

CITY OF GERING REDEVELOPMENT PLAN

B&C Steel Expansion

By: B and C Steel Corporation

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CITY OF GERING REDEVELOPMENT PLAN

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1. Introduction/Executive Summary

B and C Steel Corporation (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”), according to the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*

Under this Plan, the Redeveloper proposes to expand development on the Project Site (described below) by building a new warehouse for retail steel inventory and improving the sidewalk along 10th Street.

The “Project” as described in this Plan, requires a significant investment with the cost estimated at around \$476,783.00. 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 that 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 as:

Lot 1, Block 1, Hergert-Reinhardt “Sale Only” Subdivision, City of Gering, Scotts Bluff County, Nebraska, commonly known as 2535 North 10th Street, Gering, NE 69341 (Scotts Bluff County Parcel ID No. 0010053662), and adjacent public right of way.

A Map of the Project Site is attached as Attachment 1.

B. *Land Acquisition:* The Redeveloper owns the Project Site. No land acquisition is required under this Plan.

C. *Existing Uses and Condition:* The Project Site contains Redeveloper’s current offices and manufacturing buildings. The new warehouse will be constructed along the west boundary of the Project Site, which is currently used for overflow warehouse stock and miscellaneous outside storage.

D. *Proposed Land Uses, Land Coverage, and Building Intensities:* The Redeveloper proposes to develop the Project Site with a new 80’ by 125’ warehouse for retail steel inventory. See Site Plan attached as Attachment 2.

E. *Site Plan:* See Attachment 2.

F. *Demolition and Removal of Structures:* No demolition is required, other than the removal of a security fence and demolition of the current sidewalk areas.

G. *Population Densities:* The Project will not affect population densities around the Project Site.

H. *Zoning Changes:* The Project Site is zoned as ML Light Industrial. The intent of the ML Light Industrial District is to provide space for certain commercial uses and a wide range of warehouse/distribution and light industrial uses. Manufacturing, fabrication, assembly, storage, and warehousing are permitted uses of the ML Light Industrial District. No changes to zoning, planning, ordinances, or building codes or maps are required under this Plan.

I. *Additional Public Facilities and Utilities:* The Redeveloper must install a fire hydrant on the west side of the Project Site. The Redeveloper may also improve the sidewalk along 10th Street.

J. Street Layouts, Street Levels, and Grades: Currently, a road on the west side of the Project Site is used as an alley. The new building will be built on a portion of this road, requiring the alley to be moved to the west of the Project Site. No other changes to street layouts, street levels, or grades are required under this Plan.

K. Ordinance and Building Code Changes: No ordinance or building code changes are required 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 10th Street Commerce and Industry District. Excerpts from the Comprehensive Plan related to the 10th Street Commerce and Industry District are attached as Attachment 3. Under the heading "Future Desired Characteristics" for the 10th Street Commerce and Industry District, the Comprehensive Plan states, "Efforts to enhance the appearance of the district as part of the northern gateway into Gering should be encouraged."

Policy 2.1.F of the Comprehensive Plan is to support the creation and growth of local businesses.

Policy 3.2D of the Comprehensive Plan is to encourage infill development on vacant and underutilized sites.

Policy 3.2.E of the Comprehensive Plan is to promote compatible infill and redevelopment that fits Gering's neighborhoods and is consistent with the desired future character of the area.

This Plan conforms to and furthers the above principles set forth in the Comprehensive Plan by:

- Supporting the growth of a local business.
- Promoting compatible infill development in the 10th Street Corridor.
- Enhancing the 10th Street Corridor, a gateway to Gering by developing a building to replace an outside storage area and improving the sidewalk along 10th Street.

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 \$118,500.00, calculated as follows:

a. Estimated Base Value:	\$1,301,823.00
b. Estimated Value at Completion:	\$1,650,000.00
c. Tax Increment (b minus a):	\$ 348,177.00
d. Estimated Levy:	2.27%
e. Average Annual Projected Shift (rounded):	\$ 7,900.00
f. Total TIF Available (e multiplied by 15)	\$ 118,500.00

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 due to the current high construction costs.

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:

Site Prep--Excavation	\$ 31,438.00
Hydrant	\$ 37,512.00
Survey & Design	\$ 8,390.00
Storm Sewer	\$ 13,402.00
Sidewalk (10th Street)	\$ 7,900.00
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 8,141.00
Estimated TIF Eligible Expenses	\$ 106,783.00

A proposed statutory Cost-Benefit Analysis of the Project is attached as Attachment 4.

B. Private Investment/Financing. The Redeveloper is making a substantial private investment related to the Plan, estimated in the amount of approximately \$370,000.00

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	
Building Costs		\$ 370,000.00	
Site Prep--Excavation	\$ 31,438.00		
Hydrant	\$ 37,512.00		
Survey & Design	\$ 8,390.00		
Storm Sewer	\$ 13,402.00		
Sidewalk (10th Street)	\$ 7,900.00		
Sub Totals	\$ 98,642.00	\$ 370,000.00	
Plan Preparation/Legal (City Application, Processing, and Administrative Fees)	\$ 8,141.00		
Estimate TIF Eligible Expenses	\$ 106,783.00		Total Project Costs
Totals	\$ 106,783.00	\$ 370,000.00	\$ 476,783.00

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.

