

AGENDA
VALLEY CITY COUNCIL
Tuesday, February 21, 2023
City Hall
203 North Spruce
Valley, NE 68064
4:30 PM

1. **CALL TO ORDER**
2. **PROOF OF PUBLICATION**
3. **NOMINATIONS AND VOTE FOR SECRETARY POSITION**
4. **DISCUSSION ON TAX INCREMENT FINANCING (TIF) APPLICATION PROCESS AND RELATED PROCEDURES**
5. **ADJOURN**

The City Council reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda.

It is the intention of the City Council to take up the items on the agenda in sequential order. However, the City Council reserves the right to take up matters in a different order to accommodate the schedules of the City Council members, persons having items on the agenda, and the public.

GRETNA SENIOR LIVING, LLC

Gretna Senior Living
11010 South Highway 6/31, Gretna, NE 68028

REDEVELOPMENT PLAN AND
APPLICATION OF GRETNA SENIOR LIVING, LLC
FOR TAX INCREMENT FINANCING

Dated: August 28, 2015

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General Information -

Project Legal Description:

Lots 1, 2 and 3, Gretna Senior Living Subdivision, 208th Street to Lincoln Road, and Schofield Drive to Highway 6/31. See Plat attached as Exhibit "A"

Project Address:

11010 South Highway 6
Gretna, Nebraska

Property Ownership/Applicant:

Gretna Senior Living, LLC, a
Nebraska limited liability company

Owner Address:

1505 North 203rd Street
Elkhorn, Nebraska 68022

Estimated Total Project Cost:

\$23,459,683

TIF Request:

\$3,541,438.00

Interest Rate:

Zero (0.00%) Percent

New Construction - YES
Market Rate Project - YES
Rehabilitation - YES
Historic Tax Credit - NO

Proposed Project Size:

of Acres - 10 Acres +/- (Phase I)

Current Use:

Vacant Land w/One structure

Lot/Parcel Size - Acre

Lot 1: 6.46 Acres
Lot 2: 1.161 Acres
Lot 3: 1.02 Acres
Lot 4: 15.6651 (Phase 2) Acres
Lot 5: 8.1902 (Phase 2) Acres

Current Zoning:

MUC with CO and PUD Overlay District

Proposed Use:

Mixed Use - Multi-Family & Office

Proposed Zoning:

MUC with CO and PUD Overlay District

Current Assessed Tax Valuation:

(2015 Base Year Valuation):

Land - \$602,680.00 (TL5A, Parcel Number: 011105658)
 \$59,540.00 (TL5B, Parcel Number: 010396519)
 \$662,220.00

Current Consolidated Tax Levy:

2.261641/\$100 of Valuation

Current Tax Revenue Due and Payable 2014; Delinquent 2015:

Annual Tax Revenue: \$14,507

Narrative:

a. Detailed Project Description

Gretna Senior Living Mixed Use Development Community

Gretna Senior Living is a mixed-use redevelopment project. The Redeveloper intends to develop the project in two phases. Phase I shall be within Lots 1, 2 and 3, Gretna Senior Living and Phase II shall be within Lots 4 and 5, Gretna Senior Living. This redevelopment plan, except as otherwise stated, only applies to Phase I, and as a result, Phase I, which consists of Lots 1, 2 and 3, Gretna Senior Living, shall be referred to herein as the Redevelopment Project. The property within the Redevelopment Project consists of three lots and two public streets, which will be known as 208th Street running north to Lincoln Road and Schofield Drive east to Highway 6/31. According to the present Sarpy County Assessor's records, the two parcels consist of the approximately east one-half of Tax Lot 5A and Tax Lot 5B, totaling approximately ten acres. At the July 14, 2015 Gretna City Council meeting, the Gretna City Council approved the final plat and rezoning of Lots 1, 2 and 3, Gretna Senior Living, to MUC with a CO and PUD overlay. The Plat, which is attached hereto as Exhibit "A", shows the three lots and the public streets.

