of the Plan

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

26 Group, LLC

By: 
Eric Reichert, President

**26 Group Fuel Station and Convenience Store-West
Attachment 1
Blighted and Substandard Maps**

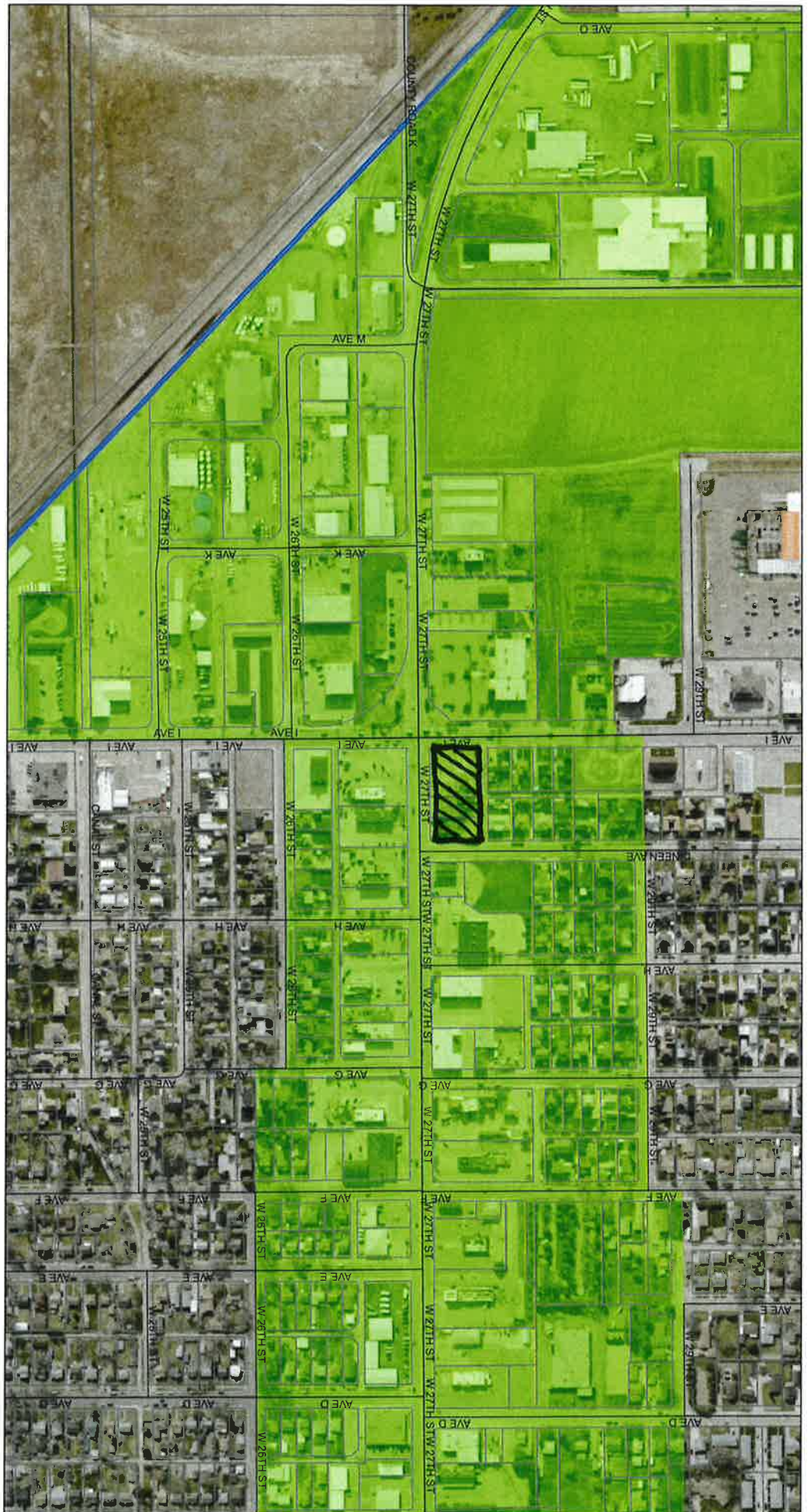


City of Scottsbluff Blight Areas

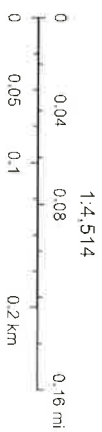
- Roads**
- Highway
 - Main Road
 - Residential
- Corporate Limits**
- Blight Areas**

