

City of Scottsbluff, Nebraska

Monday, July 21, 2014

Regular Meeting

Item Pub. Hear.5

**COUNCIL TO TAKE ACTION ON THE RESOLUTION AND
REDEVELOPMENT PLAN.**

Staff Contact: Rick Kuckkahn, City Manager

RESOLUTION NO.14-07-

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

Recitals:

a. The City of Scottsbluff, Nebraska, a municipal corporation and city of the first class (the "City"), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment;

b. The Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects;

c. The City has previously declared an area which includes an area legally described in Exhibit A (the "Redevelopment Area") to be blighted and substandard and in need of redevelopment pursuant to the Act;

d. The Community Development Agency of the City of Scottsbluff, Nebraska (the "Agency") has received a Redevelopment Plan (the "Redevelopment Plan") prepared by 2627 Lodging, LLC (the "Redeveloper"), in the form attached as Exhibit B, for the redevelopment of the Redevelopment Area;

e. The Agency and the Planning Commission of the City (the "Planning Commission") have both reviewed the Redevelopment Plan and recommended its approval by the Mayor and Council of the City;

f. The City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to Section 18-2115 of the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

g. The City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described in it are designed with the general purpose of accomplishing 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 in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, 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 unsanitary or unsafe dwelling accommodations, or conditions of blight.

Resolved that:

1. The Redevelopment Plan is determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act. It is found and determined, based on the analysis conducted by the Agency, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible within the Project Area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the City, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of the recommendations of the Agency and the Planning Commission with respect to the Redevelopment Plan.

2. The Redevelopment Plan is approved in substantially the form attached as Exhibit B.

3. In accordance with Section 18-2147 of the Act, the City provides that any ad valorem tax on Block 2 Reganis Subdivision to the City of Scottsbluff, Scotts Bluff County, Nebraska, for the benefit of any public body be divided for a period of 15 years after the effective date as provided in Section 18-2147 of the Act, which effective date shall be determined in a Redevelopment Contract entered into between the Redeveloper and the Agency. Said tax shall be divided as follows:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, the Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in the Project Area shall be paid into the funds of the respective public bodies.

4. The Mayor and Clerk are authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

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

PASSED and APPROVED on July 21, 2014.

Mayor

ATTEST:

City Clerk (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA

Block 2 Reganis Subdivision to the City of Scottsbluff, Scotts Bluff County, Nebraska

EXHIBIT B
FORM OF REDEVELOPMENT PLAN
[as per the attached]

Planning Commission Minutes
Regular Scheduled Meeting
July 14, 2014
Scottsbluff, Nebraska

The Planning Commission of the City of Scottsbluff, Nebraska met in a regular scheduled meeting on Monday, July 14, 2014, 6:00 p.m. in the City Hall Council Chambers, 2525 Circle Drive, Scottsbluff, Nebraska. A notice of the meeting had been published in the Star-Herald, a newspaper of general circulation in the City, on July 4, 2014. The notice stated the date, hour and place of the meeting, that the meeting would be open to the public, that anyone with a disability desiring reasonable accommodation to attend the Planning Commission meeting should contact the Development Services Department, and that an agenda of the meeting kept continuously current was available for public inspection at Development Services Department office; provided, the City Planning Commission could modify the agenda at the meeting if the business was determined that an emergency so required. A similar notice, together with a copy of the agenda, also had been delivered to each Planning Commission member. An agenda kept continuously current was available for public inspection at the office of the Development Services Department at all times from publication to the time of the meeting.

ITEM 1: Chairman, Becky Estrada called the meeting to order. Roll call consisted of the following members: Anita Chadwick, Callan Wayman, Angie Aguallo, Jim Zitterkopf, David Gompert, Dana Weber, Mark Westphal, and Becky Estrada. Absent: Henry Huber. City officials present: Annie Urdiales, Planning Administrator, Annie Folck, City Planner, and Gary Batt, Code Administrator II.

ITEM 2: Chairman Estrada informed all those present of the Nebraska Open Meetings Act and that a copy of such is posted on the bulletin board in the back area of the City Council Chamber, for those interested parties.

