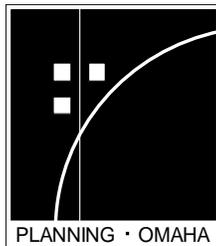


# TAX INCREMENT FINANCING (TIF) GUIDELINES AND APPLICATION



City of Omaha  
Jean Stothert, Mayor



City of Omaha  
Planning Department  
Omaha/Douglas Civic Center  
1819 Farnam Street Suite 1111  
Omaha, NE 68183

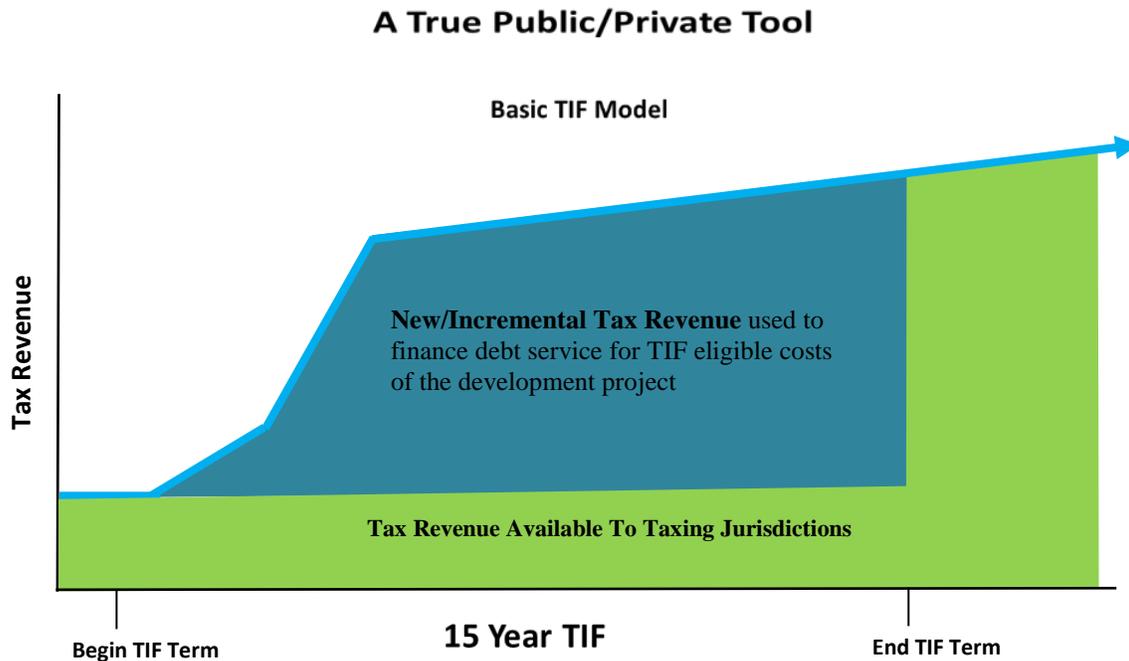
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## I. INTRODUCTION

The purpose of this guide is to describe the criteria for the use of Tax Increment Financing (TIF) and the procedures which will be used by the City of Omaha for evaluating proposals requesting TIF within the City of Omaha, Nebraska. The implementation of TIF is governed by Nebraska's Community Development Law, Sections 18-2101 – 18-2144.

### What is TIF?



NOTE: Typically there is a sharp increase in assessed valuation within the first few years, then a plateau or gradual increase in valuation.

TIF in Nebraska is primarily designed to finance the public costs associated with a private development project. Essentially, the property tax increases resulting from a development are targeted to repay the public investments required by a project. TIF provides a means of encouraging private investment in areas in need of redevelopment, especially in deteriorating areas by allowing city governments to devote all increases in specific property tax revenue to repay the public investment needed to attract development.

In 1980, the voters of the State of Nebraska approved a constitutional amendment permitting the use of TIF to help finance redevelopment projects. TIF funds generally allow for acquisition of property, site preparation and construction of public improvements associated with projects. In 1984, State voters approved an additional constitutional amendment extending the use of TIF to help finance rehabilitation projects as well.

TIF has emerged as one of the City of Omaha's most effective redevelopment and economic development tools. However, as with any technique, TIF must be used in accordance with criteria established by law. These criteria will assure that projects fulfill the City of Omaha's objectives for redevelopment and avoid unnecessary subsidies.

