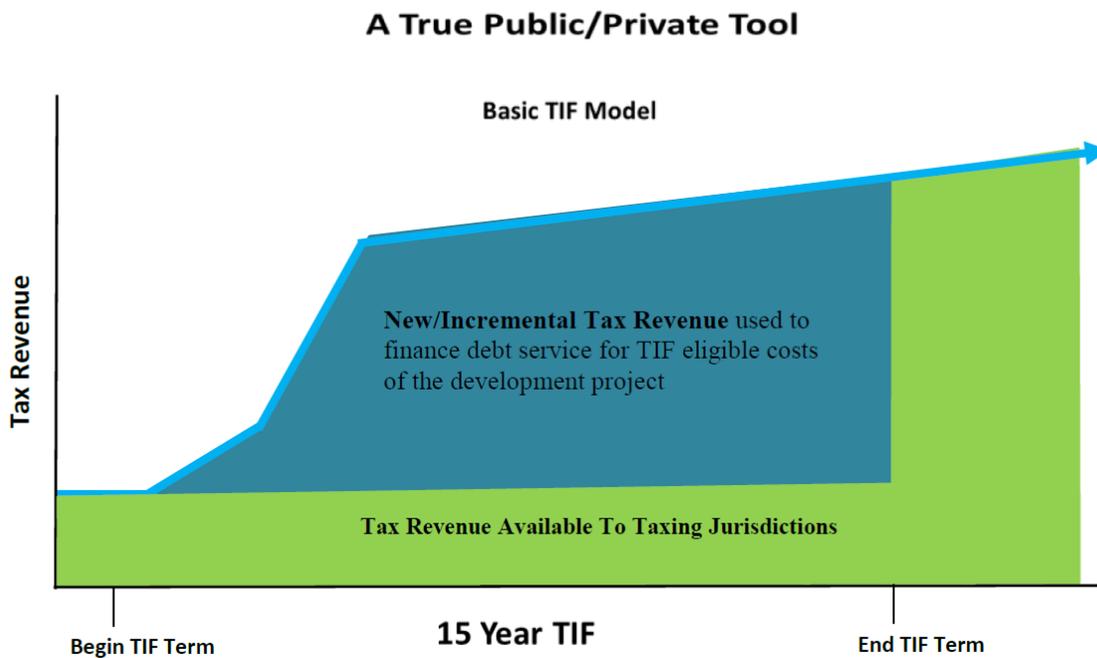


# Tax Increment Financing Guidelines for the City of Gering

## I. INTRODUCTION

The procedures below are used by the City of Gering Mayor and City Council, the Community Development Agency<sup>1</sup> and the Planning Commission for evaluating proposals requesting Tax Increment Financing (“TIF”) for projects within the City of Gering (the “City”). These are guidelines only, and TIF applications, plans, and projects are subject to final approval by the City and the provisions of the Nebraska Community Development Law, as it may be amended from time to time.

Property located in a blighted and substandard area can be extremely expensive to develop. TIF encourages private investment in these areas by allowing the City to pledge, for up to 15 years, increases in property tax revenue resulting from the development to the payment of certain costs associated with the development. The chart below demonstrates the public and private benefits of TIF.



<sup>1</sup> The Community Development Agency (“CDA”) is made up of the Mayor and City Council, so for ease of reference, these guidelines refer to the CDA and City Council interchangeably.

