

A decorative graphic consisting of three circles of varying sizes and two diagonal lines. The largest circle is at the top center, a medium-sized circle is in the middle, and the smallest circle is at the bottom right. Two diagonal lines cross the page: one from the top left to the middle right, and another from the top right to the bottom left.

**CITY OF SEWARD NEBRASKA**

***Tax Increment Financing  
Package  
&  
Application Documents***

***CityofSewardNE.com***

**September2012**

**CITY OF SEWARD  
TAX INCREMENT FINANCING PROGRAM  
OVERVIEW**

Tax Increment Financing, or TIF, is a Tool to Assist in Financing Redevelopment Projects in Designated Blighted and Substandard Areas of the City. The City of Seward Issues Bonds or a Promissory Note to Finance any Approved Public Improvements Associated with a Redevelopment Project. The Property Taxes Generated from the Increased Valuation of the Development are then Captured for a Period of up to 15 years to Repay the Public Investment.

The Purpose of TIF is to Help Communities Undertake Redevelopment Activities for Urban Renewal and Municipal Growth. TIF allows a City to Pay for the Public Improvements that are Part of a Private Redevelopment Project. TIF is not a Grant and it is not a Primary Funding Source for a Redevelopment Project, but does Provide an Incentive for Private Development that will Increase the Tax Base of the Seward Community and Create Additional Jobs.

✓ **REDEVELOPMENT AREA**

All TIF Projects must occur within a Redevelopment Area that has been Declared Blighted and Substandard by the City of Seward. The City of Seward has Established a Redevelopment Area based upon a Blight Study that was completed in July of 2010. Please contact the Seward City Administrator or Seward County Economic Development Executive Director with your Proposed Property Location to Determine Redevelopment Verification & Eligibility.

✓ **PROJECT ELIGIBILITY**

To Be Eligible For TIF, a Proposed Redevelopment Project Must Be Located in a Designate Redevelopment Area In The City of Seward. TIF Can Be Used to Pay for Eligible Public Improvements, Which May Include:

- Site Acquisition & Demolition
- Site Preparation – Landscaping
- HVAC Efficiency Systems
- Façade Improvement Upgrades
- Installation or Construction of Public Improvements Consisting of:
  - Streets & Utilities Extensions
  - Public Spaces – Green Space - Art Work
  - Public Facilities
  - Uses Listed In Q&A Section of Package
  - Or Other For Uses In Accordance With An Approved Redevelopment Plan

Additionally, in Order to Use TIF, the City Must Perform a Cost-Benefit Analysis of the Project and Determine that the Costs and Benefits of the Project are in the Long-Term Best Interest of the City and the Project Would Not Be Economically Feasible Without the Use of TIF.

✓ **COMMUNITY REDEVELOPMENT AUTHORITY OR COMMUNITY DEVELOPMENT AGENCY**

The Community Redevelopment Authority of the City of Seward (“CRA”) or the Community Development Agency-Governing Body (“CDA”) is Responsible for Carrying Out the Redevelopment Activities for the City. The CRA or CDA are Instrumental in the TIF Process. The CRA or CDA Will Evaluate Each TIF Application and Recommend Redevelopment Projects to the City. It will also Enter into Approved Redevelopment Contracts with the Redeveloper to Establish the Rights and Obligations of the Parties and the Details of the TIF Bond.

✓ **TIF PROCESS CHECKLIST:**

- Meeting With City of Seward and Developer’s To Review TIF Process & Determine Initial Eligibility of Proposed TIF Project
- Determine if Prospective Project Is Within the City’s Redevelopment Area
- Determination of Eligible Publically Owned Improvements?
- Developer Submits Completed TIF Application to Seward City Clerk’s Office
- Initial Project Analysis Is Completed by City of Seward TIF Legal Counsel
- Initial Redevelopment Project Data For Plan Completed by City of Seward’s TIF Counsel
- Community Redevelopment Authority (CRA) Board or Community Development Authority (CDA) Reviews Applications & Selects Projects
- CRA Board Gives City Council 30 Day Notice Before Entering Into Redevelopment Contract
- Redevelopment Plan Is Amended To Include the Proposed & Approved Project by TIF Counsel
- Certified Notices of Public Hearings Sent to Seward County Taxing Entities
- Public Hearing Scheduled & Published for Future City Planning Commission Meeting
- Public Hearing Conducted at the City Planning Commission Meeting to Amend Redevelopment Plan & Adopt Project
- City of Seward’s TIF Legal Counsel Prepares Final Redevelopment Plan Amendments, Required Resolutions & Ordinances
- Public Hearing Scheduled & Published for Future Seward City Council Meeting
- Public Hearing Conducted at the Seward City Council Meeting to Amend Redevelopment Plan & Adopt Project
- Developer and CRA negotiate and Sign Redevelopment Agreement Setting forth the Rights & Obligations For the Specific Project
- TIF Bond/Note is Rate Circulated & Issued
- The Redevelopment Project is Completed & the Additional Tax Revenue Created by TIF Project is Collected and Used to Pay off the TIF Bond/Note Debt Obligation & Then Property Returns To Normal RE Tax Distribution Process

✓ **TIF APPLICATION PROCESS**

The Applicant Shall Complete a fully Legible City Application Request for TIF that is attached to this Application Package. The Completed Application Document will be Signed, Dated and Submitted to the Seward City Administrator or Seward County Economic Development Director for Procession and Future Edibility Analysis.

