

A decorative graphic consisting of three circles of varying sizes and two diagonal lines. The largest circle is at the top, a medium one in the middle, and a large one at the bottom right. Two diagonal lines intersect to form a large 'V' shape that encompasses the circles.

**VILLAGE OF UTICA NEBRASKA**

***Tax Increment Financing  
Package***

***Application Documents***

Village of Utica & Seward County Economic Development

March 2012

**VILLAGE OF UTICA  
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 Village of Utica 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 Utica 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 Village of Utica. The Village of Utica has established a Redevelopment Area based upon a Blight Study that was completed in July of 2010. Please contact the Utica Village Clerk 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 Village of Utica. TIF can be used to pay for Eligible Public Improvements, which May Include:

- Site Acquisition
- Demolition
- Site Preparation
- Installation or Construction of Public Improvements Consisting of:
  - Streets & Utilities
  - Public Spaces
  - 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 Village of Utica ("CRA") or the Community Development Agency-Governing Body ("CDA") is Responsible for Carrying out the Redevelopment Activities for the Village. The CRA or CDA are Instrumental in the TIF Process. The CRA or CDA WM Evaluate Each TIF Application and Recommend Redevelopment Projects to the Village. 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 Village of Utica and developer's to review TIF Process & determine initial eligibility of proposed TIF project
- Determine if prospective project is within the Village's Redevelopment Area
- Determination of eligible publically owned improvements?
- Developer submits completed TIF application to Utica Village Clerk's Office
- Initial project analysis is completed by Village of Utica TIF Legal Counsel
- Initial redevelopment project data for plan completed by Village of Utica's TIF Counsel
- Community Redevelopment Authority (CRA) Board or Community Development Authority (CDA) reviews applications & selects projects
- CRA Board gives Village Board 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 Utica Planning Commission Meeting
- Public hearing conducted at the Village Planning Commission Meeting to amend redevelopment plan & adopt project
- Village of Utica's TIF Legal Counsel prepares final redevelopment plan amendments, required resolutions & ordinances
- Public hearing scheduled & published for future Utica Village Board Meeting
- Public hearing conducted at the Utica Village Board 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 Village Clerk or Seward County Economic Development Director for procession and future edibility analysis.

**1 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:

|                         | Valuation | Taxes   |
|-------------------------|-----------|---------|
| 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           | \$4,933         |
| <b>Total</b> | <b>\$73,995</b> |

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

✓ **TIF QUESTION & ANSWERS**

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

A) An area that has been defined 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 Village of Utica by an independent Nebraska planning, architecture & urban design firm in August of 2011.

**Q) What is the geography of the redevelopment area?** A) The study considers the presence of substandard conditions or blight in the Village of Utica pursuant to the requirements of the Nebraska Revised Statutes. A total of 43.16 acres are included in the TIF Redevelopment Area as August 2012. 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 Village of Utica's CRA (Community Redevelopment Authority) or CDA (Community Development Agency/City Governing Body) encourages & evaluates TIF projects based upon their positive impacts on neighborhoods and 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 Village of Utica Clerk's office. Please refer to the TIF Process Checklist on the previous page for full TIF process descriptions and requirements. The application must receive a recommendation for approval from the CRA or CDA.

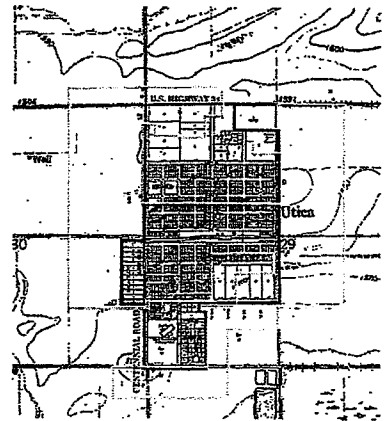
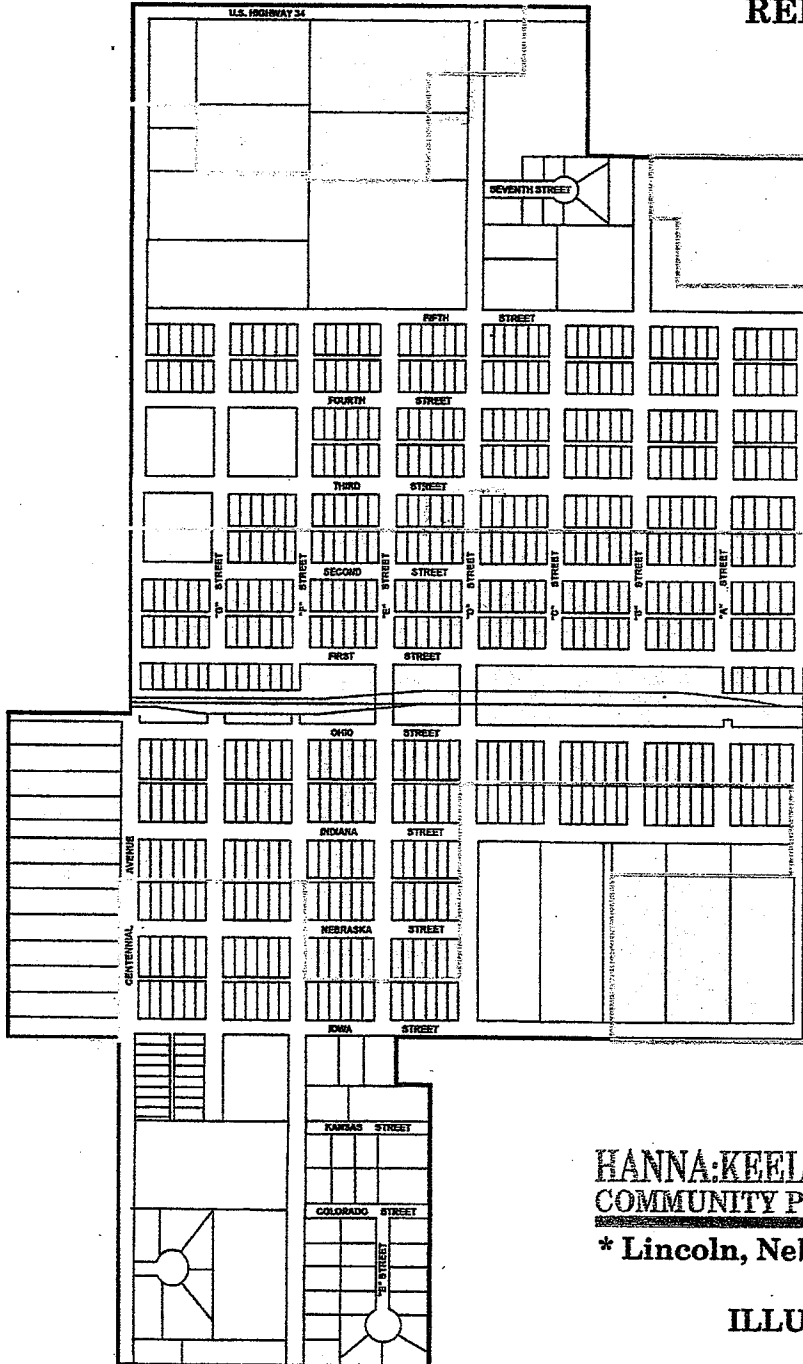
**Q) Who do we contact for more information?**

