CITY OF GERING REDEVELOPMENT PLAN

BriMark Medical Office Building By: BriMark Medical, LLC

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CITY OF GERING REDEVELOPMENT PLAN

BriMark Medical Office Building
By: BriMark Medical, LLC

1. Introduction/Executive Summary

BriMark Medical, 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 the Project Site (described below) into an all-encompassing sleep medical facility.

The "Project" as described above requires a significant investment with the cost being estimated at around \$2,595,264.00. To make the Project economically feasible, the Redeveloper is seeking tax increment financing for certain eligible costs and expenses related to the Project.

2. <u>Blighted and Substandard Condition of Project Site (NEB. REV. STAT. §§ 18-2103 (3) and (31) and 18-2109)</u>

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 as Lot 1, Swift Subdivision, City of Gering, Nebraska, a subdivision of a part of the NE ¼ of the SW ¼ of the NE ¼ of Section 35, Township 22 N, Range 55 W of the 6th P.M., Scotts Bluff County, Nebraska (which is an approximately 0.91 acre lot subdivided from and located in the northeast corner of Scotts Bluff County Parcel #010053565, which is southwest of the intersection of 10th Street and Country Club Road). A Map of the Project Site is attached as Attachment 1. The Project will also include improvements made on adjacent public right of way.
- **B.** Land Acquisition: The Redeveloper has an agreement to purchase the Project Site.
- C. Existing Uses and Condition: The Project Site is currently vacant. The Project Site was previously used as for a packing plant, but all previous structures have been demolished and removed.
- D. Proposed Land Uses, Land Coverage, and Building Intensities: The Redeveloper proposes to build a sleep medical facility for three businesses: Western Sleep Medicine, Western CPAP and Supply, and Sweet Dreams Sleep. The facility will be approximately 9,072 square feet. See Site Plan attached as Attachment 2.
- E. Site Plan: See Attachment 2.
- F. Demolition and Removal of Structures: None
- G. Population Densities: The Project will not affect population densities around the Project Site. The Redeveloper expects that the businesses referenced above will initially employ 33 people (29 full time employees and 4 part time employees). The Redeveloper expects that after two years the businesses will employ 36 people. The businesses' patients will also increase use of the Project Site.

- **H. Zoning Changes:** The Project Site is zoned as ML-Light Industrial. Medical and health facilities are a permitted use in ML zones. No changes to zoning, planning, ordinances, or building codes or maps are contemplated under this Plan.
- I. Additional Public Facilities and Utilities: Water will need to be extended to the Project Site. Sidewalks will need to be constructed adjacent on the Project Site. City sidewalks will be improved and the Project includes onsite sewer and storm water improvements.
- J. Street Layouts, Street Levels, and Grades: No changes in street layouts and grades are contemplated under this Plan.
- **K.** Ordinance and Building Code Changes: No ordinance or building code changes are contemplated 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 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." The Comprehensive Plan also provides the following land use for this area: "Commercial services and other uses . . . that help transition commercial and industrial uses to the existing residential units in District 2."

- Policy 2.1.F of the Comprehensive Plan is to support the creation and growth of local businesses.
- Policy 3.2.B of the Comprehensive Plan is to focus commercial development in areas that have good transportation access and support the development of multiple uses.
- 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.
- Policy 3.2.F of the Comprehensive Plan is to enhance Gering's gateways and create a common vision for these areas.

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

- Supporting the growth of a local business.
- Focusing commercial development in an area that has good transportation access.
- Promoting compatible infill development in the 10th Street Corridor.
- Enhancing the 10th Street Corridor, a gateway to Gering. (See Attachment 4 for rendering of the proposed facility.)