The Redeveloper is proposing that Lot 1 will consist of three multi-family buildings to be used for senior living apartments. Buildings 1 and 2 shall each be two story buildings consisting of senior apartment units with 31 units each, for a total of 62 units and underbuilding garages. It is the intent of the Redeveloper to initially construct the first two buildings. Once the market permits and the two buildings have sufficient occupancy, the Redeveloper intends to build a third building on Lot 1 consisting of a three story multi-family apartment building for senior living consisting of 47 units. Once all three buildings are constructed, there will be a total of 109 units for senior living consisting of a combination of one and two bedroom units. These units shall be housed in three buildings to create a campus of apartments with shared open and amenity space. The Site Plan is attached hereto as Exhibit "B" and the Senior Living Apartment Elevations are attached hereto as Exhibit "C".

Lots 2 and 3 shall be low density office buildings, or a combination of office and retail buildings. Use of these office/retail buildings shall fall within the permitted uses as identified in the Gretna Zoning Ordinance for MUC with CO overlay. It is anticipated that the uses within the office and retail space shall be related to the senior housing living concept of the Redevelopment Project.

The Senior Living Apartments will be leased at market rate. Along with the building redevelopment, the redevelopment of the land shall also include upgrades in the public utility systems in and around the project site, new public streets, and a traffic signal at the intersection of Highway 6/31 and Lincoln Road.

This project is expected to create over 20 new jobs within the City of Gretna with the businesses that the redevelopment will attract, along with the 109 market rate apartment units. In addition, it is anticipated that Phase I will create a catalyst for the redevelopment of Phase II. Phase II shall be within Lot 4, and is proposed to consist of an assisted living facility including assisted care and memory care, along with independent senior living cottages, which may also include Lot 5.

The commercial redevelopment portion of this community is being marketed for such uses as professional offices, banking facilities, retail stores, drug store and uses which relate to the senior living campus concept.

The project will incorporate design criteria that will require the buildings to be wood framed with a stone, brick or EIFS façade, as set forth in the approved PUD plans. The community will incorporate biking/walking trails, landscaping and upscale design throughout. It is anticipated that the rents for the senior apartments are expected to range from \$1,200 to \$2,200 per month per unit, with a mix of one and two bedroom units. The multi-family apartments will be leased at market rate and will have a community clubhouse, workout facility and other amenities.

Project Team:

Developer:

Gretna Senior Living, LLC, a
Nebraska limited liability company
Frank R. Krejci
Century Development
1505 North 203rd Street
Elkhorn, Nebraska 68022
(402) 493-6165

Kent Braasch
Essex Corporation
11606 Nicholas Street
Omaha, Nebraska 68154
(402) 431-0500

Legal:

James E. Lang
Laughlin, Peterson & Lang
11718 Nicholas Street, Suite 101
Omaha, NE 68154
(402) 330-1900

Architect:

Larry Smith
Avant Architects, Inc.
3337 North 107th Street
Omaha, Nebraska 68134
(402) 493-9611

Civil Engineer:

Dan Dolezal
Ehrhart, Griffin & Associates
3552 Farnam Street
Omaha, Nebraska 68131
(402) 551-0631

b. Land Use Plan

The subject property consists of Lots 1, 2 and 3, Gretna Senior Living, 208th Street north to Lincoln Road and Schofield Drive east to Highway 6/31. The property was previously used for a mansion, known as the Kush Mansion, which use and structure no longer exist. The property has been vacant for some time. The Redeveloper intends to redevelop the property as shown on the Site Plan attached hereto as Exhibit "B". The property has recently been rezoned to (MU) Mixed-Use. The parcels are underutilized, vacant and are declining in value in its current condition and are in need of redevelopment. The east boundary of the property abuts Highway 6/31, the south railroad tracks, to the west single family residential and to the north, park and undeveloped land. The transition from single family residential to the west to multi-family residential consisting of an overall low density senior living use provides the appropriate land use transition from single family residential to the west to the highway to the east, along with the low density office/retail use. The proposed use is appropriate for the parcel and the existing adjoining land uses. Allowing the Redevelopment Project to be developed as mixed-use allows the property to be utilized to its highest and best use.

