

CITY OF GERING REDEVELOPMENT PLAN

C S Precision Expansion Project

By: C S Precision Manufacturing, Inc.

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CITY OF GERING REDEVELOPMENT PLAN

C S Precision Expansion Project

By: C S Precision Manufacturing, Inc.

1. Introduction/Executive Summary

C S Precision Manufacturing, Inc. (the “Redeveloper”) submits this Redevelopment Plan (“Plan”) to the City of Gering City Council (the “City”), the City of Gering Planning Commission (“Planning Commission”), and the City of Gering Community Development Agency (the “CDA”), pursuant to the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*

Under this Plan, the Redeveloper proposes to expand its current building on the Project Site (described below) and develop a solar array to generate energy for its expanded operations.

The “Project” as described above requires a significant investment with the cost being estimated at around \$4,700,000.00. To make the Project economically feasible, the Redeveloper is seeking 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 Project Site is in an area which the City has declared as blighted and substandard according to the Community Development Law.

3. Statutory Elements (NEB. REV. STAT. §§ 18-2103(27) and 18-2111)

- A. *Boundaries of the Project Site:*** The “Project Site” is described in Attachment 1. A map of the Project Site is attached as Attachment 2. The Project will also include improvements made on adjacent public right of way.
- B. *Land Acquisition:*** The Redeveloper owns the east portion of the Project Site (Scotts Bluff County Parcel Nos. 010019766 and 010000067). The Redeveloper proposes to purchase the west portion of the Project Site, which is approximately 12.5 acres of Scotts Bluff County Parcel No. 001345191.
- C. *Existing Uses and Condition:*** Parcel No. 010019766 contains Redeveloper’s current building used for its manufacturing operations. The remainder of the Project Site is vacant, undeveloped land.
- D. *Proposed Land Uses, Land Coverage, and Building Intensities:*** The Redeveloper proposes to build an addition on the south side of its current facility. The addition will house 26 additional multi-spindle screw machines and add on to its electroplating line. In the addition, there will be a receiving bay with truck access, additional employee parking for the increase in employees, and an access road coming from the west side of the existing building. The currently vacant land will be used for solar panels used to produce energy for the Redeveloper’s high energy demands. See Attachment 3.
- E. *Site Plan:*** See Attachment 3.
- F. *Demolition and Removal of Structures:*** None

Draft—11/24/2020; All figures subject to change.

- H. *Population Densities:*** The Project will not affect population densities around the Project Site. The Redeveloper proposes to increase employment at the Project Site from 66 employees to 98 employees in the next 3-5 years.
- I. *Zoning Changes:*** The Project Site is zoned as MH-Heavy Industrial and Manufacturing District. The intent of the MH District is to provide space for the widest range of industrial operations permitted in the City. No changes to zoning, planning, ordinances, or building codes or maps are contemplated under this Plan.
- J. *Additional Public Facilities and Utilities:*** Driveways for access to the Project Site off D Street and Lockwood Road will be added. A culvert under the driveway from Lockwood Road will be necessary. No other additional public facilities and utilities are contemplated for the Project.
- K. *Street Layouts, Street Levels, and Grades:*** No changes in street layouts and grades are contemplated under 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 CDA 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 City's Comprehensive Plan, the Project Site is in the East Gering Industrial District. Excerpts from the Comprehensive Plan related to the East Gering Industrial District are attached as Attachment 4. According to the Comprehensive Plan, the goal of the East Gering Industrial District is to preserve land that has attributes crucial to future industrial development. New development that is higher in intensity should be concentrated away from residential areas.

Principle 1.8 of the Comprehensive Plan is to "support the use of renewable energy and energy efficient design." Policy 2.1.E of the Comprehensive Plan includes supporting job creation by focusing on expansion. Policy 2.1.F is to support the creation and growth of local businesses.

This Plan conforms to the Comprehensive Plan in the following ways:

- Promoting industrial development
- Supporting a renewable energy (solar) project
- Supporting expansion which intends job creation
- Supporting growth of a local business

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 \$367,950.00, calculated as follows:

a. Estimated Base Value:	\$2,472,938.00
b. Estimated Value at Completion:	\$3,572,938.00
c. Tax Increment (b minus a):	\$1,100,000.00
d. Estimated Levy:	2.23%
e. Average Annual Projected Shift (rounded):	\$ 24,530.00
f. Total TIF Available (e multiplied by 15)	\$ 367,950.00

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 upon 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 CDA 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 this Plan would not be economically feasible and would not occur in the blighted and substandard area without the use of tax increment financing. The costs associated with the building addition, site acquisition, creation of roads, added parking lot, and equipment purchase requires a significant investment, requiring outside incentives.