✓ **TIF FINANCING PROJECT EXAMPLE**

This Demonstrates How TIF works with a Hypothetical project. In this example, the Developer owns a lot valued at \$10,000 located in the Redevelopment Area.

The Developer is going to Construct a Building on the Property such that the Valuation of the Property after the Project will be \$250,000.

The Annual TIF available for 15 years would be Approximately \$4,933:

	<u>Valuation</u>	<u>Taxes</u>
Pre-Project:	\$10,000	\$205
Completed Project:	\$250,000	\$5,138
Difference(Increment):	\$240,000	\$4,933

Assuming that a developer can Borrow at a 6% Interest Rate, the TIF Revenue, Collected for 15 Years Could Pay Off a \$47,910 Loan in this Example:

Present Value Calculation Case Example

Year	TIF
1	\$4,933
2	\$4,933
3	\$4,933
4	\$4,933
5	\$4,933
6	\$4,933
7	\$4,933
8	\$4,933
9	\$4,933
10	\$4,933
11	\$4,933
12	\$4,933
13	\$4,933
14	\$4,933
15	<u>\$4,933</u>
Total	\$73,995

Present Value of \$73,995  
@ 6% = \$47,910

✓ **TIF QUESTION & ANSWERS**

**Q) What is a Substandard & Blighted Area?**

**A)** An Area that has been declared Substandard and Blighted in accordance with the Nebraska State Statutes. It is defined as one where Conditions are present that may have a detrimental effect on Public Health, Safety, Morals, or Welfare of the Neighborhood.

**Q) What Can A Substandard Area Contain?**

**A)** The Area may have Inadequate Infrastructure, Conditions which Endanger Life & Property by Fire or Other Causes, Dilapidated Buildings, Inadequate Parking, Congestion, and Economically or Socially Unacceptable Land Uses.

**Q) How was the Redevelopment Area Created?**

**A)** The Redevelopment Area was Created in a Study Completed for the City of Seward by an Independent Nebraska Planning, Architecture & Urban Design Firm in July of 2010.

**Q) What is the Geography of the Redevelopment Area?**

**A)** The Study Considers the Presence of Substandard Conditions or Blight in the City of Seward pursuant to the Requirements of the Nebraska Revised Statutes. A Total of 468.8 Acres are Included in the TIF Redevelopment Area as July 2010. Included in this Application Packet is a Current Redevelopment Area Map and TIF Application Projects must be in the Shaded/Designated Areas.

**Q) How Does Tax Increment Financing (TIF) Work?**

**A)** TIF is the use of New Real Property Tax Dollars Created as the Result of a Commercial Project to Help Support the Financing of the Project. TIF Allows the Use of the New Property Taxes Generated by the Increased Value of the Property to be Paid on the TIF Bond Retirement. The Taxes are Redirected for the Benefit of the Project for a Period of 15 Years. Property Taxes on the Original Value of the Property Continue to be Paid to Local Taxing Entities.

**Q) What Types Of Projects Are Eligible?**

**A)** In other Nebraska TIF Projects, it has been used to Provide Public Improvements for Economic Development Incentives for Industrial & Manufacturing Entities, Rental Housing Projects, Upgrades of Buildings & Public Facilities in Downtown Areas, Purchase of Land for Redevelopment Activities, Update of Business and Recreational Facilities, and Other Development Enhancing Activities. The City of Seward's CRA (Community Redevelopment Authority or CDA (Community Development Agency/City Governing Body) Encourages & Evaluates TIF Projects Based Upon Their Positive Impacts on Neighborhoods & the Community in General.

**Q) How Do You Qualify For TIF?**

**A)** Applicants/Developers Must Fully Complete a TIF Application Request (Attached) and Submit to the City of Seward's City Clerk's Office. Please Refer to the ✓ **TIF PROCESS CHECKLIST** on the Previous Page for Full TIF Process Descriptions & Requirements. The Application Must Receive a Recommendation for Approval from the CRA or CDA.