c. Zoning - Current

The subject property has been rezoned to MUC with a Planned Unit Development and CO Corridor Overlay to meet the City's Comprehensive Plan as Mixed-Use with a PUD and CO Corridor Overlay.

d. Public Improvements

There are significant public improvements associated with the proposed redevelopment of the property to serve the project.

1. Participation in the cost of the installation of a traffic signal at the intersection of Highway 6/31 and Lincoln Road.
2. Design, construction and improvement of the entrance to the subdivision at Highway 6/31 and Scofield Drive consisting of a reconstructed entrance and deceleration lanes.
3. Design, construction and improvement of Scofield Drive and 208th Street.
4. Improvements to the storm drainage of the entire area with the additions of new storm sewers, culverts and redesigned ditches for better drainage. Onsite detention will be designed and installed.
5. Extension of the sanitary sewer line to serve the property and adjoining areas.
6. Extension of City water main and construction of water service lines and related facilities will be installed to serve the property.

Furthermore, the final plat includes the dedication of right-of-ways to the public in several locations, specifically 208th Street and Schofield Drive.

Development Financing Plan:

Sources and Uses/Total Project Costs:

Sources of Funds:

Owner Equity	\$ 6,200,000
Bank Construction Loan Financing	\$13,718,245
Tax Increment Financing	\$ 3,541,438
<i>Total Sources:</i>	<i>\$23,459,683</i>

Uses of Funds:

Land & Acquisition Expense	\$ 1,166,901
Demolition Expense	\$ 72,705
Construction Hard Costs	\$18,806,924

Public Infrastructure	\$ 1,673,880
Soft Costs	\$ 1,739,273
<i>Total Uses:</i>	<i>\$23,459,683</i>

Development Budget, Project Timeline and TIF Eligible Expenses:

Development Budget:

Land & Demolition:

Land & Acquisition Expense	\$ 1,166,901
Demolition Expense (House, Structures, Trees)	\$ 72,705

Construction Hard Costs:

109 Senior Living Apartments - Lot 1	\$15,206,924
10,000 SF Office/Retail Building - Lot 2	\$ 2,000,000
8,000 SF Office/Retail Building - Lot 3	\$ 1,600,000

Infrastructure Costs:

Paving	\$ 334,264
Sanitary Sewer	\$ 301,930
Underground Electrical	\$ 81,344
Water Distribution	\$ 420,250
Grading, Erosion Control	\$ 201,822
Storm Sewer/PCSMP	\$ 254,270
Traffic Signal	\$ 80,000

Soft Costs

Architectural & Engineering	\$ 500,000
Geotechnical & Engineering	\$ 100,000
Legal & Fees	\$ 40,000
Misc. Development City Fees	\$ 280,351
Financing Expense	\$ 818,912

<i>Total Development Budget:</i>	<i>\$23,459,683</i>
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Project Timeline:

The commencement of construction is scheduled for November, 2015, with grading, site preparation, and installation of the public infrastructure. In addition, the construction of the first two senior living apartments within Lot 1 are expected to commence in November 2015. The third apartment building will be constructed once there is sufficient occupancy in Buildings 1 and 2 and market conditions are appropriate, anticipated in 2017. The commercial buildings will be constructed when market demand exists which is anticipated to be in 2017. We anticipate project completion in late 2017.

