

# **City of Scottsbluff, Nebraska**

**Monday, June 1, 2015**

**Regular Meeting**

## **Item Pub. Hear.1**

### **Council to convene as the Community Development Agency**

#### **Minutes:**

**Community Development Agency to consider and take action on the Resolution and Redevelopment Plan for: Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Add Replat No. 2 and Lot 2, Block 3, Northeast Second Add Replat No. 2, all in the City of Scottsbluff, Scotts Bluff County, Nebraska.**

**Staff Contact: Annie Folck, City Planner**

AGENDA  
CITY OF SCOTTSBLUFF  
COMMUNITY DEVELOPMENT AGENCY

June 1, 2015

1. Roll Call
2. **For public information, a copy of the Nebraska Open Meetings Act is available for review.**
3. Appoint temporary chairperson
4. Reappointment of officers
  - a. Chair
  - b. Vice-Chair
  - c. Ex-officio Secretary
5. Community Development Agency to consider and take action on the Resolution and Redevelopment Plan for: **Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Add Replat No. 2 and Lot 2, Block 3, Northeast Second Add Replat No. 2, all in the City of Scottsbluff, Scotts Bluff County, Nebraska.**
6. Community Development Agency to recess.
  - a. City Council to reconvene and conduct Public Hearing.
7. Community Development Agency to reconvene.
  - a. Community Development Agency to consider and take action on a Resolution to approve the proposed Redevelopment Contract for **Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Add Replat No. 2 and Lot 2, Block 3, Northeast Second Add Replat No. 2, all in the city of Scottsbluff, Scotts Bluff County, Nebraska** and the Tax Increment Development Revenue Bond and Occupation Tax Revenue Bond for the Monument Mall Redevelopment Project
8. Adjourn.

## **RESOLUTION NO. CDA 15-06-01**

### **BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF SCOTTSBLUFF, NEBRASKA:**

#### **Recitals:**

a. The City Council of the City of Scottsbluff, Nebraska (the “City”), upon the recommendation of the City Planning Commission (the “Planning Commission”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), passed Resolution 13-08-01 which included a declaration of the area legally described on the attached Exhibit A (the “Redevelopment Area”) to be blighted and substandard and in need of redevelopment;

b. Pursuant to and in furtherance of the Act, a Redevelopment Plan (the “Redevelopment Plan”), has been prepared and submitted by the Agency, in the form of the attached Exhibit B, for the purpose of redeveloping the Redevelopment Area (also known as the “Project Area”).

c. Pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the purposes specified in the Redevelopment Plan (the “Project”), in accordance with and as permitted by the Act;

d. The Agency has conducted a cost benefit analysis of the Project (the “Cost Benefit Analysis”) pursuant to Section 18-2113 of the Act, a copy of which is attached to the Redevelopment Plan and designated as Exhibit D to the Redevelopment Plan; and

e. The Agency has made certain findings and has determined that it is in the best interests of the Agency and the City to approve the Redevelopment Plan and approve the Redevelopment Project and to approve the transactions contemplated by the Plan.

#### **Resolved that:**

1. The Agency determines that the proposed land uses and building requirements in the Redevelopment Plan for the Project Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, 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.

2. The Agency has conducted a Cost Benefit Analysis for the Project, in the form attached to the Redevelopment Plan as Exhibit D, in accordance with the Act, and finds that the Project would not be economically feasible without the use of tax increment financing, the Project would not occur in the Project Area without the use of 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, have been analyzed and have been found to be in the long term best interests of the community impacted by the Project.

3. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive no proceeds from disposal to the Redeveloper; (b) the Redeveloper has acquired the Redevelopment Area; (c) the estimated cost of preparing the project site as described in the Redevelopment Plan and related costs exceed \$8,650,000 (d) the method of acquisition of the real estate was by private contract by the Redeveloper and not by condemnation; (e) the method of financing the Redevelopment Project shall be by issuance of tax increment revenue bond issued in the amount of \$578,130, and by the issuance of an enhanced employment area occupation tax revenue bond the proceeds of such bonds shall be granted to the Redeveloper and from additional funds provided by the Redeveloper and its lender; and (f) no families or businesses will be displaced as a result of the project.