ITEM 3: Acknowledgment of any changes in the agenda: None.

ITEM 4: Business not on agenda: None

ITEM 5: Citizens with items not scheduled on regular agenda: None

ITEM 6: The minutes of June 9, 2014 were reviewed and approved. A motion was made to accept the minutes by Gompert, and seconded by Aguallo. "YEAS": Wayman, Aguallo, Chadwick, Zitterkopf, and Estrada. "NAYS": None. ABSTAIN: Weber, and Westphal. ABSENT: Huber. Motion carried.

ITEM 7A: The Planning Commission reviewed a Redevelopment Plan submitted by Twenty-Six Twenty Seven Lodging LLC. The area of redevelopment is described at Block 2, Reganis Subdivision. This parcel is situated just south of Talisman Drive (future Winter Creek Drive) and north of Highway 26. The lot is zoned C-2 neighborhood retail and commercial and fits within the general plan for the development of the City and meets guidelines of the City's comprehensive development plan. This area was approved as a blighted and substandard area in August of 2013 and one other redevelopment is currently under construction (Reganis Auto). The proposed new development will a Hotel comprised of three stories and approximately 85 rooms. Existing infrastructure will be used; water will come off of Winter Creek Drive and an existing sewer line between on the south end of Block 2, (between Block 2 & Block 9, Reganis Subdivision), Winter Creek Drive will be extended to the east. Phase one of the project will begin this fall (footing & foundation) and should be completed in the fall of 2015, the new street will be in place before final occupancy of the new hotel.

Mike Bacon, representing Twenty-six, Twenty-seven Lodging LLC addressed and answered questions for the Planning Commission members. Mr. Bacon has been doing tax increment financing (TIF) for years and does this for a living. He represents several communities and has seen growth in communities that use TIF. This redevelopment plan is the same as the Reganis Plan, except Mr. Reganis owned the land and he is tiling the canal. Twenty-six Twenty-seven Lodging LLC (2627 Lodging) redevelopment costs will include three areas (1) Site acquisition, (2) Site preparation, and (3) plan preparation and legal. Total costs are \$1,272,500. Proceeds of Tax Increment debt are limited to \$980,000.00. Standard requirements for property improvements of TIF include extending utilities, site preparation and acquisition, which 2627 Lodging meets. The hotel will have approximately thirteen full and part time jobs. Other impacts of the project are subject to current property taxes, personal property for the project at \$1,255,000, results in an estimated personal property tax for the first year of operations at about \$25,000. Personal property tax is not subject to TIF and will be paid to the normal taxing entities. Annual city sales taxes paid to the City of Scottsbluff is a result of hotel operations is estimated to exceed \$30,000. Local lodging taxes are estimated to exceed \$50,000 annually. Mr. Bacon also described other benefits that TIF can have on cities including increases in building permits in first class communities, if a community sticks with it long enough the redevelopment spreads and the good development will spread. Questions about the percentage of land a city can have designated as blighted and substandard, a first class city can have 35%. The area has to be within city limits and fall into the statutory standards for blighted and substandard areas.

This type of redevelopment is consistent with the City's comprehensive development plan; the area is zoned C-2 Neighborhood and Retail Commercial. A resolution has been prepared stating that the plan is in compliance with the City's general plan and comprehensive development plan, for the Planning Commission's recommendation to City Council.

Conclusion: A motion was made by Aguallo and seconded by Chadwick to make positive recommendation for City Council to adopt the resolution for the 2627 Lodging LLC Redevelopment Plan. "YEAS": Wayman, Chadwick, Zitterkopf, Aguallo, Westphal, Gompert, Weber, and Estrada. "NAYS": None. ABSTAIN: None. ABSENT: Huber. Motion carried.

ITEM 8. Unfinished Business: None

There being no further business the Planning Commission with a motion to adjourn made by Chadwick and seconded by Aguallo the meeting was adjourned at 6:30 p.m. "YEAS": Wayman, Aguallo, Gompert, Chadwick, Weber, Zitterkopf, Westphal, and Estrada. NAYS: none. ABSENT: Huber. Motion carried.

Becky Estrada, Chairperson

Attest: _____
Annie Urdiales