Taylor Stephens
City of Scottsbluff GIS
Created on April 19, 2021
Updated on June 23, 2021
Coordinate System:
NAD 1983 State Plane Nebraska
FIPS 2600 Feet
Lambert Conformal Conic

Blighted and Substandard Area Area Closeup



September 1, 2021

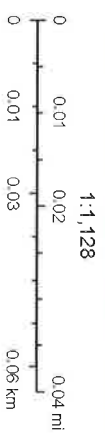


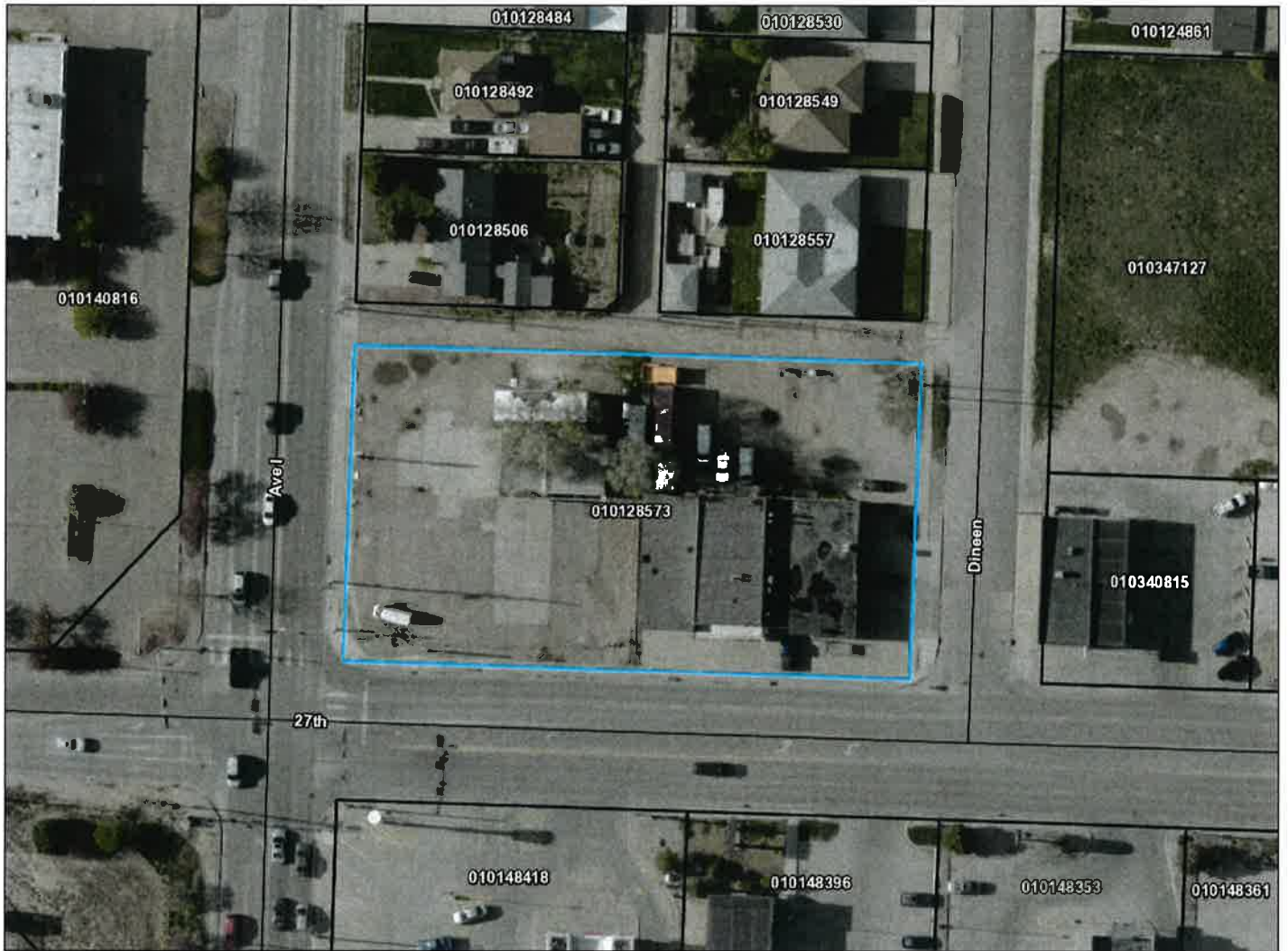
**26 Group Fuel Station and Convenience Store-West
Attachment 2
Maps of Project Site**