4. The Agency recommends approval of the Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan.

5. All prior resolutions of the Agency in conflict with the terms and provisions of this resolution are repealed to the extent of such conflicts.

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

**PASSED AND APPROVED** on June 1, 2015.

**COMMUNITY DEVELOPMENT  
AGENCY OF THE CITY OF  
SCOTTSBLUFF NEBRASKA**

ATTEST:

\_\_\_\_\_  
Mayor/Chair

\_\_\_\_\_  
Clerk

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF REDEVELOPMENT PROJECT AREA**

**Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Add Replat No. 2 and Lot 2, Block 3, Northeast Second Add Replat No. 2, all in the city of Scottsbluff, Scotts Bluff County, Nebraska.**

**EXHIBIT B**

**FORM OF REDEVELOPMENT PLAN**

**CITY OF SCOTTSBLUFF  
REDEVELOPMENT PLAN FOR THE  
MONUMENT MALL REHABILITATION  
INCLUDING REQUEST FOR TAX INCREMENT FINANCING  
AND DESIGNATION AS AN ENHANCED EMPLOYMENT AREA AND IMPOSITION  
OF A ONE HALF PERCENT OCCUPATION TAX ON SALES**

**I. INTRODUCTION.**

The City of Scottsbluff, Nebraska, recognizes that blight is a threat to the continued stability and vitality of the City as a focal point of business, financial, social, cultural and civic activity of the region, and a focus of community pride and achievement. Therefore, the City has initiated a program of revitalization whose goal is to enhance the City of Scottsbluff as the center of government in the county-wide region; as the center of retail, business, industry, office, financial and entertainment activities, and of communication for the community, and as a center of tourism and meetings for the region. To reach this goal of maintaining the City of Scottsbluff as a multi-use center of the region, it will be necessary that the Monument Mall be strengthened by capturing a share of the anticipated private market activity within the region. This area constitutes a critical portion of the community located on a major thoroughfare. This plan seeks to enhance the Monument Mall by assisting in the site rehabilitation in order to attract new tenants and generate retail activity. The level of investment to finance the needed site preparation and infrastructure will require the combined efforts of the public and private sectors.

This Redevelopment Plan covers an area south of East 27<sup>th</sup> Street and west of U.S. Highway 26 which is legally described and shown on Exhibit "A", attached hereto and incorporated herein by this reference ("Community Redevelopment Area"). The Community Redevelopment Area was declared blighted and substandard by the Scottsbluff City Council on August 20, 2013. The Community Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization and strengthening to ensure that it will contribute to the economic and social well-being of the City. All available evidence suggests that the area has not had the private investment necessary to contribute to the well-being of the community, nor would the area be reasonably anticipated to continue to be developed without public action.

To encourage private investment in the Community Redevelopment Area, this Redevelopment Plan has been prepared to set forth the Monument Mall Rehabilitation Redevelopment Project ("Redevelopment Project"), which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Community Redevelopment Area.

## II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the designated Community Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Community Redevelopment Area contains a retail mall consisting of approximately 364,904 square feet under one roof. There is a substantial vacancy in the mall of 60,747 vacant retail space. This use is shown on Exhibit “B”.

B. Existing Zoning. The Community Redevelopment Area is zoned PBC. The intent of the Planned Business Center District is to provide for an area for a unified commercial center which provides goods and services to a regional trading area; joint or grouped parking facilities serving several retail stores; and coordinate a vehicular and pedestrian traffic circulation system and carefully design access that is compatible with surrounding uses. The PBC District includes a wide range of retail and service uses generally helpful to the traveling public and found along arterial roadways in the community. Some of the permitted uses include retail stores. The Redevelopment Area also falls within the Gateway Greenway Overlay zone.

