CITY OF GERING REDEVELOPMENT PLAN

Integrity Developments Housing Project By: Integrity Developments LLC

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<u>CITY OF GERING REDEVELOPMENT PLAN</u> Integrity Developments Housing Project By: Integrity Developments LLC

1. Introduction

Integrity Developments LLC (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 develop 22 residential duplex units on the Project Site (described below). The "Project" as described in this Plan, requires a significant investment with the cost estimated at around \$3,660,000.00. 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 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:

Lots 1 and 2, Integrity Developments, LLC Subdivision, a Replat of Block 2, MQ Subdivision, City of Gering, Scotts Bluff County, Nebraska, and Lots 1, 2, 3, 4, and 5, Block 2, Thompson Addition to the City of Gering, Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID Nos. 010241892, 010001526 010241981, 0102741973, 010241965, 010241957, and 010241949), and adjacent public right of way.

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

There is an existing house on Lot 1, Integrity Developments, LLC Subdivision (Parcel 010241892), which is the northeast lot of the Project Site. There is no current plan to redevelop or divide taxes on this parcel. This parcel is included in the definition of the Project Site because certain improvements will be adjacent to and may affect this parcel. However, the term Project Site should not be interpreted to include this parcel for any other purpose.

- **B.** Land Acquisition: The Redeveloper has already acquired the portion of the Project Site east of 13th Street in contemplation of this Project. The Redeveloper will acquire the remainder of the Project Site as part of this Plan.
- C. Existing Uses and Condition: The Project Site is undeveloped, vacant land.
- **D.** Proposed Land Uses, Land Coverage, and Building Intensities: The Redeveloper plans to replat the five lots on the west side 13th Street into four duplex lots (with eight units) and replat the two lots between 12th and 13th Streets into seven duplex lots (with 14 units). See Site Plan attached as Attachment 2.
- *E. Site Plan:* See Attachment 2.
- F. Demolition and Removal of Structures: No demolition is required.
- G. Population Densities: This Project will result in an increase in the residential population within the Project Site.
- *H. Zoning Changes:* The Project Site is zoned as RM-Residential Medium-Density District. The RM-Residential Medium-Density District includes two family dwellings or duplexes as a permitted use. No changes to zoning and planning ordinances, codes, or maps are required under this Plan.

- *I. Additional Public Facilities and Utilities:* The Redeveloper must install a new sewer main and water main and sidewalks, curbs and gutters. The Redeveloper must also construct an alleyway on the lots between 12th and 13th Streets.
- J. Street Layouts, Street Levels, and Grades: No 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. <u>Conformity to General Plan of the City (NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a)</u>)

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 Southwest Gering Neighborhood District. Excerpts from the Comprehensive Plan related to the Southwest Gering Neighborhood District are attached as Attachment 3.

Under the heading "Future Desired Characteristics" for the Southwest Gering Neighborhood District, the Comprehensive Plan states, "An important goal within the district will be to develop a variety of housing types and densities, including duplexes, tri-plexes, and multifamily housing.... New development should maintain a gridded pattern with alleys to shift garage and parking access away from the street."

Policy 3.1.A of the Comprehensive Plan is to increase housing choices and diversity for all lifestyles to meet community housing needs.

Policy 3.1.C of the Comprehensive Plan is to promote the integration of multifamily units into neighborhoods with mixes of housing types.

Policy 3.2.D 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:

- Increasing the variety of housing choices through the development of duplexes.
- Shifting parking away from the street.
- Promoting compatible infill development.

5. <u>Feasibility and Conformity with Community Development Law (NEB. REV. STAT. §§ 18-2116(1)</u>.

The City and CDA must consider whether the Plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law. Those declarations include, among other things that:

[Blighted and substandard] conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids herein provided. The elimination of such conditions and the acquisition and preparation of land in or necessary to the renewal of substandard and blighted areas and its sale or lease for development or redevelopment in accordance with general plans and redevelopment plans of communities and any assistance which may be given by any state public body in connection therewith are public uses and purposes for which public money may be expended and private property acquired. The necessity in the public interest for the provisions of the Community Development Law is hereby declared to be a matter of legislative determination. NEB. REV. STAT. § 18-2102.