Project Site



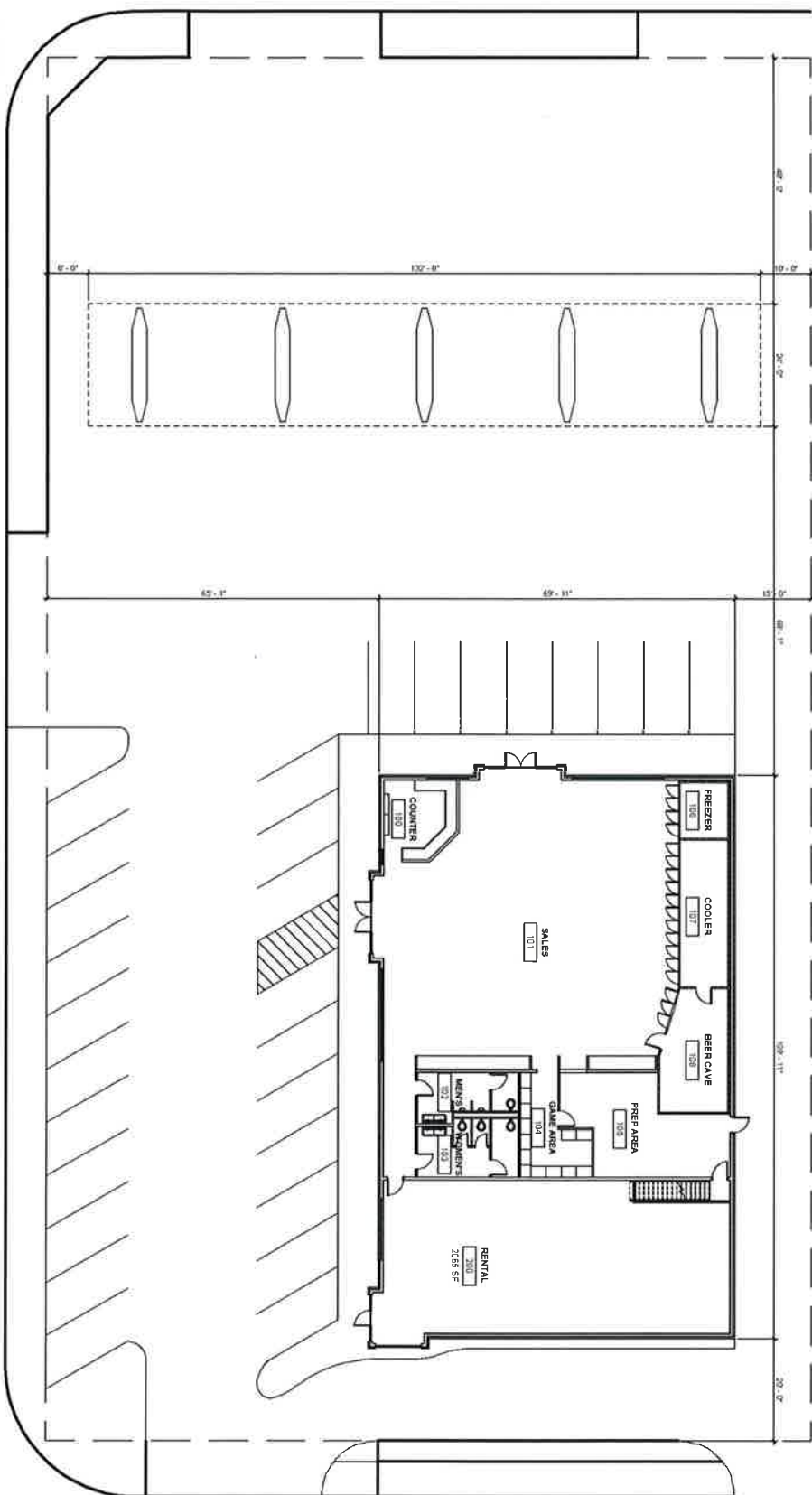
September 1, 2021



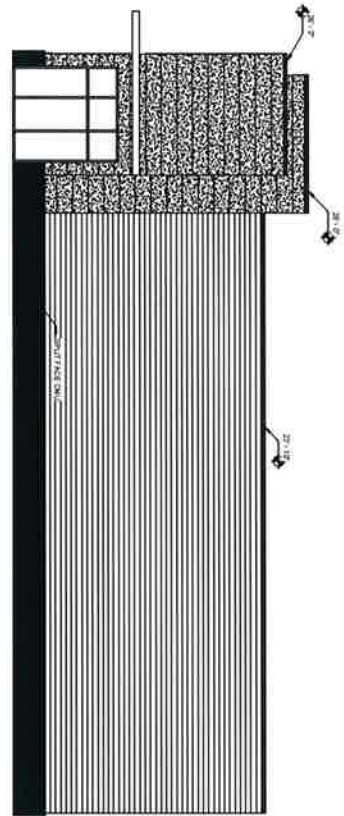


**26 Group Fuel Station and Convenience Store-West
Attachment 3
Site Plan/Elevations**

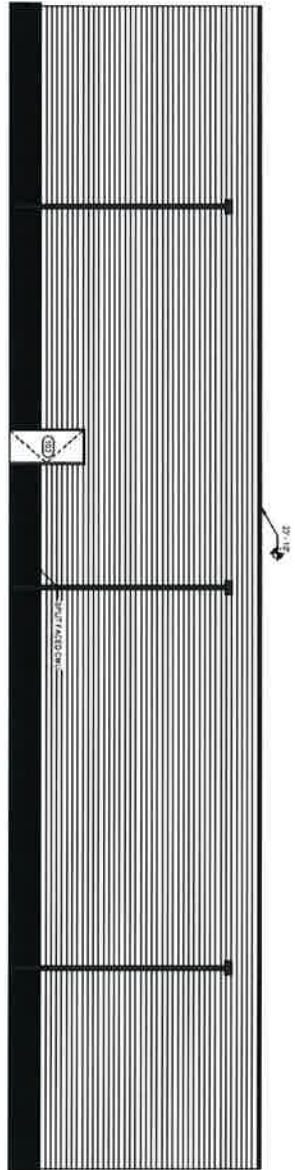
1 ARCHITECTURAL SITE PLAN



 John H. & Associates, Inc. 1000 University Blvd., Suite 100 Scottsbluff, NE 68903 Phone: 308.234.4444 or 308.234.4445		CONSTRUCTION DOCUMENTS		NEW CONVENIENCE STORE for 26 GROUP, LLC		PROJECT #: DATE: 9/9/21 DRAWN: RDS REVISIONS: DATE: 11/11/2021	© 2021 JOHN H. & ASSOCIATES, INC. ALL RIGHTS RESERVED. THIS DOCUMENT IS THE PROPERTY OF JOHN H. & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT PERMISSION IN WRITING FROM JOHN H. & ASSOCIATES, INC.
1000 UNIVERSITY BLVD., SUITE 100 SCOTTSBLUFF, NE 68903 PHONE: 308.234.4444 OR 308.234.4445		CONSTRUCTION DOCUMENTS		NEW CONVENIENCE STORE for 26 GROUP, LLC		PROJECT #: DATE: 9/9/21 DRAWN: RDS REVISIONS: DATE: 11/11/2021	© 2021 JOHN H. & ASSOCIATES, INC. ALL RIGHTS RESERVED. THIS DOCUMENT IS THE PROPERTY OF JOHN H. & ASSOCIATES, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT PERMISSION IN WRITING FROM JOHN H. & ASSOCIATES, INC.