## **II. PROGRAM CRITERIA**

1. The project must be located within an area that has been, or is eligible to be, designated as blighted and substandard as defined in the Community Development Law.
  - A.) If the proposed project is not within an area designated as blighted and substandard, the applicant may submit to the City a written request for a study to determine whether the area qualifies to be designated as blighted and substandard. Any study will be at the expense of the applicant.
  - B.) The qualification of an area as blighted and substandard does not automatically mean the City will designate the area as blighted and substandard. Making this designation remains in the sole and absolute discretion of the City Council.
2. The costs and benefits of the project must be in the long-term best interest of the community.
3. The project would not be economically feasible and would not occur in the blighted and substandard area without the use of TIF.
4. The project must further the objectives of the City's Comprehensive Plan.
5. The applicant must have and be able to show the financial ability to complete the project. The financial ability can be contingent on TIF being granted. However, the applicant must understand that TIF typically only pays for a small portion of a project and the amount of TIF available may be speculative. The City assumes no responsibility for the payment of any TIF project expenses, except to the extent tax increment financing is granted. The City assumes no responsibility for selling or purchasing any TIF note.
6. All TIF projects must comply with City codes. Approval of TIF and any redevelopment agreement with the City does not replace or supersede the need for the applicant to obtain other agreements, consents, permits, or licenses from the City as may be required by the City for the type of work to be performed.

## **III. TIF ELIGIBLE COSTS**

The following are examples of TIF eligible costs. (Please note this is a non-exhaustive list and all costs are subject to City approval).

1. Public improvements associated with the redevelopment project. Public improvements can be located on a redevelopment project site, directly adjacent to the redevelopment project site, or within the general vicinity of the redevelopment project site if those improvements are necessary for or associated with the project.
2. Acquisition costs of redevelopment project sites.

3. Site preparation, demolition, grading, and other pre-development work prior to construction of the project.
4. Architectural and engineering services related to the project as well as environmental services and studies.
5. Utility extensions.
6. Enhancement to structures which exceed minimum building and design standards in the community and prevent the recurrence of substandard and blighted conditions.
7. Public parking.
8. Costs associated with plan preparation and approval.

## **IV. APPLICATION PROCESS**

The City Engineer or his or her designee will be the applicant's primary point of contact for the project. All TIF applications must be submitted to City Staff for review before initially presenting the application to the City Council for conceptual approval or the Redevelopment Project Plan ("Plan") to the Planning Commission (as applicable). (See the Application attached as Appendix A.)

If conceptual approval of the application is sought, the TIF Application Submittal Deadline is fourteen (14) days prior to the City Council meeting at which the application will be initially presented.

### **The following shall be submitted:**

- **Submit the \$250.00 nonrefundable TIF Application Fee to the City of Gering;**
- **Submit one (1) hard copy of the entire, completed TIF Application; and**
- **Email an electronic copy of the TIF Application.**

The TIF application will be evaluated by City Staff, which may request further information from the applicant or require revisions to the application. If further information or revisions are required, the initial presentation of the application to the City Council may be delayed. .

If the Redeveloper is not seeking conceptual approval of the TIF application, then the meetings at which the Plan will be presented will be based on the date of the completion of the Plan.

The applicant will be notified of the appropriate meetings to attend to present the proposed TIF project.

## **V. APPROVAL PROCESS**

1. **Conceptual Approval of Application by City Council (Optional):** At the option of the applicant, the TIF application may be submitted to the City Council for conceptual approval. Conceptual approval does not guarantee final approval of the Plan, but is an option so the applicant can receive the City Council's comments prior to incurring the expenses of Plan creation. Prior to conceptual approval by the City Council, the City Council will conduct a preliminary cost-benefit analysis of the proposed project based upon the application.

2. **Preparation of a Redevelopment Plan:** The Plan has certain statutory requirements. City Staff can prepare the Plan with the assistance of the applicant. Alternately, the applicant can hire a qualified person to prepare the Plan and submit that plan to the City for consideration. If the applicant submits a Plan to the City staff, the City staff may require certain revisions to the Plan prior to commencing the Plan review and approval process.

3. **Approval of the Redevelopment Plan:** City Staff shall first submit the Plan to the Planning Commission for a public hearing and its recommendation as to whether the Plan is consistent with the goals set out in the City's Comprehensive Plan. The Plan is then forwarded to City Council for a cost-benefit analysis (see Appendix B), public hearing, and further review. Following the public hearing, the City Council can approve a resolution adopting the Plan.