Notwithstanding the foregoing, the Redeveloper understands the liability of the CDA and City is limited to the TIF Revenues received by the CDA related to the Project to pay the TIF Indebtedness. The Redeveloper shall look exclusively to the TIF Revenues related to this Project for the payment of any TIF Indebtedness. The Redeveloper acknowledges that the TIF Indebtedness will be set based on estimates and assumptions, including expectations as to the completion of construction and property 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 decision 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 costs, which the Redeveloper proposes to be paid for with TIF Revenues:

Land Acquisition	\$ 183,565.00
Site Preparation	\$ 161,945.00
Site Preparation (Solar Array)	\$ 15,000.00
Site Engineering	\$ 17,300.00
Plan Preparation/Legal (City Application, Processing, and Administrative Fee)	\$ 10,250.00
Total	\$ 388,060.00

A proposed statutory Cost-Benefit Analysis of the Project is attached as Attachment 5.

B. Economic Development Assistance (LB 840)/CDBG/Nebraska Advantage Act. The Redeveloper is also pursuing funding from the City of Gering and City of Scottsbluff's LB 840 funds, a CDBG grant and tax incentives, including a refund of the City's local option and sales tax revenue, under the Nebraska Advantage Act.

C. Private Investment/Financing. The Redeveloper has made and is making a substantial private investment related to the Plan, estimated in the amount of \$2,832,050.00.

Below is a breakdown of the estimated costs and expenses of the Project and the use of funds for each.

Description	TIF Funds	Private Funds	
Land Acquisition	\$ 183,565.00		
Site Preparation (Building Site)	\$ 161,945.00		
Site Preparation (Solar Array)	\$ 15,000.00		
Building		\$ 950,000.00	
Site Engineering	\$ 17,300.00		
Architect		\$ 12,500.00	
Equipment/Other Approximate*		\$ 3,349,440.00	
Sub Totals	\$ 377,810.00	\$ 4,311,940.00	
Plan Preparation/Legal (City Application, Processing, and Administrative Fee)	\$ 10,250.00		
TIF Adjustment**	\$ (20,110.00)	\$ 20,110.00	Total Project Costs
Totals	\$ 367,950.00	\$ 4,332,050.00	\$ 4,700,000.00
LB840/CDBG***		\$ (1,500,000.00)	
		\$ 2,832,050.00	

*Estimated based on Total Project Costs of \$4,700,000.00 shown in Application

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

***To be applied for, but not yet awarded. Shown for purposes of analyzing projected private investment.

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.

6. Implementation of the Plan.

Upon approval of this Plan, the Redeveloper will enter into a Redevelopment Contract with the CDA 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 CDA 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.

**C S Precision Expansion Redevelopment Plan
Attachment 1
Project Site Description**

Lot 1, Block 2, Gering Fourth Industrial Tracts, an Addition to the City of Gering, Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID# 010019766)