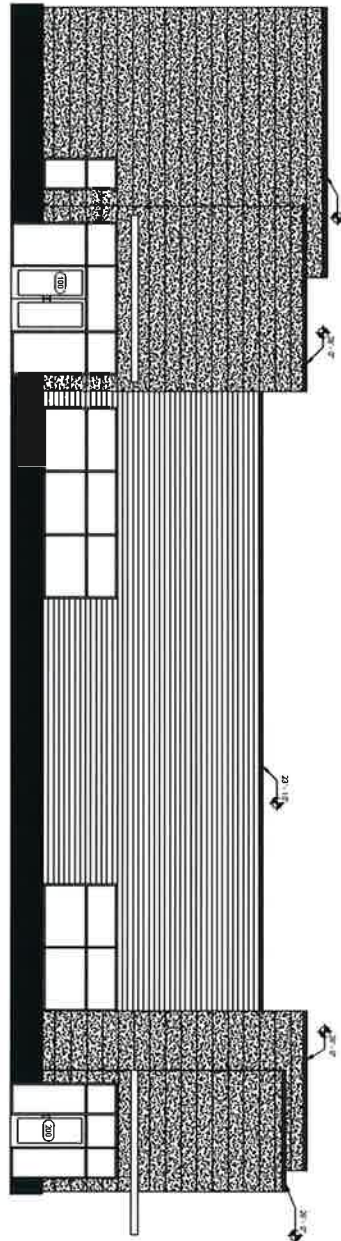


1 EAST Elevation
3/16" = 1'-0"

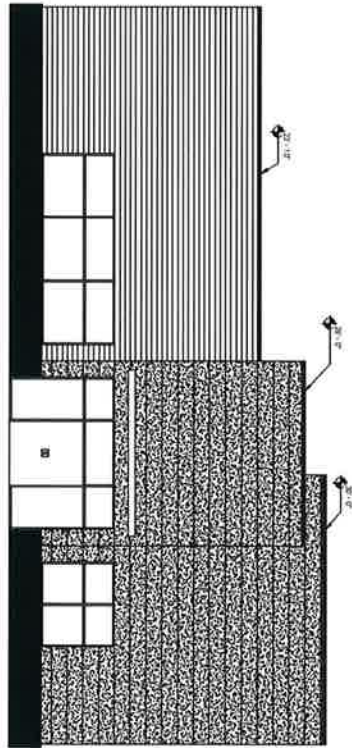


2 NORTH Elevation
3/16" = 1'-0"

 James H. Hargrett & Associates, Inc. Professional Engineers, Inc. (P.E.) 1001 North Main Street, Suite 100 Scottsbluff, NE 68903-1001 Phone: 308.234.8888 or 308.234.8889	DATE	CONSTRUCTION DOCUMENTS	NEW CONVENIENCE STORE for 26 GROUP, LLC	PROJECT #: DATE: 9/9/21 DRAWN: ROS REVISIONS: DATE: DATE REVISION:	© 2021 CONSTRUCTION ARCHITECT & ENGINEER & ARCHITECTURAL FIRM SHEET A202
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1 SOUTH Elevation
3/16" = 1'-0"