TIF Eligible Expenses:

Demolition Expense	\$ 72,705
Site Grading and Preparation	\$ 144,000
Public Infrastructure	\$1,673,880
Land Acquisition Expense	\$1,166,901

Architecture & Engineering	\$ 500,000
Geotechnical & Environmental	\$ 100,000
TIF Fees	\$ 50,000
<i>Total TIF Eligible Expenses:</i>	<i>\$3,707,486</i>

After completion of this project, the anticipated assessed valuation of the properties will be in excess of approximately \$21,720,740. The base year valuation of the two parcels as of January 1, 2015 is \$622,220; therefore, the resulting net incremental increase over the base year valuation is approximately \$21,058,520.00. The TIF Pro Forma is attached hereto as Exhibit "D".

**PRO-FORMA - TOTAL PROJECT COSTS AND REVENUES, ROI
ANALYSIS - "BUT FOR" STATEMENT OF NEED**

The project estimated cost is \$23,459,683. As set forth in the Sources of Funds, to pay for the Redevelopment Cost of \$23,459,683 is a loan of \$13,718,245, TIF of \$3,541,438, and owner equity of \$6,200,000.

The estimated gross revenue from the three apartment buildings with a 7% vacancy rate within Lot 1 is \$1,942,506, the estimated annual expenses/operating costs are \$624,943 for a net operating income of \$1,317,563.

The estimate gross revenue with a 7% vacancy rate on the 18,000 square foot office/retail space within Lots 2 and 3, based upon a \$15.00 per square foot base rent rate and a \$6.50 CAM, equals \$359,910 with estimate operating expenses at \$7.00 per square of \$126,000, for a net operating income of \$233,910.

The estimated net operating income for the senior apartments on Lot 1 and the 18,000 square foot office/retail space on Lots 2 and 3 upon completion is \$1,551,473.

The owner anticipates investing \$6,200,000 of equity, and based upon the \$23,459,683 project cost, without TIF, requires a loan of \$17,259,683, which carries an annual debt service of \$1,366,872 (\$17,559,683 loan @ 5% with a 20 year amortization). Based upon the \$1,551,743 NOI and the \$1,366,872 annual debt service, this equals \$184,601 in annual cash flows, which provides a 3% return on investment to the investors.

With TIF of \$3,541,438 without interest, based upon total costs of \$23,459,683, equity of \$6,200,000 and a loan of \$13,718,245, based upon the above income and expenses of the apartments and the office/retail, this, once again, creates a NOI of \$1,551,473, annual debt service of \$1,086,432 on the reduced loan of \$13,718,245 and interest at 5% per annum on the TIF pledged loan of \$3,541,438 averaged over 15 years equals \$88,536 in annual TIF pledged loan interest expense, for annual cash flow to the investors of \$376,505 or 6.1%.

**STATEMENT AND DEMONSTRATION THAT THE PROJECT WOULD NOT
PROCEED WITHOUT THE USE OF TAX INCREMENT FINANCING**

Without the successful incorporation of Tax Increment Financing, it would not be economically feasible to proceed with this project. TIF blended with equity forms the critical basis for the Project to be economically viable.

	WITH TIF	WITHOUT TIF
Net Annual Income	1,551,473	1,551,473
Less: Primary Debt Service	1,086,432	1,366,872
Less: Secondary Debt Service	88,536 (TIF Interest)	
Annual Cash flow	376,505	184,601
Redeveloper Investment	6,200,000	6,200,000
Return on Investment	6.1%	3%

Summary Conclusion: Without Tax Increment Financing the return on investment to the Redeveloper is 3%. With Tax Increment Financing, the return on investment to the Redeveloper is 6.1%. The return of 3% is not a sufficient return for a Redeveloper to go forward with the project. Even an estimated return of 6.1%, with Tax Increment Financing, is a marginal return for the Redeveloper to go forward with the Project. Without Tax Increment Financing there would be insufficient cash flow and Redeveloper return and the Project would not be feasible.

Further, nearly 20% of the Project cost relates to the redevelopment of the property and installation of public infrastructure consisting of both on-site and off-site improvements in order to eliminate the blight and prepare the property for redevelopment. These redevelopment costs increase the overall development costs for the Project and lower the redevelopment's return to a point that it would not be feasible without Tax Increment Financing.