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 \$791,640.00, calculated as follows:

а	Estimated Base Value:	\$ 25,192.00
b.	Estimated Value at Completion:	\$2,339,947.00
c.	Tax Increment (b minus a):	\$2,314,755.00
d.	Estimated Levy:	2.28%
e.	Average Annual Projected Shift (rounded):	\$ 52,776.00
f.	Total TIF Available (e multiplied by 15)	\$ 791,640.00

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. Tax increment financing is an integral funding source to make the Project viable. Acquiring and developing the Project Site and transitioning businesses to a new location will create a burden on the Redeveloper's affiliated companies. Without tax increment financing the Project will not be able to be fully funded and cash flow will be under considerable strain due to the large private financing and increased property tax payments.

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	\$ 350,000.00
Grading and General Site Preparation	\$ 86,300.00
Water, Electrical, Gas, Sanitary Sewer, Storm Water	
Sewer, and Telecommunication Utilities	\$ 51,500.00
Underground Storm Water Retention	\$ 63,500.00
Site Paving in City ROW	\$ 38,500.00
Landscaping in City ROW	\$ 15,200.00
Paving Demolition	\$ 18,400.00
Concrete and Brick Façade on Street Corner Retaining	
Wall	\$ 8,000.00
Site Lighting	\$ 10,100.00
Building Façade	\$ 88,600.00
Site Engineering	\$ 35,000.00
Plan Preparation/Legal (City Application, Processing,	
and Administrative Fees)	\$ 12,900.00
Estimated TIF Eligible Expenses	\$ 778,000.00

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

- **B.** Economic Development Assistance (LB 840). The Redeveloper is also pursuing funding from the City of Gering's LB 840 funds.
- *C. Private Investment/Financing*. The Redeveloper has made and is making a substantial private investment related to the Plan, estimated in the amount of \$1,567,264.00.

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

Description		TIF Funds		ate Funds		
Land Acquisition	\$	350,000.00				
Grading and General Site Preparation	\$	86,300.00				
Water, Electrical, Gas, Sanitary Sewer, Storm Water						
Sewer, and Telecommunication Utilities	\$	51,500.00				
Underground Storm Water Retention	\$	63,500.00				
Site Paving in City ROW	\$	38,500.00				
Landscaping in City ROW	\$	15,200.00				
Paving Demolition	\$	18,400.00				
Concrete and Brick Façade on Street Corner Retaining						
Wall	\$	8,000.00				
Ground Site Sign			\$	7,000.00		
Site Lighting	\$	10,100.00				
Site Improvements (Other)			\$	139,700.00		
Building Façade	\$	88,600.00				
Building			\$	1,596,880.00		
Site Engineering	\$	35,000.00				
Design Fee (excluding Site Engineering)			\$	71,184.00		
Legal (non TIF)			\$	2,500.00		
Sub Totals	\$	765,100.00	\$	1,817,264.00		
Plan Preparation/Legal (City Application, Processing,						
and Administrative Fees)	\$	12,900.00				==-
Estimated TIF Eligible Expenses	\$	778,000.00				
					Tota	l Project Costs
Totals	\$	778,000.00	\$	1,817,264.00	\$	2,595,264.00
LB840**			\$	(250,000.00)		
Estimated Private Investment			\$	1,567,264.00		