B and C Steel Corporation

By: 
Lewis Reinhardt, Secretary

**B&C Steel Expansion Redevelopment Plan
Attachment 1
Map of Project Site**

Project Site



**B&C Steel Expansion Redevelopment Plan
Attachment 2
Site Plan**

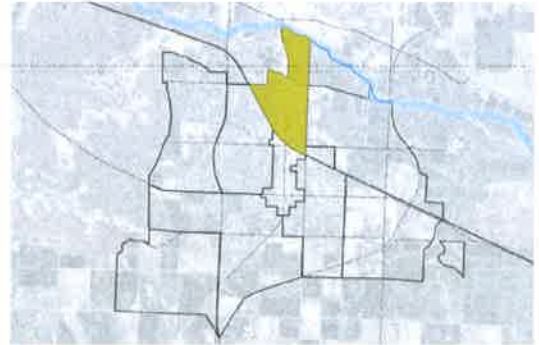
**B&C Steel Expansion Redevelopment Plan
Attachment 3
Excerpts from Comprehensive Plan**

District 9

10th Street Commerce & Industry District

Existing Characteristics

This commerce and industry district is the northern gateway into the community from Scottsbluff and serves as a transition area between two downtown areas. The district is and will continue to be defined by its civic, commercial and lighter industrial functions and character. The district is largely built out and consists of lots accommodating a variety of uses along 10th Street. The remainder of the district is influenced by increases in industrial use intensity that requires more land for equipment and material storage.



Future Desired Characteristics

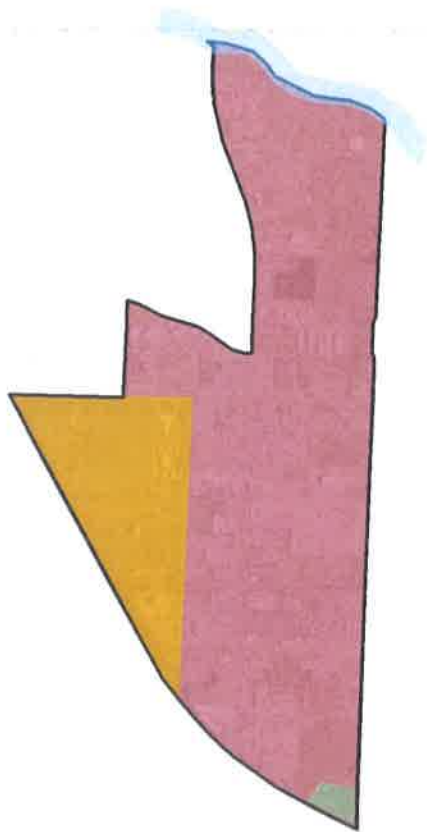
Efforts to enhance the appearance of the district as a part of the northern gateway into Gering should be encouraged. While industrial development is suitable throughout the district, individual lots should have landscaping to mitigate impacts to adjacent uses of lower intensity and provide appropriate buffering along highly travelled roadways.

Streetscape features within the right-of-way will be minimal with an emphasis on reinforcing safety and functional elements related to both motorized and non-motorized movement in the area. Defined streetscape elements such as street lighting, traffic signalization lights, medians, transit furnishings, wide sidewalks with connections to adjacent uses will help create a district 'feel' by improving the functions of facilities in the right-of-way and complementing landscape buffering enhancements along the frontage of property in the district.

As large vacant parcels accommodate industrial and commercial service uses, landscape and distance buffering should be used to separate such uses from adjacent residential uses.

District 9: 10th Street Commerce & Industry District

Future Places



Land Use Scale & Form

Commercial: Auto-oriented commercial businesses and restaurants. Municipal uses. Light industrial manufacturing, warehousing distribution uses.

Mixed Use: Commercial services and other uses such as multifamily that help transition the commercial and industrial uses to the existing residential uses in District 2.

Primary Zoning

C3 Regional Commercial

M1 Light Industrial

Land Use

-  Commercial
-  Mixed Use

**B&C Steel Expansion Redevelopment Plan
Attachment 4
Cost Benefit Analysis**

CITY OF GERING, NEBRASKA
B&C Steel Expansion
COST-BENEFIT ANALYSIS
(Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds: An estimated \$106,783.00 of TIF Revenues are requested for this Project. The public investment from TIF will leverage approximately \$370,000.00 in private sector investment, which is a private investment of approximately \$3.46 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	
Building Costs		\$ 370,000.00	
Site Prep--Excavation	\$ 31,438.00		
Hydrant	\$ 37,512.00		
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Totals	\$ 106,783.00	\$ 370,000.00	\$ 476,783.00

B. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.

The current "base" value of the Project Site is \$1,301,823.00 which currently generates tax revenues of approximately \$28,200.00. Taxes from base value of the Project Site will be available and distributed to the local taxing jurisdictions regardless of the tax increment financing. 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 Redeveloper for the eligible development costs (with interest) necessary for the Project.

The estimated tax increment revenues are calculated as follows:

a. Estimated Base Value:	\$1,301,823.00
b. Estimated Value at Completion:	\$1,650,000.00
c. Tax Increment (b minus a):	\$ 348,177.00
d. Estimated Levy:	2.27%
e. Average Annual Projected Shift (rounded):	\$ 7,900.00
f. Total TIF Available (e multiplied by 15)	\$ 118,500.00

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.

The Redeveloper must install a fire hydrant on the west side of the Project Site. The Redeveloper may also improve the sidewalk along 10th Street. These expenses will be the responsibility of the Redeveloper, so there will be no additional tax impacts, other than the impacts from tax increment financing as stated above.

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

The Redeveloper expects this expansion to result in the increase of 4 to 5 employees on the Project Site.

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
Local business growth