and

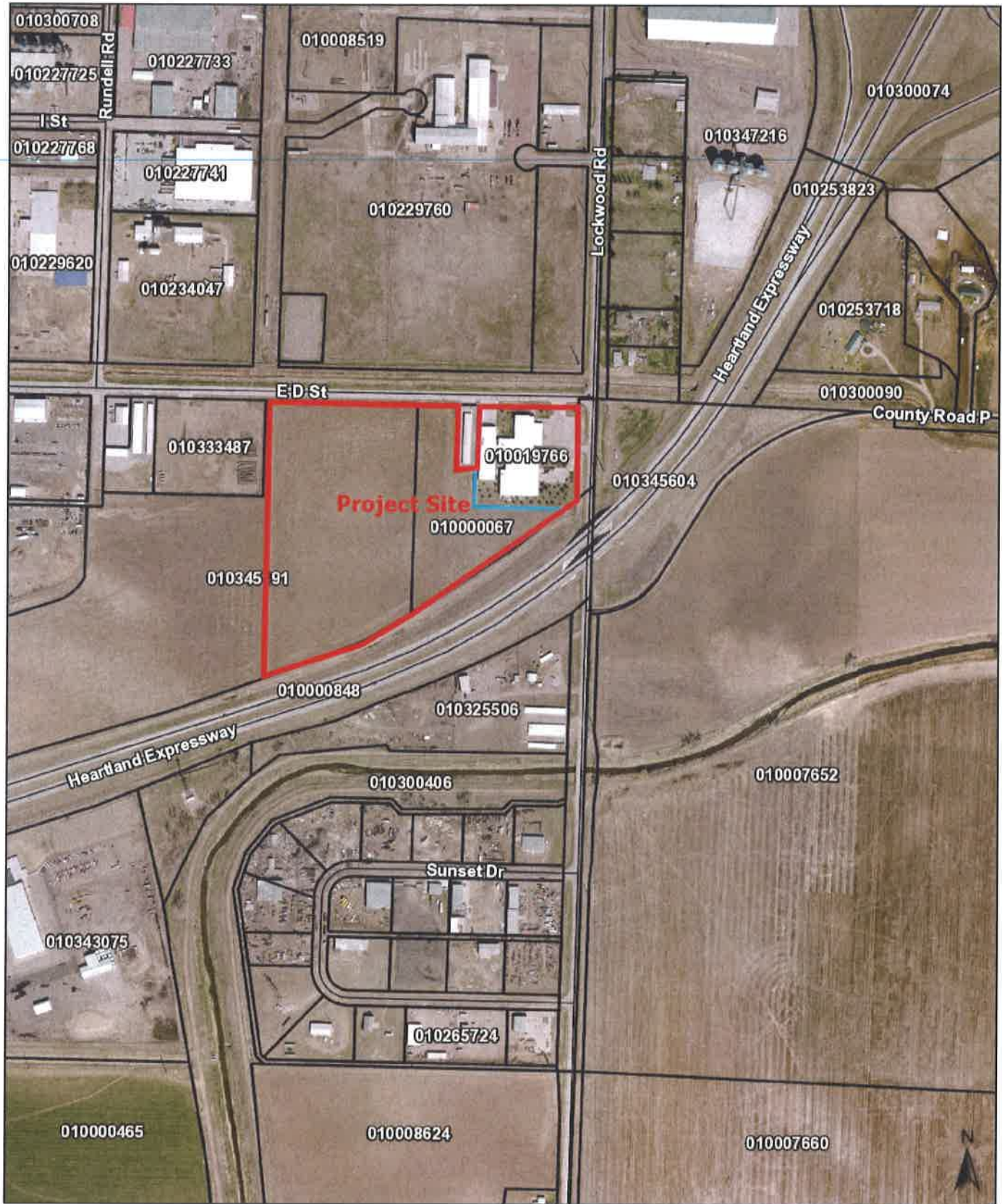
Lot 2A-1, Block 2, Gering Fourth Industrial Tracts, a Replat of Lot 2A, Block 2, Gering Fourth Industrial Tracts, a Replat of Lot 2, Block 2, and Block 3, Gering Fourth Industrial Tracts and unplatted land in the City of Gering, Nebraska situated in the Northeast Quarter of Section 12, Township 21 North, Range 55 West of the 6th P.M., Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID# 010000067)

and

Approximately 12.5 acres located in the northeast portion of Block 3A, Gering Fourth Industrial Tracts, a Replat of Lot 2, Block 2, and Block 3, Gering Fourth Industrial Tracts and unplatted land in the City of Gering, Nebraska situated in the Northeast Quarter of Section 12, Township 21 North, Range 55 West of the 6th P.M., Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID# 010345191)

**C S Precision Expansion Redevelopment Plan
Attachment 2
Map of Project Site**

Project Site



**C S Precision Expansion Redevelopment Plan
Attachment 3
Site Plan**

**C S Precision Expansion Redevelopment Plan
Attachment 4
Excerpts from Comprehensive Plan**

District 11

East Gering Industrial District

Existing Characteristics

The East Gering Industrial District rounds out the priority areas within the city reserved for commercial and industrial uses. The district has great highway access and accommodates industrial uses that are difficult to integrate with less intense uses. The district is bounded on the west by residential and the north, east, and south by vacant/ agricultural land.