**Q) Who Do We Contact For More Information?**

**A)** Please Contact the Seward City Administrator, Brett Baker at 402.643.2928 - CityofSewardNE.com

# CITY OF SEWARD NEBRASKA

COMMUNITY REDEVELOPMENT AUTHORITY (C.R.A.)  
COMMUNITY DEVELOPMENT AGENCY (C.D.A.)

537 MAIN STREET - P.O. BOX 38 - SEWARD, NE 68434-0038

## Tax-Increment Financing Application

(Return To Seward City Clerk's Office)

### PROJECT SCOPE: (PLEASE PRINT OR TYPE ALL INFORMATION)

- 1) Business Name \_\_\_\_\_  
Street Address: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Alt \_\_\_\_\_  
Text Number: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Business Structure: \_\_\_\_\_  
Owners/Princ \_\_\_\_\_ / \_\_\_\_\_  
Description Of The Business \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Estimated # of Employees \_\_\_\_\_
- 2) Name of Present Ownership of Project Site & Full Legal Address: \_\_\_\_\_  
Legal Descrip: \_\_\_\_\_

- 4) Description of Physical Project Items:  
Building Square Footage \_\_\_\_\_  
Size of Property Site \_\_\_\_\_  
Description of Building Material/Construction \_\_\_\_\_

4a) Site Plan - Attach to Completed TIF Application

5) If Property is to be Subdivided, Include Division Drawing

6) Estimated Project Costs:  
Include Construction Proforma Statement

- |    |                                    |          |
|----|------------------------------------|----------|
| a) | Land Acquisition Costs             | \$ _____ |
| b) | Site Development                   | \$ _____ |
|    | Site Development                   | \$ _____ |
|    | Site Development                   | \$ _____ |
|    | Site Development                   | \$ _____ |
| c) | Building Cost                      | \$ _____ |
| d) | Equipment Acquisition Cost         | \$ _____ |
| e) | Architectural and Engineering Fees | \$ _____ |
| f) | Legal Fees                         | \$ _____ |
| g) | Financing Costs                    | \$ _____ |
| h) | Broker Costs                       | \$ _____ |
| i) | Contingencies                      | \$ _____ |

**Estimated Total Project Costs \$ \_\_\_\_\_**

- 7) Est. Assessed Valuation at Completion: \$ \_\_\_\_\_
- 8) Current Property Valuation \$ \_\_\_\_\_
- 9) Est. R.E. Property Valuation Increase \$ \_\_\_\_\_
- 10) Estimated New R.E. Tax Generated: \$ \_\_\_\_\_

- 14) Municipal References: Please name any other City(s) Where the Applicant, or Other Corporations, that the Applicant(s) has Been Involved With, and Has Completed Developments Within Last Five Years:
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  4. \_\_\_\_\_
  5. \_\_\_\_\_

11) Itemized Source of Financing:

- a) Equity \$ \_\_\_\_\_
- b) Bank Loan 1 \_\_\_\_\_ \$ \_\_\_\_\_
- Bank Loan 2 \_\_\_\_\_ \$ \_\_\_\_\_
- c) Tax Increment Financing \$ \_\_\_\_\_
- d) Industrial Revenue Bonds \$ \_\_\_\_\_
- e) Other Sources \$ \_\_\_\_\_

**TAX INCREMENT FINANCING REQUEST:**

- 15. Describe Eligible Costs For Which Tax Increment Financing Will Be Used (include attachment(s) if necessary):  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**AMOUNT OF TIF REQUEST: \$ \_\_\_\_\_**

*(Note: If the Application is approved, the Applicant is not entitled to receive the Requested TIF Amount. The actual amount of the TIF Loan/Bond will vary depending on multiple factors including Lender Interest Rates, Identification of Eligible Expenditures, and Additional Information identified during the TIF Process. However, as a General Estimate for this Application, Request no more than Ten Times the Amount identified in Item 10 of this Application)*

- 12) Name(s) and Addresses of:  
 Architect: \_\_\_\_\_  
 Engineer: \_\_\_\_\_

- 16. Attach To Completed Application:  
 Statement of Necessity For The Desired Use of Tax Increment Financing

General Contractor: \_\_\_\_\_  
 Consultants: \_\_\_\_\_

X Signature of Authorized Applicant \_\_\_\_\_ Date \_\_\_\_\_ City Use -Date Rcvd/Initials \_\_\_\_\_

- 13) Project Construction Schedule:  
 a) Construction Start Date: \_\_\_\_\_  
 b) Completion Date: \_\_\_\_\_  
 c) If Phased Construction:  
 Year \_\_\_\_\_ / \_\_\_\_\_ % Complete  
 Year \_\_\_\_\_ / \_\_\_\_\_ % Complete

Printed Name of Applicant \_\_\_\_\_  
 Printed Name of Business \_\_\_\_\_

\*By Signing Application: Document and Its Attachments Are Subject To State Open Records Disclosure Law\*