As stated above, the City has declared the Project Site as blighted and substandard.

6. 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 \$1,130,145.00, calculated as follows:

a.	Estimated Value at Completion:	\$3,520,000.00
b.	Estimated Base Value:	<u>\$ 118,505.00</u>
c.	Tax Increment (a minus b):	\$3,401.495.00
d.	Estimated Levy:	2.215%
e.	Average Annual Projected Shift (rounded):	<u>\$ 75,343.00</u>
f.	Total TIF Available (e multiplied by 15)	\$1,130,145.00

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 Project may be developed in phases, so different 15 year periods may be applied to different parcels.

The TIF Revenues will be used to make principal and interest payments toward one or more tax increment financing notes ("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. Due to the infrastructure work that is required, the cost of the land, and other associated costs, TIF funding is essential to the completion of the Project.

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	\$ 201,835.75
Site Preparation/Grading	\$ 13,800.00
Utilities/Water	\$ 180,329.00
Utilities/Sewer	\$ 192,254.00
Stormwater Retention	\$ 30,000.00
Sidewalk/Curb/Gutter	\$ 187,000.00
Alley	\$ 24,300.00
Civil Engineering	\$ 38,000.00
Survey/Plat	\$ 9,400.00
Plan Preparation/Legal (City Application,	
Processing, and Administrative Fees)	\$ 14,020.00
Estimate TIF Eligible Expenses	\$ 890,938.75

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 \$2,768,900.00.

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

Description	TI	F Funds	Pı	ivate Funds		
Land Acquisition	\$	201,835.75				
Site Preparation/Grading	\$	13,800.00				
Utilities/Water	\$	180,329.00				
Utilities/Sewer	\$	192,254.00				
Stormwater Retention	\$	30,000.00				
Sidewalk/Curb/Gutter	\$	187,000.00				
Alley	\$	24,300.00				
Civil Engineering	\$	38,000.00				
Survey/Plat	\$	9,400.00				
Building Costs			\$	2,750,000.00		
Legal			\$	18,900.00		
Sub Totals	\$	876,918.75	\$	2,768,900.00		
Plan Preparation/Legal (City Application,						
Processing, and Administrative Fees)	\$	14,020.00				
Estimate TIF Eligible Expenses	\$	890,938.75			Total Project Co	sts
Totals	\$	890,938.75	\$	2,768,900.00	\$ 3,659,838.	75

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.

7. 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 must 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 does 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.

Integrity Developments Housing Redevelopment Plan Attachment 1 Map of Project Site