C. Existing Public Improvements.

1. Street System. There is no internal street network or system constructed within the Community Redevelopment Area.

2. Utilities. Existing public utilities are available adjacent to the Redevelopment Area.

D. Existing Building Conditions/Blighting Influences. Charles K. Bunker, Attorney at Law, conducted a study entitled “Study of Blight and Substandard Conditions” dated July 7, 2013 (“Blight Study”). The “study area” for the Blight Study, which includes the Community Redevelopment Area, as well as additional property. The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Nebraska Community Development Law (**Neb. Rev. Stat. § 18-2101 et seq.**). The Blight Study determined that the study area exhibited a number of deficiencies applicable to the consideration of a “substandard and blight” designation including the existence of conditions which endanger life or property by fire or other causes, improper subdivision and dilapidation/deterioration. In addition, the Blight Study identified the existence of one condition within the study area that is a determinant of blight – the area substantially impairs or arrests the sound growth of the community and the average age of structures in the area is greater than 40 years. The City Council declared the Community Redevelopment Area blighted and substandard and eligible for a Redevelopment Project on August 20, 2013, by resolution of the Scottsbluff City Council, after a public hearing with notice pursuant to the Community Development Law. The Blight Study is incorporated herein by this reference. A copy of the Blight Study is available at the City of Scottsbluff Clerk’s Office.



### III. FUTURE SITUATION.

This section of the Redevelopment Plan examines the future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing

A. Proposed Land Use Plan. No changes are contemplated in the current Land Use Plan for the area. The Redevelopment Project will primarily provide for site rehabilitation with 8000 square feet of new pad site construction. The proposed site plan for the area after completion of a Redevelopment Project is shown on attached Exhibit "C" which is attached hereto and incorporated herein by this reference. The land use plan shows a proposed Redevelopment Project including approximately 8000 square feet of new construction not shown, but contemplated.

The City of Scottsbluff, will negotiate a specific redevelopment agreement with the developer outlining the proposed Redevelopment Project, and what contributions are necessary from the City of Scottsbluff. In such case the written redevelopment agreement would include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City and the redeveloper to implement the Redevelopment Project.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with Nebraska State Law, the Redevelopment Plan described in this document has been designed to conform to the City of Scottsbluff Comprehensive Plan 2004 ("Comp Plan"). The City Council finds that this redevelopment plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law.

C. Relationship to Local Objectives. The Redevelopment Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Monument Mall area. General goals, policies and actions relating to the community as a whole and for the Monument Mall are contained in the Comp Plan.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Community Redevelopment Area should generally achieve the following requirements and standards:

1. Population Density. There are no dwelling units currently located within the Community Redevelopment Area. The development proposed under this Redevelopment Plan does not include any residential construction. Consequently, there will be no change proposed for the permanent population density within the Community Redevelopment Area.

Redevelopment of the Community Redevelopment Area will provide for revitalization of the Mall and is intended to incent further development to both the northeastern sector of the City as well as the City as a whole. Often an investment and improvement of the magnitude proposed by this Plan has the benefit of spurring improvements in nearby commercial areas.

2. Land Coverage and Building Density. The Mall covers 364,904 square feet under one roof within the Community Redevelopment Area. The rehabilitation of the Mall would add additional development in the parking lot area with a pad site developed that will stimulate additional retail traffic. The new construction will consist of approximately 8000 square feet.

3. General Environment. This plan will rehabilitate a retail mall that has suffered significant retail closings over the past 15 years. The vacation of the former Wal Mart space and the former JC Penny's space has resulted in a huge loss of retail activity and sales tax revenue for the city. Additionally the mall has suffered deferred maintenance. This commercial activity will intensify and strengthen Scottsbluff as a focal point for local and regional retail sales and development.

The Plan will provide for the significant reinvestment in the Mall with tenant improvements, structural improvements, including the roof and parking lot. This activity is intended to increase the amount and variety of activity in the Monument Mall while maintaining good traffic flow, pedestrian movement and visual interest.

The Plan provides an environment that minimizes automobile-pedestrian conflicts, assures that lighting, signs, pedestrian ways, and communication devices are oriented to the human scale and provides an attractive shopping experience.

4. Pedestrian ways and Open Spaces. Provide a pedestrian circulation system to facilitate the movement of pedestrians to and within the major development activities within the area.

5. Building Heights and Massing. Building heights and massing for the proposed project will comply with the PBC zone.

6. Circulation, Access and Parking. The Plan provides for vehicular access to the Community Redevelopment Area in a manner consistent with the needs of the development and the community.