4. **Approval of the Redevelopment Agreement:** Following approval of the Plan, the City and the owner/developer must enter into a Redevelopment Agreement which sets forth the responsibilities of both parties. The City Council may simultaneously authorize a TIF note. However, a TIF note will not be issued by the City until eligible project costs are incurred. Interest rates on TIF notes will be determined at the time the note is issued.

## VI. TIF FEE STRUCTURE

The fee structure for TIF projects are as follows:

1. An initial application fee of \$250.00 is due upon submission of the TIF application.
2. Applicants must pay a processing fee based on the schedule below. The processing fee is intended to cover the City's costs and expenses in creating and/or reviewing the Plan and cost-benefit analysis and running the Plan through the appropriate approval process.

If conceptual approval of the application is granted by the City Council, then the processing fee shall be due at the time the applicant enters into the Redevelopment Agreement with the City.

If a project does not receive conceptual approval from the City Council, then the processing fee shall be paid prior to the City's preparation and/or review of the Plan. In this case, if the processing fee has not been paid for a period of six (6) months after the application is submitted, the application shall be deemed abandoned and the application fee forfeited.

The processing fee schedule is as follows:

- If the estimated TIF proceeds available for the Project are \$50,000.00 to \$75,000.00, the processing fee shall be equal to 5% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.
- If the estimated TIF proceeds available for the Project are \$75,000.01 to \$100,000.00, the processing fee shall be equal to 8% of the estimated TIF proceeds, and the processing fee will also cover the administrative fee.

- If the estimated TIF proceeds available for the Project are over \$100,000.00, the processing fee shall be the greater of (a) \$5,000.00 or (b) 1% of the estimated TIF proceeds. This processing fee will be in addition to the administrative fee set forth below.

3. Upon issuance of the TIF Note, the person or organization receiving the TIF Proceeds estimated to be over \$100,000.00 shall pay an administrative fee of \$5,000. The administrative fee is intended to cover the City's costs and expenses of administering the TIF note during its life.

Below are examples of the Fees due to the City for particular projects:

<b>Estimated TIF Proceeds</b>	<b>Application Fee</b>	<b>Processing Fee</b>	<b>Administrative Fee</b>	<b>Total</b>
\$50,000.00	\$250.00	\$2,500.00 (5%)	Included in Processing Fee	\$2,750.00
\$75,000.00	\$250.00	\$3,750.00 (5%)	Included in Processing Fee	\$4,000.00
\$80,000.00	\$250.00	\$6,400.00 (8%)	Included in Processing Fee	\$6,650.00
\$100,000.00	\$250.00	\$8,000.00 (8%)	Included in Processing Fee	\$8,250.00
\$110,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$350,000.00	\$250.00	\$5,000.00 (minimum)	\$5,000.00	\$10,250.00
\$500,000.00	\$250.00	\$5,000.00 (1%)	\$5,000.00	\$10,250.00
\$600,000.00	\$250.00	\$6,000.00 (1%)	\$5,000.00	\$11,250.00
\$1,000,000.00	\$250.00	\$10,000.00 (1%)	\$5,000.00	\$15,250.00

## **VII. DISCLAIMER**

These guidelines contain general guidance only and shall not be deemed a contract or promise by the City or any of its departments to provide TIF proceeds or any services outlined above. Any timeline given by the City or its representative shall be deemed an approximation only and while developers may use these timelines for planning purposes, they should not rely on such timelines, nor shall the City, the Planning Commission, or any of their respective officers, agents, employees, and representatives be liable for not strictly adhering to any deadline set forth or implied. The City, by and through the City Administrator, reserves the right to reasonably alter these policies or equitably adjust the fee charged in connection with any project if, in the City Administrator's discretion such alterations or adjustments are in the best interest of the City. Nothing in these guidelines, including the payment of any fees, shall guarantee TIF to any person or entity. The receipt of TIF is subject to the developer meeting all statutory and local requirements of TIF and the approval of the City.