Project Site



Integrity Developments Housing Redevelopment Plan Attachment 2 Site Plan

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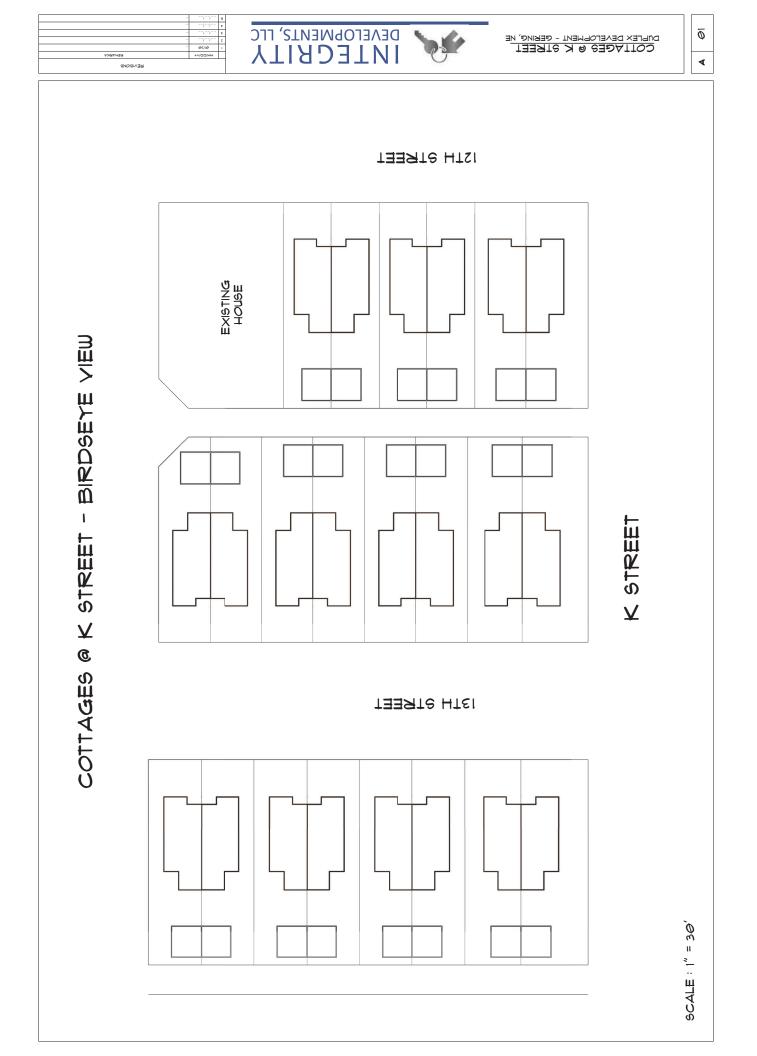
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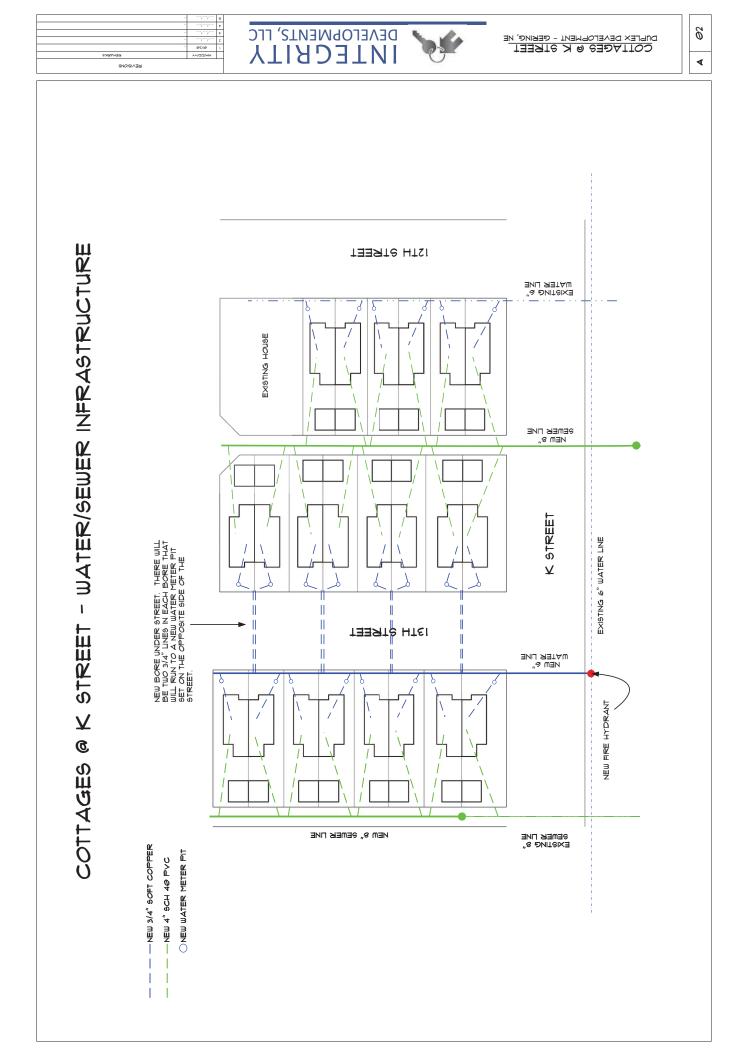
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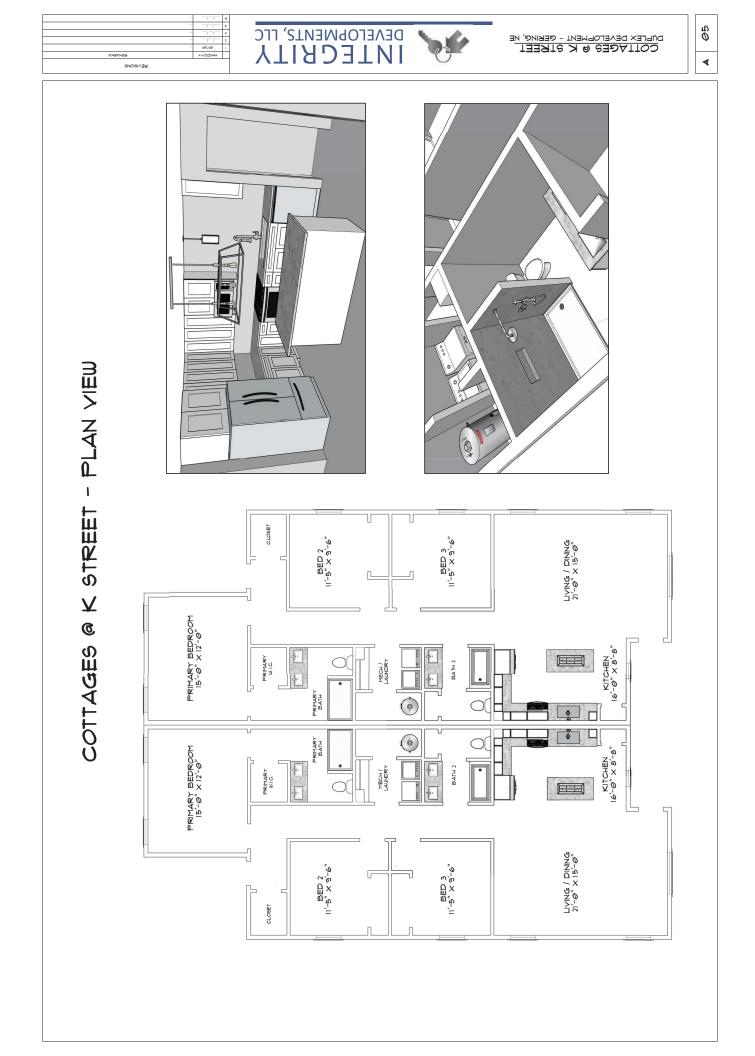
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Integrity Developments Housing Redevelopment Plan Attachment 3 Excerpts from Comprehensive Plan