The Plan provides for an adequate supply of appropriately located parking in accordance with applicable zoning district regulations. Adequate parking needs to be provided so the development does not generate parking problems for abutting commercial and residential streets.

7. Off-Street Loading, Service and Emergency Facilities. The Plan provides for consolidated off-street loading and service facilities.

The Plan provides for emergency vehicle access in a manner compatible with established design and environmental objectives.

The Plan provides a maximum floor area ratio in accordance with applicable zoning district regulations in the Community Redevelopment Area.

E. Proposed Changes and Actions. The Community Redevelopment Area is anticipated to function as an upscale retail mall after significant investment through Tax Increment Financing, implementation of an Enhanced Employment Area Occupation Tax and Developer capital. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The Community Redevelopment Area is zoned PBC Planned Business Center. No additional changes to the City's Zoning Ordinances, Building Codes, or other local ordinances are contemplated to implement this Redevelopment Plan.

2. Traffic Flow, Street Layout and Street Grades. The primary streets providing access to the Community Redevelopment Area is S. Frontage Road, 13<sup>th</sup> Avenue and Circle Drive.

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Community Redevelopment Area, the following proposed public redevelopments, improvements, facilities, utilities and rehabilitations may be needed:

- (i) Installation of landscaping ;

4. Site Preparation and Demolition. Site preparation will consist of relocation of utility lines to provide for pad site development in the parking lot, new sign location and improvement.

5. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Community Redevelopment Area include site preparation, replacement of the roof, rehabilitation of the HVAC system, replacement of exterior lights, landscape rehabilitation, required interior rehabilitation for tenant relocation to the Mall and parking lot resurfacing.

6. Open Spaces, Pedestrian ways, Landscaping, Lighting, Parking. The proposed site plan and private sector improvements will comply with the City's minimum open space, pedestrian way, landscaping, lighting, and parking standards as defined in the Zoning and Subdivision Ordinances, Building Codes, or other local ordinances. In addition, the City may elect to require additional standards in these areas as described in a written redevelopment agreement in order to help remove blight and substandard conditions.

F. Cost-Benefit Analysis. A City of Scottsbluff Redevelopment Project TIF Statutory Cost Benefit Analysis is incorporated herein by this reference ("Cost-Benefit Analysis") and is shown on Exhibit "D". The Cost-Benefit Analysis complies with the requirements of the Community Development Law in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The City will work with the redeveloper owner of the Community Redevelopment Area to identify proposed funding, timeframe, ability to carry out the proposed Redevelopment Project, and what, if any, contributions are necessary to be made by the City of Scottsbluff.

The City will begin good faith negotiating on a specific written redevelopment agreement with the redeveloper owner of the Community Redevelopment. The written redevelopment agreement will include a site plan consistent with this Redevelopment Plan, development descriptions, specific funding arrangements, and specific covenants and responsibilities of the City and the redeveloper to implement the Redevelopment Project.

Estimated Redevelopment Project costs, including site preparation, and rehabilitation are broken down as follows:

## **POTENTIAL PUBLIC AND ELIGIBLE PRIVATE IMPROVEMENTS\***

### **TIF ELIGIBLE COSTS**

Parking Lot resurface	\$1,000,000
Signage rehabilitation	300,000
Roof replacement	1,200,000
Rehabilitate exterior lighting	250,000
Rehabilitate landscaping	50,000
HVAC replace and repair	250,000
Rehabilitate vacant space for tenants (60,747 Sq. ft.)	2,650,000
Theatre rehabilitation (if required)	500,000
Total TIF Eligible Costs	<b>\$6,200,000</b>

### **NON TIF ELIGIBLE COSTS**

Additional capital costs	\$1,250,000
New 8000 square foot pad site	1,200,000

**TOTAL PRIVATE AND PUBLIC IMPROVEMENTS \$8,650,000**

The figures above are estimates. Final figures are subject to a specific site plan, design specifications, City approval and public procedures and regulations.