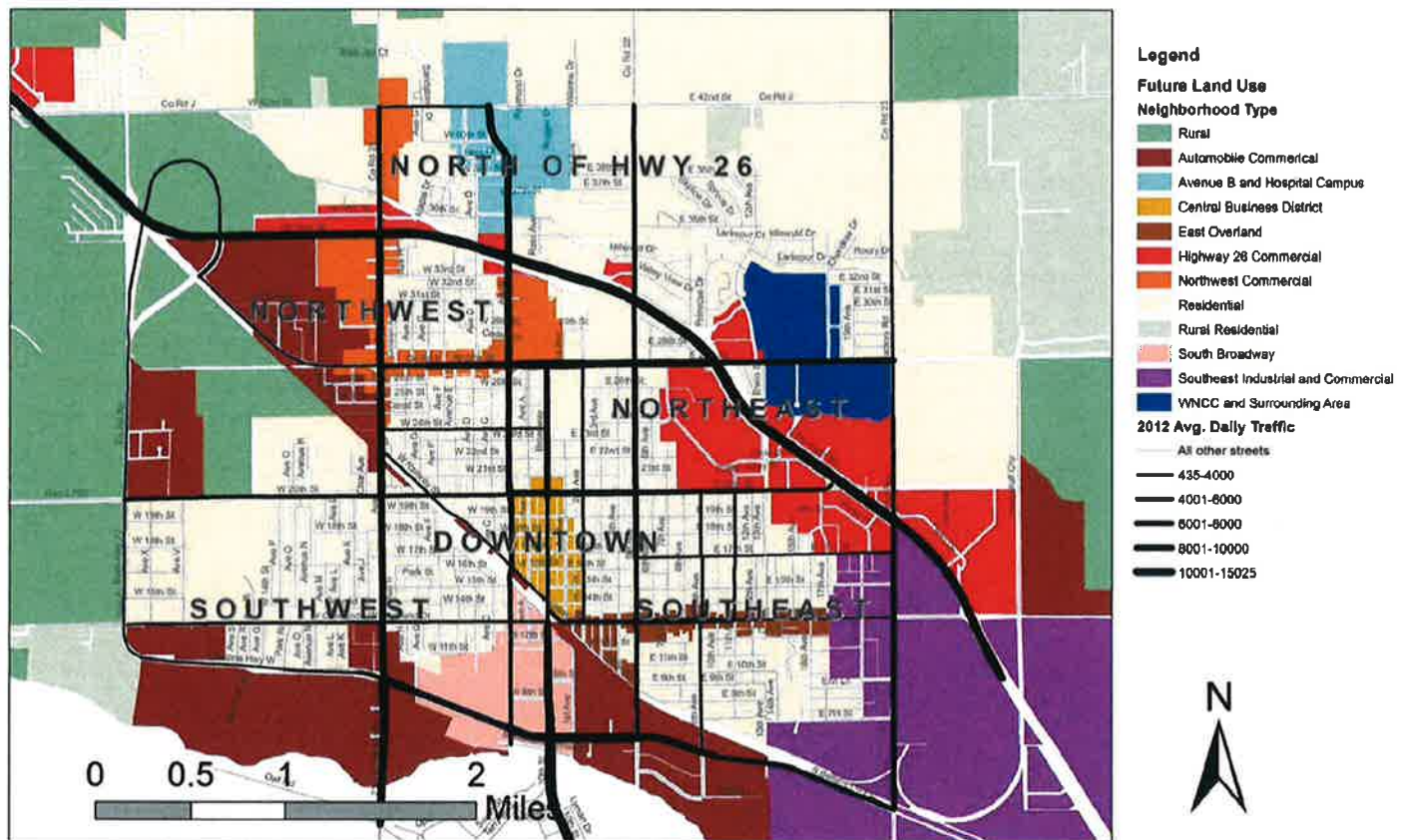


2 WEST Elevation
3/16" = 1'-0"

		CONSTRUCTION DOCUMENTS		NEW CONVENIENCE STORE for 26 GROUP, LLC		PROJECT #: DATE: 9/9/21 DRAWN: RGS REVISIONS: DATE: 9/9/21 BY: JFC/AR/PLA	FOR: 26 GROUP, LLC 10000 Highway 100, Suite 100 Scottsbluff, NE 68903 
SHEET A201		26 GROUP, LLC 10000 Highway 100, Suite 100 Scottsbluff, NE 68903 					

**26 Group Fuel Station and Convenience Store-West
Attachment 4
Excerpts from Comprehensive Plan**

Scottsbluff Future Land Use Map



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, Motorized 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 vehicles. 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 vehicles. 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-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 amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards. Appropriate zones: C-2

Comprehensive Plan 2019 | 105

Northwest

Themes:

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
3. **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**
 - a. 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 27th 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.
 - f. 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 restaurants.
8. **Strong neighborhoods and places, rooted in our unique character**

- 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.

**26 Group Fuel Station and Convenience Store-West
Attachment 5
Proposed Cost Benefit Analysis**

Community Redevelopment Authority, City of Scottsbluff, Nebraska
26 Group Fuel Station and Convenience Store-West
COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds: An estimated \$865,485.00 of TIF Revenues are available for this Project. The public investment from TIF will leverage approximately \$2,494,325.00 in private sector investment; a private investment of approximately \$2.88 for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. (This breakdown does not account for interest to be paid out of TIF Revenues).

Description	TIF Funds	Private Funds	
Land Acquisition	\$ 600,000.00		
Legal (non TIF)/Closing Costs		\$ 20,000.00	
Building		\$ 850,000.00	
Site Preparation/Import Fill	\$ 45,000.00		
Paving		\$ 185,000.00	
Stormwater Drainage	\$ 60,000.00		
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Landscaping		\$ 15,000.00	
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Sub Totals	\$ 996,000.00	\$ 2,349,905.00	
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 13,905.00		
Estimated TIF Eligible Expenses	\$ 1,009,905.00		
Adjustment*	\$ (144,420.00)	\$ 144,420.00	Total Project Costs
Totals	\$ 865,485.00	\$ 2,494,325.00	\$ 3,359,810.00

*Adjustment showing TIF eligible costs estimated to not be covered by TIF proceeds

B. 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 current value of the Project Site is \$341,050.00. Real estate taxes assessed against the Project Site are currently \$7,052.86 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 tax increment revenues are calculated as follows:

a. Estimated Base Value:	\$ 341,050.00
b. Estimated Value at Completion:	\$3,000,000.00
c. Tax Increment (b minus a):	\$2,658,950.00
d. Estimated Levy:	2.17%
e. Average Annual Projected Shift (rounded):	\$ 57,699.00
f. Total TIF Available (e multiplied by 15)	\$ 865,485.00

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.

No public infrastructure and community public service needs impacts are anticipated.

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

The Redeveloper anticipates the following employment on the Project Site after redevelopment:

<u>Fuel Station</u>	<u>Restaurant</u>
1 full time Manager	1 full time Manger
2 Assistant Managers	1 Assistant Manager
6 part time Cashiers	4 part time Cashiers
4 part time Cooks	6 part time cooks
2 full time cooks	2 full time cooks

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

No negative impacts on employers and employees within and surrounding the City are anticipated.

F. Impacts on Student Populations of Scottsbluff Public Schools.

No negative impacts on Scottsbluff Public Schools are anticipated.