District 3 Southwest Gering Neighborhood District

Existing Characteristics

The Southwest Gering Neighborhood District is predominately single-family detached residential uses on medium sized lots. Several small-scale multifamily uses are located off of M Street with neighborhood serving uses such as medical, schools, parks, and churches embedded throughout the district. Individual lots are wide and deep resulting in longer rectangular blocks. Front loaded driveways with alleys in the rear are typical with buildings set back from the street.



There is a high degree of interconnectedness yet limited multimodal choices. The wider lots and longer blocks makes travel by car most convenient for trips due to the separation between land uses. However the proximity of the district to the downtown, coupled with its relatively low density, should allow pedestrians and cyclists to share roads with vehicles in order to access downtown amenities.

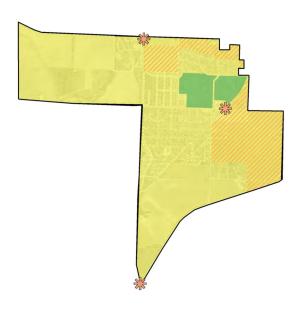
A large community serving park and ball park are located within the district.

Future Desired Characteristics

The district includes some multifamily uses along M Street but contains predominately single-family detached housing forms. An important goal within the district will be to develop a variety of housing types and densities, including duplexes, tri-plexes and multifamily housing. Generally speaking, higher-density housing should be located along major streets or intersections with transit availability, or within or adjacent to commercial or mixed-use areas as a buffer between single-family neighborhoods and areas of commerce activities. Duplexes and tri-plexes can be blended and integrated throughout the neighborhood as part of an overall mix of housing.