The Proposed Public and Private Improvements will exceed the amount of funds available from the tax-increment financing indebtedness that the City Council may approve. The estimated amount of a Tax Increment Bond that can be retired based on increased values of real estate driven by the above investments is \$578,130. Therefore, RockStep Scottsbluff, LLC, requests that the Community Development Agency declare a portion of the Redevelopment Area, shown on attached **Exhibit "A-1"** as an Enhanced Employment Area under the Community Development Law; that the City impose a ½% occupation tax on such area to finance the payment of an Occupation Tax Bond issued by the Agency in the amount of \$1,816,650. Specific undertakings related to the Enhanced Employment Area and the Occupation Tax are shown in Section IV below.

This Plan proposes that Tax Increment bond and the Occupation Tax Bond be purchased by the developer to fund the required rehabilitation of the Monument Mall. The balance of private improvements shall be paid by the developer.

The amount of the available proceeds for tax-increment financing is estimated at approximately \$578,130.00 based on assumed value increases over the present property valuation base. (current valuation is \$6,000,000)

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the effective date of such provision established in the redevelopment contract to be executed by the Redeveloper and the Community Development Agency. Said tax shall be divided as follows:

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

b. That portion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, a Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the authority shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies.

Because the redevelopment plan proposes to use tax-increment financing funds as authorized in section 18-2147 of the Community Development Law, the City Council in approving this Redevelopment Plan will be required to find as follows:

a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;

b. the Redevelopment Project would not occur in the community redevelopment 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 community, and the demand for public and private services have been analyzed by the governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

**IV. THE ENHANCED EMPLOYMENT AREA DESIGNATED BY THE AGENCY AS ELIGIBLE FOR THE IMPOSITION OF AN OCCUPATION TAX TO PAY FOR AUTHORIZED WORK WITHIN THE AREA IS DESCRIBED AS FOLLOWS:**

**Property Description (the “Enhanced Employment Area”)**

This property is generally referred to as the Monument Mall

- **Legal Descriptions** See attached Exhibit A-1 for the legal description of the tract to be declared as an Enhanced Employment Area

**Authorized work within the Enhanced Employment Area means the performance of any one or more of the following purposes:**

- (a) The acquisition, construction, maintenance, and operation of public offstreet parking facilities for the benefit of the Enhanced Employment Area;
- (b) Improvement of any public place or facility in the Enhanced Employment Area, including landscaping, physical improvements for decoration or security purposes, and plantings;
- (c) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;
- (d) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the Enhanced Employment Area; and
- (e) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

**Redevelopment Plan to the Enhanced Employment Area Complies with the Act:**

The Act requires that in connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least ten new employees and new investment of five hundred thousand dollars in counties with at least twenty five thousand inhabitants but fewer than fifty thousand inhabitants.

This Plan Amendment meets these enhanced employment area statutory qualifications because

- (a) at project stabilization employment in the Enhanced Employment Area is expected to increase by 50 employees including a mixture of part time, full time and managerial positions,
- (b) the project in the Enhanced Employment Area includes new private sector investment of

\$6,255,220, and (c) as of the 2010 census, Scotts Bluff County's population was 36,970 inhabitants.

### **Levy of General Business Occupation Tax and Levy:**

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. Any occupation tax imposed pursuant to the Act shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax.

The businesses and their classification in the Enhanced Employment Area are as follows:

<u>BUSINESS</u>	<u>CLASSIFICATION</u>
1. Apparel	Clothing Retail
2. Hobby & Crafts	Hobby & Craft Retail
3. Shoes	Shoe Retail
4. Cosmetics	Beauty Retail
5. Quick Serve	Prepared Food Retail
6. Specialty Store	Specialty Retail
7. Salon	Service Retail
8. Restaurant	Prepared Food Retail
9. Service/Fitness	Service Retail
10. Fast Food	Prepared Food Retail
11. Theatre/ entertainment	Entertainment
12. Sporting Goods	Sporting Goods Retail
13. Miscellaneous Retail	Retail

No occupation tax shall be imposed on any business or transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 of the Act or which is exempt from tax under section 77-2704.24 of the Act. Any such occupation tax agreed to by the Agency and the City shall remain in effect so long as the Agency has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

The collection of a tax imposed pursuant to the Act shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance.