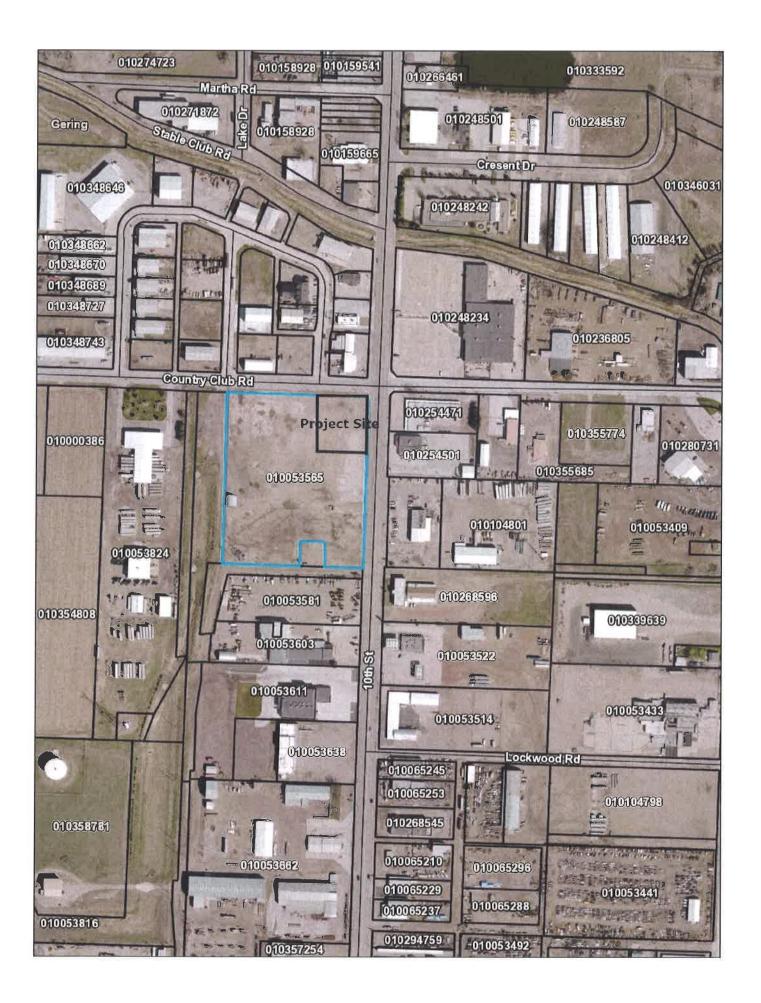
^{**}To be applied for, but not yet awarded. Shown for purposes of analyzing projected private investment.

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.

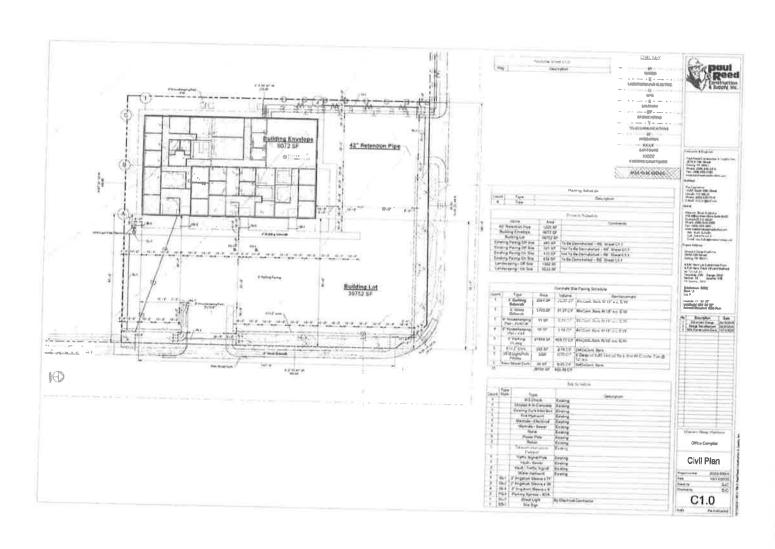
Upon approval of this Plan, the Redeveloper will enter into a Redevelopment Contract with the CDA which shall govern the implementation of this Plan. All public improvements related to this Plan shall be according to (a) plans and specifications approved in writing by the City in advance of commencement 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 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.

BriMark Medical Office Building Redevelopment Plan Attachment 1 Map of Project Site



BriMark Medical Office Building Redevelopment Plan Attachment 2 Site Plan





BriMark Medical Office Building 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

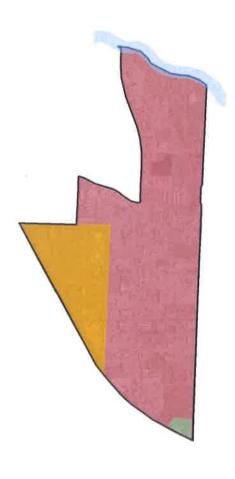
Efforts to enhance the appearance of the district as a part of the northern gateway into Gering should be encouraged. While industrial development is suitable throughout the district, individual lots should have landscaping to mitigate impacts to adjacent uses of lower intensity and provide appropriate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