EVALUATION CRITERIA

1. The project is located within a community redevelopment area.
2. The use of TIF for this project will not result in a loss of pre-existing tax revenue to the City and other taxing jurisdictions.
3. The project is not economically feasible without the use of Tax Increment Financing. As set forth in this Plan, the rate of return on the owner's investment without TIF is either non-existent or minimal. Even with TIF, the return to the developer is minimal. Therefore, based upon the rate of return, the risk and difficulty of this project, it is reasonable to conclude that the project would not occur in this area without tax increment financing.
4. The project furthers the objectives of the City's Master Plan. The project shall provide for job creation, revitalization of the area, provide for a start-up of a new business, provide for business growth and expansion in the area, attract development activity and additional residential development for the area, and attract vitality to the area.

5. The project will eliminate an actual or potential hazard to the public including the improvement of a vacant site, demolition of unsafe buildings, and the redevelopment of buildings, sites and structures.

6. The Project involves the startup of an entirely new business operation as a senior apartment project and assisted living/memory care project.

7. The buildings and unimproved property that is to be redeveloped itself displays conditions of blight.

8. The Project provides needed public improvements to assist in the elimination of blight.

COST BENEFIT ANALYSIS

The request meets the necessary requirements for consideration. The site is in an area that has been declared Blighted and Substandard. The TIF proceeds are to be used to cover specific TIF eligible project costs.

The site is not being utilized at the fullest and best economic use. The site is currently vacant and underutilized with marginal tax value as the property has limited assessed value. The Project will provide senior residential apartment units into the market.

The use of TIF will not result in tax shifts. The current level of taxes will continue to flow to the current taxing entities, and only the increased value of revenues resulting from the improvements will be applied to the cost of the improvements.

No additional community public service need will be generated as a result of this Project.

The development of the project site will provide employment by employing personnel to operate and maintain the senior living project. The redevelopment will provide new commercial services within the boundaries of the redevelopment project which will require the employment of additional personnel. This redevelopment will impact existing businesses within the boundaries of the area of the redevelopment project by providing additional residential density which will expand the need for existing services resulting in increased employment by existing businesses within the redevelopment project. Overall, the redevelopment will increase employment opportunities and other economic opportunities within the redevelopment project area by increasing the demand for goods and services.

By providing additional residential units and density, and the expansion of commercial services within the area, the immediate area located outside the boundaries of the redevelopment project will be benefited by increasing the demand for goods and services within the immediate area adjacent to the redevelopment area which will result in increased employment and other economic opportunities.

The development will cause an increase in traffic in the area; however, the current road system with the proposed improvements is able to accommodate the Project. The creation of additional, affordable housing opportunities and the increased demand for goods and services justify the cost associated with the Project. The long-term benefits resulting from the increase in the tax base due to the development are other valid justifications to provide assistance to the Project.

Respectfully submitted:

Gretna Senior Living, LLC, a
Nebraska limited liability company

By:

James E. Lang #12383
LAUGHLIN, PETERSON & LANG
11718 Nicholas Street, Suite 101
Omaha, Nebraska 68154
(402) 330-1900
Attorney for Gretna Senior Living, LLC

CITY OF VALLEY, NEBRASKA

TIF INFORMATION

TIF projects in Valley are primarily developer-financed. In this method the developer, who is often the project owner/applicant, presents a project which faces a financing gap in the project budget, and would not occur without the assistance of TIF. The project must align with the City's overall vision and mission, particularly as established in the Comprehensive Development Plan. The TIF project owner/applicant will secure financing for the amount of TIF that represents the financing gap; as stated previously, TIF is to help fund eligible project costs. The project owner/applicant should have prior experience with redevelopment projects, rehabilitation projects, or construction development. If not, the project owner/applicant may want to consider partnering with someone with redevelopment or construction development experience to demonstrate the ability to complete a proposed project.