Undertaking by RockStep Scottsbluff, LLC.

The Developer undertakes to rehabilitate the Redevelopment Area and in so doing invest more than \$500,000 and create through new tenants, (over current employment) more than 10 jobs. (Neb. Rev. Stat. §18-2116(2))



**EXHIBIT "A"**  
**REDEVELOPMENT AREA**

**Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Add Replat No. 2  
and Lot 2, Block 3, Northeast Second Add Replat No. 2**

**Exhibit "A-1"**  
**Enhanced Employment Area**

**EXHIBIT B**

**DESCRIPTION OF ENHANCED EMPLOYMENT AREA**

**LEGAL DESCRIPTION**

A building and portion of parking lot situated in Lot 2, Block 3, Northeast Second Addition Replat No. 2, and part of Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Addition, Replat Number 2, to the City of Scottsbluff, Scotts Bluff County, Nebraska, more particularly described as follows:

Commencing at the Northeast corner of Lot 3, Block 3, as monumented by a 5/8" Rebar, thence southeasterly on the arc of a curve to the left, said curve having a central angle of 01°25'40", a radius of 2451.83, a chord bearing of S33°04'10"E and a chord length of 61.10 feet, thence continuing southeasterly on the arc of said curve, a distance of 61.10 feet, to the point of intersection with the extension of a traffic control paint stripe, said point also being the Point of Beginning, thence bearing S49°55'46"W, on the extension of a traffic control paint stripe, a distance of 362.44 feet, to the point of intersection of a building wall, thence northwesterly on said building wall, bearing N39°51'16"W, a distance of 61.04 feet to the point of intersection with the south line of Lot 2, Block 3, Northeast Second Addition, Replat No. 2, thence northeasterly on said south line and on said building wall, bearing N49°59'29"E, a distance of 5.33 feet, thence bearing N40°02'50"W, on said wall, a distance of 34.27 feet, thence bearing N49°57'10"E, on said wall, a distance of 8.55 feet, thence bearing N40°02'50"W, on said wall, a distance of 45.67 feet, thence bearing N84°14'35"W, on said wall, a distance of 12.26 feet, thence bearing N40°02'50"W, on said wall, a distance of 99.53 feet, thence bearing N49°57'09"E, on said wall, a distance of 15.45 feet, thence bearing N40°05'07"W, on said wall, a distance of 75.45 feet, thence bearing S49°57'10"W, on said wall, a distance of 15.40 feet, thence bearing N40°02'50"W, on said wall, a distance of 116.47 feet, thence bearing S50°00'04"W, on said wall, a distance of 290.94 feet, thence bearing S40°02'00"E, on said wall, a distance of 22.00 feet, thence bearing S49°58'00"W, on said wall, a distance of 16.05 feet, thence bearing S33°45'24"E, on said wall, a distance of 16.70 feet, thence bearing N56°42'07"E, on said wall, a distance of 18.00 feet, thence bearing S40°02'00"E, on said wall, a distance of 314.52 feet, thence bearing S50°00'11"W, on said wall, a distance of 33.10 feet, thence bearing S39°59'49"E, on said wall, a distance of 25.00 feet, to the point of intersection with the south line of Lot 2, Block 3, Northeast Second Addition, Replat No. 2, thence bearing N49°59'29"E, on the south line of Lot 2, Block 3, Northeast Second Addition, Replat No. 2, and on said wall, a distance of 109.66 feet, thence bearing S39°46'32"E, on said wall, a distance of 56.47 feet, thence bearing N64°53'04"E, on said wall, a distance of 24.00 feet, thence bearing S24°36'09"E, on said wall, a distance of 59.77 feet, thence bearing N70°26'42"E, on said wall, a distance of 6.47 feet, thence bearing S24°24'41"E, on said wall, a distance of 61.20 feet, thence bearing N86°07'20"W, on said wall, a distance of 124.13 feet, thence bearing S03°53'57"W, on said wall, a distance of 100.15 feet, thence bearing S86°05'49"E, on said wall, a distance of 119.52 feet, thence bearing N03°36'58"E, on said wall, a distance of 32.18 feet, thence bearing S86°37'10"E, on said wall, a distance of 34.80 feet, thence bearing S39°57'47"E, on said wall, a distance of 186.26 feet, thence bearing S45°25'05"W, on said wall, a distance of 7.37 feet, thence bearing N42°45'59"W,