New development should maintain a gridded street pattern with alleys to shift garage and parking access away from the street. As new residential areas are developed, sidewalks with street trees should be incorporated as well as multimodal linkages so residents can access key community amenities by foot, bike, or transit, including parks, schools, and commercial activity nodes. The large vacant piece of land located on the south-east corner of M Street and 5 Rocks Road is well suited for a commercial node that includes an assemblage of neighborhood serving uses such as convenience and small retail, professional services, food establishments, daycares and other uses that are compatible with the nearby residential.

District 3: Southwest Gering Neighborhood District Future Places



Land Use



Intensity



Higher Density

Residential

Node

Commercial Node

Land Use Scale & Form

Residential: The district is envisioned to contain a variety of residential densities and residential types. Existing residential should be maintained and enhanced whenever possible. New residential development should include a mix of low– to midscale multi-unit residential options. Small-scale multi-unit buildings are appropriate to intersperse between single– and two-unit residential with mid-scale multi-unit appropriate along heavier trafficked areas.

Commercial Node: Mixed-use along arterial/ collector streets as well as important intersections may be appropriate. Small scale commercial with a mix of medium and smaller scale buildings may be appropriate near the intersection of M Street and 5 Rocks Road. Transitions from the commercial activity node to nearby residential will be an important consideration.

Neighborhood and community based public/ semi-public facilities- places of worship; public safety facilities; schools.

Neighborhood parks, trails, and recreational facilities.

Primary Zoning

R1 Low Density Residential

R2 Medium Density Residential

R3 High Density Residential

C1 Neighborhood Commercial Integrity Developments Housing Redevelopment Plan Attachment 4 Cost Benefit Analysis

CITY OF GERING, NEBRASKA Integrity Developments Housing Project COST-BENEFIT ANALYSIS (Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds:

An estimated \$890,938.75 of TIF Revenues are requested for this Project. The public investment from TIF will leverage approximately \$2,768,900.00 in private sector investment, which is a private investment of approximately \$3.10 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	TI	F Funds	Pı	ivate Funds		
Land Acquisition	\$	201,835.75				
Site Preparation/Grading	\$	13,800.00				
Utilities/Water	\$	180,329.00				
Utilities/Sewer	\$	192,254.00				
Stormwater Retention	\$	30,000.00				
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Plan Preparation/Legal (City Application,						
Processing, and Administrative Fees)	\$	14,020.00				
Estimate TIF Eligible Expenses	\$	890,938.75			Tota	Project Costs
Totals	\$	890,938.75	\$	2,768,900.00	\$	3,659,838.75

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

The current "base" value of the Project Site is \$118,505.00, which will generate tax revenues of approximately \$2,625.00. 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 for each parcel. 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 Project may be developed in phases, so different 15 year periods may be applied to different parcels.

The estimated tax increment revenues are calculated as follows:

a.	Estimated Value at Completion:	\$3,520,000.00
b.	Estimated Base Value:	<u>\$ 118,505.00</u>
c.	Tax Increment (a minus b):	\$3,401.495.00
d.	Estimated Levy:	2.215%
e.	Average Annual Projected Shift (rounded):	<u>\$ 75,343.00</u>
f.	Total TIF Available (e multiplied by 15)	\$1,130,145.00

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 new sewer main and water main and sidewalks, curbs and gutters. The Redeveloper must also construct an alleyway on the lots between 12th and 13th Streets. 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.

This is a residential project, so there are no employers located within the Redevelopment Project Area.

E. Impacts on other Employers and Employees within the City and immediate area located outside the Redevelopment Project Area.

This project will provide housing, which will have a positive impact on employees and employees near the Redevelopment Project Area.

F. Impacts on Student Populations of Gering Public Schools.

No negative impacts on Gering Public Schools are anticipated.

G. Other Impacts

Housing Infill Development