As the redevelopment authority, the City of will capture, on behalf of the TIF project owner/developer, the increase in the tax revenues generated by TIF project to repay the bank for the amount of the TIF debt incurred to redevelop a project site. This is all accomplished within the TIF term which is a period up to 15 years. After the TIF term for any project, all of the newly generated property tax revenues results from the TIF project are forwarded to the appropriate taxing jurisdictions.

Property ownership or site control must be demonstrated to apply to the program.

MANDATORY CRITERIA

Applications for TIF assistance **must meet** the mandatory criteria in order for the project to be considered. The application must demonstrate how the project meets the required criteria.

A project **must meet each of the following** criteria:

- a. The project must be located within a Community Redevelopment Area (CRA) or an area eligible for a designation of blighted and substandard as required and set forth by the Nebraska Community Development Law. These are specific areas within the City that meet particular conditions and criteria for redevelopment assistance.
- b. The use of a TIF for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions.
- c. The developer is able to demonstrate that the project would not be economically feasible without the use of TIF.
- d. The project must further the objectives of the City's Comprehensive Development Plan.

The TIF loan amount will be preliminarily determined during the evaluation of the TIF application by the TIF Committee. It is important to note that during the first 18-24 months of

Commented [JF1]: Omaha has an entry level TIF that is for a 10 year period

construction, there is little to no excess and valorem taxes (incremental property taxes generated, or TIF).

In Douglas County, property taxes are often paid the year after those taxes are levied. Because of this practice, it will be very important to coordinate TIF bank financing to match the time of the anticipated TIF payments.

APPLICATION SUBMISSION

Approval Process

- a. TIF Committee – Application Evaluation and Recommendation
- b. TIF application and Recommendation Report – Planning Board Recommendation from TIF Committee
- c. TIF Redevelopment Project Plan – City Council Approval
- d. TIF Redevelopment Agreement – City Council Approval

If the TIF Committee *does not* recommend approval, the TIF applicant will be notified of the decision. If there is an approval by the TIF Committee, the TIF application will be ready for the next available meeting of the City of Valley Planning Board schedule.

TIF COMMITTEE

The TIF Committee will consist of the following members:

- The Mayor
- The City Administrator
- The City Attorney
- The City Building Inspector
- The Chairman of the Planning Board
- The City Engineer
- One City Council Member, Designated by the Mayor

The TIF Committee may retain other individuals or consultants with specialized knowledge to assist it in the evaluation process.

TIF Fee Structure

- a. TIF application fee of \$500.00.
- b. Processing Fee.
 - i. \$2,500.00 for ENTRY LEVEL applications
 - ii. \$3,000.090 for NEXT LEVEL applications
 - iii. \$3,000.00 for NEXT LEVEL applications
- c. Administrative Fee.

- i. 1.5% of the TIF loan for ENTRY LEVEL applications
- ii. Based on a graduated scale for NEXT LEVEL applications

Commented [JF2]: I have not revised this-it is Omaha's Fee Structure--just a place to start discussion

Uses of TIF

The funds can be used for other eligible costs **after allowing for the cost of public improvements associated with or relative to the redevelopment project.**

The following are considered TIF eligible costs:

- Total amount of public improvements associated with a redevelopment project which are located in a redevelopment area;
- Acquisition of redevelopment sites including all costs associated with acquisition;
- Site preparation, demolition, grading, surcharging, special foundations with an environmental report such as a Geotech Report, and other work prior to construction of the project as allowed by the Community Development Law and allowed by the City;
- Utility extensions and hookups
- Rehabilitation of structures within the redevelopment project area; rehabilitation should be substantial and not basic renovations;
- May also include enhancements that exceed minimum building and design standards;
- Traffic studies, market studies and appraisals associated with the redevelopment project site; and
- TIF fees