on said wall, a distance of 12.72 feet, thence bearing S50°03'55"W, on said wall, a distance of 28.21 feet, thence bearing N83°58'48"W, on said wall, a distance of 13.00 feet, thence bearing S05°58'56"W, on said wall, a distance of 34.66 feet, thence bearing N84°10'56"W, on said wall, a distance of 36.68 feet, thence bearing S06°07'24"W, on said wall, a distance of 71.72 feet, thence bearing N87°02'46"W, on said wall, a distance of 0.66 feet, thence bearing S07°18'33"W, on said wall, a distance of 1.94 feet, thence bearing N87°07'45"W, on said wall, a distance of 0.63 feet, thence bearing S06°00'22"W, on said wall, a distance of 48.77 feet, thence bearing S83°55'29"E, on said wall, a distance of 183.20 feet, thence bearing N06°16'34"E, on said wall, a distance of 122.24 feet, thence bearing N83°25'46"W, on said wall, a distance of 22.49 feet, thence bearing N06°34'14"E, on said wall, a distance of 20.79 feet, thence bearing S54°49'21"E, on said wall, a distance of 180.23 feet, thence bearing S48°29'41"W, on said wall, a distance of 16.70 feet, thence bearing S39°36'21"E, on said wall, a distance of 55.97 feet, thence bearing S50°47'47"W, on said wall, a distance of 5.79 feet, thence bearing S39°46'34"E, on said wall, a distance of 27.46 feet, thence bearing N50°39'07"E, on said wall, a distance of 6.01 feet, thence bearing S40°05'51"E, on said wall, a distance of 91.46 feet, thence bearing N50°07'05"E, on said wall, a distance of 17.23 feet, thence bearing S39°52'55"E, on said wall, a distance of 24.99 feet, thence bearing N49°54'13"E, on said wall, a distance of 17.36 feet, thence bearing S39°56'08"E, on said wall, a distance of 24.51 feet, thence bearing N49°54'13"E, on said wall, a distance of 17.29 feet, thence bearing S40°05'47"E, on said wall, a distance of 24.50 feet, thence bearing N49°56'41"E, on said wall, a distance of 198.37 feet, thence bearing N40°12'47"W, on said wall, a distance of 32.62 feet, thence bearing N49°48'05"E, on said wall, a distance of 6.20 feet, thence bearing N40°13'55"W, on said wall, a distance of 34.34 feet, thence bearing S49°48'05"W, on said wall, a distance of 5.91 feet, thence bearing N40°06'39"W, on said wall, a distance of 89.44 feet, thence bearing N49°48'05"E, on said wall, a distance of 6.16 feet, thence bearing N40°03'36"W, on said wall, a distance of 45.46 feet, thence bearing S49°48'05"W, on said wall, a distance of 6.17 feet, thence bearing N39°47'25"W, on said wall, a distance of 67.00 feet, thence bearing S49°49'20"W, on said wall, a distance of 35.52 feet, thence bearing N54°49'24"W, on said wall, a distance of 77.60 feet, thence bearing N34°48'40"E, on said wall, a distance of 14.08 feet, thence bearing N55°05'04"W, on said wall, a distance of 65.95 feet, thence bearing S35°04'49"W, on said wall, a distance of 13.83 feet, thence bearing N40°03'06"W, on said wall, a distance of 39.05 feet, to the point of intersection with the extension of a line being 200.00 feet south of and parallel with a raised concrete island, thence northeasterly on the extension of a line being 200.00 feet south of and parallel with a raised concrete island, bearing N50°07'11"E, a distance of 353.94 feet, to the point of intersection with a non-tangent curve to the right, said curve having a central angle of 05°52'03", a radius of 2451.83 feet, a chord bearing of N40°56'42"W and a chord length of 250.97 feet, thence northwesterly on the arc of said curve, a distance of 251.08 feet, to the point of intersection with the southeast corner of Lot 4, as monumented by a 5/8" Rebar, thence continuing northwesterly on the same curve, said segment having a central angle of 3°58'25", a radius of 2451.83 feet, a chord bearing of N36°01'28"W and a chord length of 170.00 feet, thence northwesterly on the arc of said curve, a distance of 170.04 feet, to the point of intersection with the northeast corner of Lot 4, as monumented by a 3/4" Rebar, thence continuing northwesterly on the arc of said curve, whose segment has a central angle of 00°15'16", a radius of 2451.83 feet, a chord bearing of N33°54'38"W and a chord length of 10.89 feet, thence northwesterly on the arc of said curve segment, a distance of 10.89 feet, to the Point of Beginning, containing an area of 11.86 Acres, more or less.