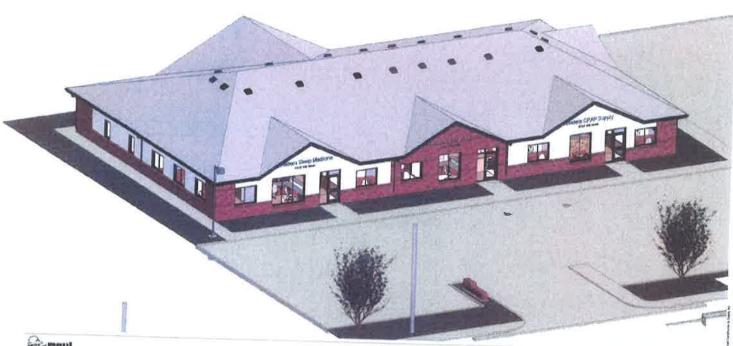
C3 Regional Commercial

M1 Light Industrial

Land Use



BriMark Medical Office Building Redevelopment Plan Attachment 4 Rendering of Facility



Western Sleep Medicine Office Complex

Optober 2020

Gering,NI

BriMark Medical Office Building Redevelopment Plan Attachment 5 Cost Benefit Analysis

CITY OF GERING, NEBRASKA BriMark Medical Office Building COST-BENEFIT ANALYSIS

(Pursuant to Neb. Rev. Stat. § 18-2113)

A. Project Sources/Use of Funds: An estimated \$778,000.00 of TIF Revenues are requested for this Project. The Redeveloper is also applying for approximately \$250,000.00 in LB840 grants. The public investment from TIF will leverage approximately \$1,567,264.00 in private sector investment; a private investment of approximately \$2.01 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		ate Funds	
Land Acquisition	\$	350,000.00			
Grading and General Site Preparation	\$	86,300.00			
Water, Electrical, Gas, Sanitary Sewer, Storm Water					
Sewer, and Telecommunication Utilities	\$	51,500.00			
Underground Storm Water Retention	\$	63,500.00			
Site Paving in City ROW	\$	38,500.00			
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Site Improvements (Other)			\$	139,700.00	
Building Façade	\$	88,600.00			
Building			\$	1,596,880.00	
Site Engineering	\$	35,000.00			
Design Fee (excluding Site Engineering)			\$	71,184.00	
Legal (non TIF)			\$	2,500.00	
Sub Totals	\$	765,100.00	\$	1,817,264.00	
Plan Preparation/Legal (City Application, Processing,					
and Administrative Fees)	\$	12,900.00			
Estimated TIF Eligible Expenses	\$	778,000.00			
					 Project Costs
Totals	\$	778,000.00	\$	1,817,264.00	\$ 2,595,264.00
LB840**			\$	(250,000.00)	
Estimated Private Investment			\$	1,567,264.00	

^{**}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 \$25,192.00 (which is an estimate based on the assessed valuation of Parcel ID#010053565). 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:	\$ 25,192.00
b.	Estimated Value at Completion:	\$2,339,947.00
c.	Tax Increment (b minus a):	\$2,314,755.00
d.	Estimated Levy:	2.28%
e.	Average Annual Projected Shift (rounded):	\$ 52,776.00
f.	Total TIF Available (e multiplied by 15)	\$ 791,640.00

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.

Water will need to be extended to the Project Site. Sidewalks will need to be constructed adjacent to the Project Site. 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 Project Site is currently vacant, so there are not any employees or businesses within the Project Site. The Project Site will be developed into a sleep medical facility which will be occupied by three businesses—Western Sleep Medicine, Western CPAP and Supply, and Sweet Dreams Sleep. The Redeveloper expects that these businesses will initially employ 33 people (29 full time employees and 4 part time employees). The Redeveloper expects that after two years the businesses will employ 36 people.

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

- Infill development on 10th Street Corridor Use of local contractors for construction
- Increase in personal property taxes