GENERAL CRITERIA

1. Projects must include funding for any required public improvements; TIF must be used to fund these costs.
2. For any TIF loan, the TIF applicant/project owner/developer must secure funds for the project, including any public improvements, as required. The incremental tax allocations paid to Douglas County are forwarded to the owner/developer, or their assignees, to amortize the TIF loan. Except for the tax allocations for the permitted term, the City assumes no responsibility for the repayment of any TIF loan.
3. The City assumes no responsibility for the financing of any TIF loan or bond. An employee of the City of Valley cannot invest, participate, or take a personal interest in a redevelopment project that is funded through TIF.
4. A percentage of the TIF loan, considered a voluntary TIF contribution, may be requested depending on City infrastructure needs in the area or project infrastructure needs. These funds would be directed to a public improvement fund specifically for off-site public enhancements within the general vicinity of the TIF redevelopment

project site. These funds would be paid to the City by the TIF applicant/project owner upon approval of the redevelopment agreement. These public enhancements will further improve the urban form and vitality of the community as a whole. Refer to the TIF website under Policies for additional details regarding the TIF Contribution Policy.

5. All TIF projects must comply with city codes and zoning ordinances, and will be approved subject to compliance with these codes and zoning ordinances, to include urban design review when applicable.
 - a. **A TIF pre-application meeting must be scheduled with the TIF Committee for all proposed TIF projects.**
 - b. A Site Plan Review is highly encouraged to determine if the site complies with current ordinances and addresses appropriate public improvements. An application for Site Plan Review would be submitted along with an as-built survey.
 - c. Any TIF approval is not an approval of planning entitlements such as zoning districts, plats/replats, etc. No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.

6. Community Outreach – Planning Board notices are sent out to neighborhood associations within one mile of the proposed TIF project. The City expects the TIF applicant to meet with all impacted neighbors prior to the Planning Board public hearing for a proposed TIF project to allow time for those neighbors to understand what the proposed project is.

Commented [JF3]: Necessary?

Part 1 of the TIP Application.....Non-Confidential Section

Project Summary Page

Project Development Team Page

Project Narrative Sections:

- A. Existing Land Use and Conditions
- B. Proposed Use and Project Details
- C. Parking Plan
- D. Market Demand
- E. Residential Information
- F. Employment Information
- G. Zoning Changes
- H. Public Improvements; Also, any traffic concerns
- I. Historical Status, if applicable

Commented [JF4]: Parts 1 and 2 of the TIF Application have not been changed at all from Omaha's version. I left everything in for purposes of discussion and we can add, subtract or revise as necessary

Development Financing Plan – (Sources and Uses Table)

Final Valuation – Estimation and Justification

Construction Budget, with itemized Public Improvement Costs and TIF Eligible Costs Table

Development Schedule or Timeline

3-Year Pro Forma – profit/loss and cash flow statement

Statement of Need – ROI analysis With and Without TIF

Evaluation Criteria: Mandatory Criteria (See and use the Program Criteria of the TIF Procedures)

Cost-Benefit Analysis (See and use Appendix Five of the TIF Procedures)

Site Plan(s) and Elevations

Alta Survey or Topographical Survey with the Legal Description

Historic Designation Documentation, *if applicable*

Any Other Supplemental Documentation

Part 2 of the TIP Application.....Confidential Section

Preliminary Bank Commitment Letter(s), particularly for Construction and TIF Financing

Documentation of Ownership or Site Control – Examples: copy of Purchase Contract, copy of Warranty Deed, or copy of Douglas County Property records from website

Organization Documentation – For S or C Corporations, LLC, Sole Proprietorship or Partnership; current Certificate of Good Standing, Filed Certificate of Organization for LLC, Operating Agreement for LLC and/or Articles; Filed Articles of Incorporation for Corporations, Corporate Resolution for Corporation; Filed Partnership Agreement

Audited Financial Statement of the Corporation, Partnership, or LLC for the most recent full calendar year; Or current compilation or accountant prepared financial statements; First-time applicants must provide a current personal financial statement and most recent two years tax returns from the financial guarantor/principal of the project

Commented [JF5]: Necessary?