**EXHIBIT “B”**

**INSERT AERIAL PHOTO OF SITE**

**EXHIBIT “C”**  
**Redevelopment Area Site Plan**  
**(insert site survey)**

EXHIBIT "D"  
STATUTORY COST BENEFIT ANALYSIS  
MONUMENT MALL REHABILITATION  
PROJECT

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Scottsbluff has analyzed the costs and benefits of the proposed Reganis Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$2,394,780.00 in public funds from tax increment financing provided by the City of Scottsbluff will be required to complete the project. This investment by the city will leverage \$6,255,220.00 in private sector financing; a private investment of \$2.61 for every city dollar investment.

**Use of Funds.**

Description	
Parking Lot resurface	\$1,000,000
Signage rehabilitation	300,000
Roof replacement	1,200,000
Rehabilitate exterior lighting	250,000
Rehabilitate landscaping	50,000
HVAC replace and repair	250,000
Rehabilitate vacant space for tenants (60,747 Sq. ft.)	2,650,000
Theatre rehabilitation (if required)	500,000
Total TIF Eligible Costs	<b>\$6,200,000</b>
<b>NON TIF ELIGIBLE COSTS</b>	
Additional capital costs	\$1,250,000
New 8000 square foot pad site	1,200,000

**TOTAL PRIVATE AND PUBLIC IMPROVEMENTS   \$8,650,000**

<b>Portion of costs paid by Occupation Tax</b>	<b>\$1,816,650</b>
<b>Portion of costs paid by TIF</b>	<b>578,130</b>
<b>Portion of costs paid by Developer</b>	<b>6,255,220</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 201, valuation of \$6,000,000. Based on the 2014 levy this would result in a real property tax of 116,236.78. It is anticipated that the assessed value will increase by \$1,000,000 per year for 2017, 2018, 2019 and 2020 and remain stable thereafter as a result of the site redevelopment. This development will result in an estimated tax increase of over \$77,000.00 annually after the year 2020. The tax increment gained from this Redevelopment Project area would not be available for use as city general tax revenues, but would be used for eligible public and private improvements to enable this project to be realized.

Estimated 2014 assessed value	\$ 6,000,000
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Estimated value after completion		\$10,000,000
Increment value		\$ 4,000,000 after 5 years,
Annual TIF generated	(estimated)	\$ 19,377 increasing to \$77,508
TIF bond issue		\$ 578,130
Occupation Tax bond		\$1,816,650

**Public Infrastructure and Community Public Service Needs.** The Project will not require that the city pay for any changes to utilities, or other public service needs.

**Employment Within the Project Area.** Employment within the Project Area is expected to increase by at least 50 full and part time positions. Temporary construction employment will increase during the construction. The construction period is expected to exceed nine months.

**Employment in the City Outside the Project Area.** The latest available labor statistics show that the Scotts Bluff County labor pool is 19,591, with a 4.3% unemployment rate.

**Other Impacts.** Significant local sales tax will be generated as the Mall is filled with tenants. The Mall rehabilitation will generate on site sales significantly in excess of current levels. Current city sales tax from the Mall are estimated at \$270,000 annually. By 2018, sales are estimated to generate city sales tax of \$498,000 annually.

**Tax shifts.** No shift of taxes or other negative impact is expected.