Future Desired Characteristics

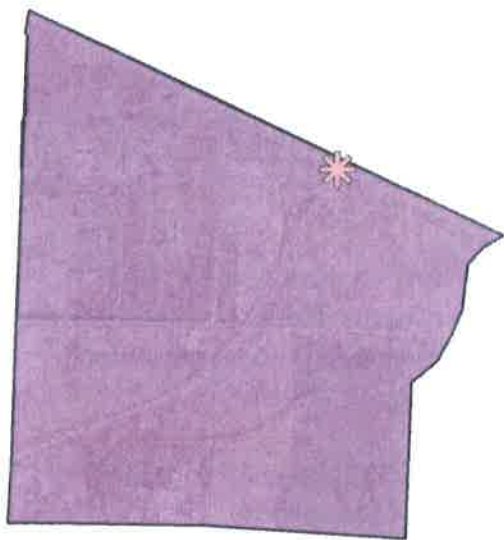
The goal of the district is to preserve land that has attributes crucial to industrial development, such as proximity to highway and rail access. New development that is higher in intensity should be concentrated away from residential areas. While much of the western edge is already developed, mitigation controls should be used to screen the industrial uses from the adjacent residential neighborhood.

Major arterial frontages should be heavily landscaped and buildings along M Street should consider incorporating design features to enhance and improve the visual character of the corridor.

Commercial, office, or retail development is appropriate at the interchange of Highways 92 and 71 to support and strengthen major employment uses. This commercial node will act as the eastern gateway into the city and could include highway commercial uses as well.

District 11: East Gering Industrial District

Future Places



Land Use Scale & Form

Commercial Node: Commercial uses supporting employment uses at arterial intersections and interchanges.

Commercial services.

Highway commercial at Highway 71/92 and M Street.

Industrial: Light industrial manufacturing, warehousing, distribution.

Heavy industrial.

Office and other employment uses.

Business and industrial parks.

Primary Zoning

C3 Regional Commercial

M1 Light Industrial

M2 Heavy Industrial

Land Use



Industrial

Node



Commercial Node

**C S Precision Expansion Redevelopment Plan
Attachment 5
Cost Benefit Analysis**

**CITY OF GERING, NEBRASKA
CS Precision Expansion Project
COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)**

A. Project Sources/Use of Funds: An estimated \$367,950.00 of TIF Revenues are available for this Project. The Redeveloper is also applying for approximately \$1,500,000.00 CDBG and LB840 grants. The public investment from TIF will leverage approximately \$2,832,050.00 in private sector investment; a private investment of over \$7.69 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	\$ 183,565.00		
Site Preparation (Building Site)	\$ 161,945.00		
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Building		\$ 950,000.00	
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Totals	\$ 367,950.00	\$ 4,332,050.00	\$ 4,700,000.00
LB840/CDBG***		\$ (1,500,000.00)	
		\$ 2,832,050.00	
*Estimated based on Total Project Costs of \$4,700,000.00 shown in Application			
**Adjustment showing TIF eligible costs estimated to not be covered by TIF proceeds			
***To be applied for, but not yet awarded. Shown for purposes of analyzing projected private investment.			

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 approximately \$2,472,938.00 (which is an estimate calculated using the assessed value of Parcel ID #010000067 and 010019766, plus the per-acre assessed valuation of Parcel ID#010345191, multiplied by 12.5 acres). The local taxing jurisdictions are the City, Scotts Bluff County, Gering 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 Redevelopers for the eligible development costs (with interest) necessary for the Project. The estimated tax increment revenues are calculated as follows:

a. Estimated Base Value:	\$2,472,938.00
b. Estimated Value at Completion :	\$3,572,938.00
c. Tax Increment (b minus a):	\$1,100,000.00
d. Estimated Levy:	2.23%
e. Average Annual Projected Shift (rounded):	\$ 24,530.00
f. Total TIF Available (e multiplied by 15)	\$ 367,950.00

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.

Driveways for access to the Project Site off D Street and Lockwood Road will be added. A culvert under the driveway from Lockwood Road will be necessary. No other additional public facilities and utilities are contemplated for the Project. There will be no additional local tax impacts from these improvements other than from tax increment financing as noted above.

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

The Redeveloper currently employs 66 people. The Redeveloper plans to employ 98 employees within 3 to 5 years after project completion.

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 Gering Public Schools.

No negative impacts on Gering Public Schools are anticipated.

G. Other Impacts

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