A) Please contact the Village Clerk, Rebecca Sandman at 402.534.4237 or the Seward County Economic Development Executive Director at 402.643.0513.

Village Clerk's Office, Village of Utica Nebraska -  
402.534.4237 Seward County Economic Development Office -  
402.643.0513

Section 4  
Land Use & Development

**CONTEXT MAP**  
**REDEVELOPMENT AREA**  
**UTICA, NEBRASKA**



**HANNA:KEELAN ASSOCIATES, P.C.**  
**COMMUNITY PLANNING & RESEARCH**  
**\* Lincoln, Nebraska\* 402.464.5383 \***

**ILLUSTRATION 1**

**VILLAGE OF UTICA, NEBRASKA**  
COMMUNITY REDEVELOPMENT AUTHORITY (CRA)  
COMMUNITY DEVELOPMENT AGENCY (CDA)  
466 1<sup>st</sup> Street - P.O. Box 158 - Utica, NE 68456-0158

***Tax-Increment Financing Application***  
*(Return to Utica Village Clerk's office)*

**PROJECT SCOPE: (Please print or type all information)**

Business Name \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

Telephone \_\_\_\_\_ Alternate \_\_\_\_\_

Text Number \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Business Structure:

Owners/Principal \_\_\_\_\_ / \_\_\_\_\_

Description of Business

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated number of employees \_\_\_\_\_

Name of Present Ownership of Project Site & Full Legal Address \_\_\_\_\_

Legal Description \_\_\_\_\_  
\_\_\_\_\_

Description of Physical Project Items:

Building Square Footage \_\_\_\_\_

Size of Property Site \_\_\_\_\_

Description of Building:

Material/Construction \_\_\_\_\_

Site Plan-Attach to Completed TIF Application \_\_\_\_\_  
\_\_\_\_\_

If property is to be subdivided, include division drawing  
Estimated Project Costs:

Land Acquisition Costs \_\_\_\_\_

Site Development \_\_\_\_\_  
Site Development \_\_\_\_\_  
Site Development \_\_\_\_\_

Building Cost \_\_\_\_\_

Equipment Acquisition Cost \_\_\_\_\_

Architectural & Engineering fees \_\_\_\_\_

Financing Costs \_\_\_\_\_

Broker Costs \_\_\_\_\_

Contingencies \_\_\_\_\_

**Estimated Total Project Cost** \_\_\_\_\_

Estimated Assessed Valuation at Completion \_\_\_\_\_

Current Property Valuation \_\_\_\_\_

Estimated Real Estate Property  
Valuation Increase \_\_\_\_\_

Estimated Real Estate Tax Generated \_\_\_\_\_

Itemized Source of Financing:

- a. Equity \_\_\_\_\_
- b. Bank Loan 1 \_\_\_\_\_  
Bank loan 2 \_\_\_\_\_
- c. Tax Increment Financ. \_\_\_\_\_
- d. Industrial Revenue bonds \_\_\_\_\_
- e. Other Sources \_\_\_\_\_

Name(s) and Address of

Architect \_\_\_\_\_  
Engineer \_\_\_\_\_  
General Contractor \_\_\_\_\_  
Consultants \_\_\_\_\_

Project Construction Schedule:

- a. \_\_\_\_\_
- b. Completion Date \_\_\_\_\_  
If phased construction:  
Year \_\_\_\_ / \_\_\_\_ % complete  
Year \_\_\_\_ / \_\_\_\_ % complete

Municipal References: Please name any other Village/City(s) where the Applicant, or other corporations, that the Applicant(s) has been involved with, and has completed developments within the last five years:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**TAX INCREMENT FINANCING REQUEST:**

1. Describe purpose for which tax increment financing is required (include attachment if necessary):

\_\_\_\_\_  
\_\_\_\_\_

**AMOUNT OF TIF REQUEST:**

\$ \_\_\_\_\_

2. Attach to Completed Application: Statement of Necessity for the desired use of tax increment financing

X \_\_\_\_\_  
Signature of Authorized Applicant      Date      Village Use-Date Rec'd/Initials

Printed Name of Applicant: \_\_\_\_\_

\_\_\_\_\_