G. Other Impacts

- Use of local contractors for construction
- Increase in personal property taxes

Simmons Olsen Law Firm, P.C., L.L.O.

Attorneys at Law

Rick L. Ediger
Steven W. Olsen
Kent A. Hadenfeldt
John L. Selzer
Adam A. Hoelsing
Elizabeth A. Stobel
Megan A. Dockery
Amy N. Leininger*
*Also Licensed in Wyoming

1502 Second Avenue
Scottsbluff, Nebraska 69361-3174
(308) 632-3811
Fax (308) 635-0907

Website: www.simmonsolsen.com
E-mail: jlselzer@simmonsolsen.com

Howard P. Olsen, Jr., Of Counsel
John A. Selzer, Of Counsel
Steven C. Smith, Of Counsel

Robert G. Simmons, Jr. (1918-1998)

ALLIANCE OFFICE
129 East 5th Street
Alliance, NE 69301
(308) 761-047

Please Direct All
Correspondence
To Scottsbluff Office

To: City of Scottsbluff City Council
From: John L. Selzer, Deputy City Attorney
Date: October 14, 2021
Re: 26 Group Fuel Station and Convenience Store-West Redevelopment Plan

Introduction: At your October 18, 2021 meeting, you will consider a resolution regarding the Redevelopment Plan for the 26 Group Fuel Station and Convenience Store-West project (the “Plan” and the “Project”).

Standards of Review:

1. Conformity with Comprehensive Plan and Community Development Law.

The Project Site is described as Lots 11, 12, and 13, Hight’s Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska commonly known as 823, 827, 831, and 837, W. 27th Street, Scottsbluff, Nebraska.

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Northwest District and in a Northwest Commercial Neighborhood. Principles for sustainable development for the Northwest District include encouraging new development to be contiguous with existing development, building successful nodes at major intersections of 27th Street through aesthetics, building design, and encouraging commercial and mixed uses, and directing higher intensity uses toward arterials, with highest intensities at intersections of arterials and collectors. The Northwest Commercial Neighborhoods contemplate heavier daytime use, 24 hour retail, fast-food, or traveler activity, multi-modal accommodations integrated on 27th Street and included on Avenue I, and C-2 as the appropriate zone. The Redeveloper’s development of the Project Site is consistent with the Comprehensive Plan.

The Project Site is zoned as C-2 (Neighborhood and Retail Commercial) which includes convenience stores with dispensing gasoline and restaurants as principal permitted uses. Thus, no zoning changes are necessary.

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

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

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

The proposed Project is in an area that the City Council has designated as blighted and substandard and in need of redevelopment.

2. The “But For” Test.

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

3. Cost-Benefit Analysis.

You must also analyze and, in order to approve the Plan, make a finding that the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, having been analyzed by the City Council, are in the long-term best interests of the community. The CRA adopted a cost-benefit analysis which is in your packet.

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

Attachments:

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

Sincerely,
SIMMONS OLSEN LAW FIRM, P.C., L.L.O.
/s/ John L. Selzer
John L. Selzer

RESOLUTION 10-11-21-1

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SCOTTSBLUFF, NEBRASKA:

Recitals:

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, a redevelopment plan titled *26 Group Fuel Station and Convenience Store-West* by 26 Group, LLC (the "Redevelopment Plan") has been submitted to the Planning Commission.

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

Resolved:

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

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

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

PASSED and APPROVED on October 11, 2021

PLANNING COMMISSION OF THE CITY
OF SCOTTSBLUFF, NEBRASKA

ATTEST:

By: 

Chair

By: 

Recording Secretary

RESOLUTION NO. 10-13-3

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

Recitals:

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, a redevelopment plan for the *26 Group Fuel Station and Convenience Store-West* project submitted by 26 Group, LLC (the "Redevelopment Plan") has been submitted to the Scottsbluff Community Redevelopment Authority ("CRA"). The Redevelopment Plan proposes to redevelop an area of the City which the City Council has declared to be blighted and substandard and in need of redevelopment. The Redevelopment Plan includes the use of tax increment financing.

b. The Redevelopment Plan has been reviewed by the Planning Commission, which found that the Redevelopment Plan conforms to the 2016 Scottsbluff Comprehensive Plan (the "Comprehensive Plan"). The Planning Commission recommended approval of the Redevelopment Plan to the CRA and City Council.

c. The CRA has reviewed and conducted a cost-benefit analysis of the Redevelopment Plan and makes the findings and recommendations as set forth in this Resolution.