Reports and Studies, *if applicable or if requested by the TIF Committee, only one set of the complete report(s) and/or study(s) needs to be provided*

- A. Appraisal, after rehab
- B. Market Study
- C. Feasibility Study
- D. Environmental Study
- E. Traffic Study

CITY COUNCIL APPROVAL PROCESS

After approval by the TIF Committee, the project goes through the following process:

1. **Preparation of a Redevelopment Project Plan:** The City staff prepares a Redevelopment Project Plan for the project, primarily for the purpose of the City Council public hearings. The plan will include the non-confidential portions of the TIF application. It will describe the project scope, define the Tax Increment Project Area, and contain information about the use of TIF funds.

Commented [JF6]: Should we put this burden on the Developer and require City approval?

2. **Approval of the Redevelopment Project Plan:** The Plan is submitted to the Planning Board by the TIF Committee for the Board's recommendation. Following Planning Board action, the Plan is then submitted to the City Council for its approval by a Resolution. Various notice requirements must be met before the Plan is heard by the City Council. See Below:

City Council Resolution – 2 separate readings

- a) First Reading – Introduced, week one
 - b) Laid over for publication (advertised in the official newspaper of the City) - two (2) consecutive Thursdays following the introduction
 - c) Second Reading – Public hearing on a Tuesday, ten (10) **calendar** days following the last publication date; Voted on same day
3. **Approval of the Redevelopment Agreement:** Following approval of the Redevelopment Project Plan, the City and the applicant negotiate a Redevelopment Agreement. The Agreement sets forth the mutual responsibilities of both parties and may include the financial terms of the project. As part of the agreement process, the applicant will either demonstrate that they can finance the TIF loan or negotiate loan terms with a private lender unless the project is utilizing a publicly-offered bond issue. A promissory note between the City and the applicant is created stating that the City will borrow money from the applicant via property taxes. The City will then pay the incremental taxes to the private lender to amortize any debt. This note will be an exhibit of the Redevelopment Agreement. The Redevelopment Agreement is approved by the City Council by an Ordinance.

City Council Ordinance – three (3) separate readings; typically, three (3) consecutive weeks

- a) First Reading
- b) Second Reading – Public Hearing, no vote
- c) Third Reading – Public Hearing – Voted on same day

4. **Community Redevelopment Area (CRA):** If the proposed TIF project is not within an area designated as a CRA, the applicant may submit a written request to the City Planning Director requesting a study to determine whether the area meets the statutory definition of a CRA. See Appendices One, Two and Three – Blighted, Substandard, and Community Redevelopment Area Definitions according to the Nebraska Community Development Law.

Commented [JF7]: We are not equipped to do a blight study and this should be put on the Developer as a condition to submitting the Application, or of approval of the Application

If the City determines that the study area would be eligible as a CRA, economic development staff will conduct a study. The request and approval process would be as follows:

- a) Submit a letter to the Planning Director requesting a CRA study for the desired area:
 - i. Briefly describe the boundaries of the study area for the proposed designation
 - ii. Briefly describe the potential TIF project; keep in mind that the proposal must be a ready and viable project
 - iii. Copy Urban Planning Director and the Economic Development Manager
- b) Planning economic development staff will review the request. The Planning Department will either proceed with a study or deny the request. The requestor will be notified if a study is pursued.
- c) If the CRA designation request is denied, the Planning Department will send a letter regarding the denial.
- d) Upon completion of the study, economic development staff will work with the requestor of the study to coordinate a neighborhood meeting to inform the impacted community of the proposed designation resulting from a potential TIF project. The neighborhood meeting must occur prior to the Planning Board meeting, and preferably before the TIF Committee meeting.
- e) The CRA study will be taken to the TIF Committee and Planning Board, and then the City Council for final approval of the designation of the declared study area.