**APPENDIX A**

**APPLICATION FOR TAX INCREMENT FINANCING**

Please note that the following application must be typed prior to submission to the City of Gering. You should attach additional pages when necessary. The applicant(s) or a designated representative may be asked to be present at the Planning Commission and City Council meetings to answer any questions related to the project. Proper notice of meetings will be given to applicants by City Staff. **Failure to complete any of these application requirements may result in ineligibility for or delay of approval of Tax Increment Financing.**

**1. Please state, the name, address, telephone number and email address of the Redeveloper(s) (the applicant). If the Redeveloper is a business entity, please include the name of the designated representative of the business and the position title.**

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**2. Please describe the property to be redeveloped (the “Project Site”) by address, legal description, or, if necessary, general location. Please include all parcel numbers included in the Project Site. Please attach a map of the Project Site if available.**

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**3. Please describe the existing uses and condition of the Project Site.**

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**4. If you do not currently own the Project Site, please explain your plan for acquiring the Project Site, including whether you have a current agreement to acquire the Project Site.**

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**5. Please describe the Redevelopment Plan on the Project Site. In your description, please address (please include your answers in an attached document):**

- A. Proposed land uses after redevelopment (please attach a land use plan if available).
- B. The necessity of and plan to demolish or remove structures.
- C. Land coverage and building intensities in the Project Site after redevelopment (please attach a site plan if available).
- D. Standards of population densities in the Project Site expected after redevelopment.
- E. A statement of any proposed changes to zoning, street layouts, building codes, or ordinances.
- F. A statement of any planned subdivision to the Project Site.
- G. A statement of additional public facilities and utilities required to support the Project Site after redevelopment.
- H. Employment within the Project Site before and after redevelopment.
- I. Any other information you deem relevant.

**6. Please itemize your estimated project costs (please attach copies of bids or estimates to support estimated project costs):**

- A. Land Acquisition (if applicable): \$
- B. Site Development (itemize): \$
- C. Building Cost: \$
- D. Architectural & Engineering Fees: \$
- E. Legal Fees: \$
- F. Financing Costs: \$
- G. Broker Costs: \$
- H. Contingencies: \$
- I. Other (itemize): \$

TOTAL \$

**7. Please list the names and addresses of all known architects, engineers, and contractors who will be involved with the Project.**

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**8. Please itemize the following regarding the valuation of the Project Site:**

- A. Total estimated assessed valuation of Real Property at completion:
- B. Latest property valuation (from R.E. Tax Statement):

**9. Please itemize your projected sources of financing for the Project (please include a construction pro forma if available):**

A. Equity:	\$
B. Bank Loan:	\$
C. Tax Increment Financing:	\$
D. Other (itemize):	\$
TOTAL	\$

**10. Please set forth your Project schedule.**

- A. Expected acquisition date (if applicable):
- B. Demolition start date (if applicable):
- C. Construction start date:
- D. Construction completion date:
- E. If project is phased:

Year \_\_\_\_\_ % Complete

Year \_\_\_\_\_ % Complete

**11. Please name any other municipality wherein you, or other entities the applicant has been involved with, has completed developments within the last five years.**

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**12. Tax Increment Financing Request:**

A. Describe amount and purpose for which Tax Increment Financing is required:

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B. Statement of necessity for use of Tax Increment Financing (attach any supplementary documentation):

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**APPENDIX B**

CITY OF GERING, NEBRASKA  
[NAME OF PROJECT]  
COST-BENEFIT ANALYSIS  
(Pursuant to Neb. Rev. Stat. § 18-2113)

**A. Project Sources/Use of Funds:** An estimated \$\_\_\_\_\_ of TIF Revenues are available for this Project. This public investment will leverage approximately \$\_\_\_\_\_ in private sector investment; a private investment of almost \$\_\_\_\_\_ for every TIF dollar invested. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each:

<u>Description</u>	<u>TIF Funds (eligible)</u>	<u>Private Funds</u>	<u>Total</u>
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**B. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.**

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**C. Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from Project Approval.**

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

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

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**F. Impacts on Student Populations of Gering Public Schools.**

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**G. Other Impacts.**

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Approved by the City of Gering, Nebraska Community Development Agency on

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\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Clerk