Resolved:

1. The proposed land uses and building requirements in the Redevelopment Plan are designed with the general purposes of accomplishing, in conformance with the Comprehensive Plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for vehicular parking, the provision of adequate transportation, water, sewerage, and other public utilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of conditions of blight.

2. The CRA has conducted a cost benefit analysis for the project according to the Community Redevelopment Law, and finds that the project as proposed in the Redevelopment Plan would not be economically feasible or occur in the project area without tax increment financing and the costs and benefits of the project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services, are in the long term best interests of the community. The CRA Chair is authorized to execute the cost benefit analysis to show the CRA's review and discussion thereof.

3. The CRA states: (a) the Redeveloper acquired the Project Site (as defined in the Redevelopment Plan) for \$600,000.00 in contemplation of developing the Project Site; (b) the estimated cost of preparing the project area for redevelopment is \$245,000.00, which entails tank removal, site demolition, and import fill; (c) the Redevelopment Plan does not propose that either the CRA or City will acquire the project area and neither the CRA nor City will receive proceeds or revenue from disposal of the project area to the Redeveloper; (d) the proposed methods of financing of the project are (i) tax increment financing for eligible costs and (ii) private investment and financing for the remainder of the project costs; and (e) no families will be displaced as a result of the project.

4. The CRA recommends approval of the Redevelopment Plan to the City Council.

5. This Resolution along with the recommendation of the Planning Commission shall be forwarded to the City Council for its consideration when reviewing the Redevelopment Plan.

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

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

PASSED AND APPROVED on October 13, 2021

ATTEST:


Secretary

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


Chair

Community Redevelopment Authority, City of Scottsbluff, Nebraska
26 Group Fuel Station and Convenience Store-West
COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds: An estimated \$865,485.00 of TIF Revenues are available for this Project. The public investment from TIF will leverage approximately \$2,494,325.00 in private sector investment; a private investment of approximately \$2.88 for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. (This breakdown does not account for interest to be paid out of TIF Revenues).

Description	TIF Funds	Private Funds	
Land Acquisition	\$ 600,000.00		
Legal (non TIF)/Closing Costs		\$ 20,000.00	
Building		\$ 850,000.00	
Site Preparation/Import Fill	\$ 45,000.00		
Paving		\$ 185,000.00	
Stormwater Drainage	\$ 60,000.00		
Tank Removal	\$ 50,000.00		
Site Demolition	\$ 150,000.00		
Site Utilities	\$ 70,000.00		
Restaurant Equipment/Frig/Freezers		\$ 250,000.00	
Fuel Pumps/Tanks/Readers		\$ 710,000.00	
Signage		\$ 80,000.00	
Civil Engineering	\$ 21,000.00		
Architect		\$ 45,000.00	
Landscaping		\$ 15,000.00	
Management Fee		\$ 194,905.00	
Sub Totals	\$ 996,000.00	\$ 2,349,905.00	
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 13,905.00		
Estimated TIF Eligible Expenses	\$ 1,009,905.00		
Adjustment*	\$ (144,420.00)	\$ 144,420.00	Total Project Costs
Totals	\$ 865,485.00	\$ 2,494,325.00	\$ 3,359,810.00

*Adjustment showing TIF eligible costs estimated to not be covered by TIF proceeds

B. 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 current value of the Project Site is \$341,050.00. Real estate taxes assessed against the Project Site are currently \$7,052.86 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 tax increment revenues are calculated as follows:

a. Estimated Base Value:	\$ 341,050.00
b. Estimated Value at Completion:	\$3,000,000.00
c. Tax Increment (b minus a):	\$2,658,950.00
d. Estimated Levy:	2.17%
e. Average Annual Projected Shift (rounded):	\$ 57,699.00
f. Total TIF Available (e multiplied by 15)	\$ 865,485.00

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.

No public infrastructure and community public service needs impacts are anticipated.

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

The Redeveloper anticipates the following employment on the Project Site after redevelopment:

<u>Fuel Station</u>	<u>Restaurant</u>
1 full time Manager	1 full time Manger
2 Assistant Managers	1 Assistant Manager
6 part time Cashiers	4 part time Cashiers
4 part time Cooks	6 part time cooks
2 full time cooks	2 full time cooks

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

No negative impacts on employers and employees within and surrounding the City are anticipated.

F. Impacts on Student Populations of Scottsbluff Public Schools.

No negative impacts on Scottsbluff Public Schools are anticipated.

G. Other Impacts

- Use of local contractors for construction
- Increase in personal property taxes

Adopted by the Community Redevelopment Authority of the City of Scottsbluff on October 13, 2021


Chair