## **II. PROGRAM GOALS**

The following are goals for the use of TIF within the City of Omaha:

### **Goal #1 – Support and Encourage Economic Development**

#### **A. Job Creation in High Need Areas**

Job creation in “high need” areas located within the defined or proposed Community Redevelopment Areas (CRAs), see Appendix Four, of the City of Omaha that demonstrate a significant and substantial combination of the following factors:

- Deteriorating or obsolete building stock
- Stagnation or decline in property values
- Commercial and/or industrial vacancy
- Concentration of unemployment within an existing or proposed CRA that exceeds the State and/or National average unemployment rate

#### **B. Job Creation Through New Business Development and Attraction**

New business development and attraction in areas of “high need”, industrial tracts, mixed use developments or other areas of civic importance that creates at a minimum living wages or is aimed towards targeted industries in existing or proposed CRAs.

#### **C. Job Creation Through Retention and/or Expansion of Existing Businesses**

Retention and/or expansion of existing businesses in “high need” areas, industrial tracts, mixed use developments or other suitable areas within existing or proposed CRAs that creates and/or retain at a minimum living wage jobs or targeted industries.

#### **D. Investment in Area to Eliminate Blight and/or Substandard Conditions that Generates Value Growth**

Support investment in areas of “high need”, industrial tracts or other areas within existing or proposed CRAs that increases the tax base and helps make the project and area economically viable.

#### **E. Mixed Use or Industrial Projects Linked to Workforce Housing**

Support and encourage projects that combine the creation of living wage jobs with the provision of workforce housing. The project must demonstrate a direct connection between the jobs created and the housing developed.

### **Goal #2 – Support and Encourage Community Development and Neighborhood Revitalization**

#### **A. Development in Areas in High Need**

Improve conditions in “high need” areas that demonstrate a significant and substantial combination of the following factors:

- Deteriorating or obsolete building stock
- Stagnation or decline in property values
- Existence of conditions which endanger life or property by fire or other causes
- Any combination of factors that are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime and is detrimental to public health, safety or welfare.
- Land upon which buildings or structures have been demolished because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements or other impediments which substantially impairs the sound growth of the community or neighborhood.

**B. Historic Revitalization**

Assist revitalization of deteriorated historic or architecturally significant buildings.

**C. Adaptive Reuse**

Adaptive reuse of obsolete or deteriorating property into other appropriate uses.

**D. Urban In-fill**

Projects that either increase or decrease density consistent with the City's Master Plan.

**E. Housing Development (Rental and Owner Occupied)**

Encourage the development of mixed income housing within the defined or proposed CRAs. Housing stock created should meet market demand.

**Goal #3 – Support and Encourage Sustainable Development**

**A. Higher Standard of Building Design and Materials**

The City encourages projects that include additional housing, commercial or industrial developments to incorporate materials, fixtures, designs and appliances which provide health related benefits and energy conservation as well as enhance the quality of life for the citizens of the community, including accessibility. Such standards include, but are not limited to:

- Energy conservation equipment and appliances
- Designs and fixtures that provide fully accessible dwelling units
- Equipment that provides a high level of air quality

The Environment Element of the Master Plan addresses the City's goal to improve the quality of development in Omaha while protecting and enhancing the city's natural environment. It in essence will help establish sustainable development practices for the City of Omaha in a comprehensive manner.

**B. Utilization of Urban Design Guidelines**

The City encourages developments with physical characteristics that incorporate a combination of the following traits into the project:

- Placement and orientation of buildings in relationship to the street and particularly the roadside environment of the street
- Improved roadside environments including sidewalks, street trees, pedestrian scaled lighting, public plazas and on-street parking
- Increased building transparency along sidewalks
- Improved building design and quality of materials
- Increased landscaping at the perimeter and interior of parking lots
- Emphasis on mixed-use buildings rather than single use buildings
- Emphasis on structured parking rather than surface parking lots
- Emphasis on creating density of development rather than sparse development

**C. Transportation and Mobility Solutions**

The City encourages and supports development that addresses transit and mobility solutions by incorporating a combination of the following practices:

- Implement multi-modal transportation options as a part of the site design
- Create a series of high-density, mixed-use areas through the city
- Emphasize people not automobiles in the design of streetscapes
- Link transportation and land use planning and match street sizes to surrounding land use
- Reduce traffic congestion and costs by shifting from a "sparse hierarchy" to a more balanced transportation pattern with emphasis on a "dense network" street system

### **III. PROGRAM CRITERIA**

#### **Mandatory Criteria of the TIF Program**

Applications for TIF assistance **must meet** the mandatory criteria in order for the project to be considered. The application must demonstrate how the project meets the required criteria.

A project **must meet each of the following** criteria:

1. The project must be located within a community redevelopment area or an area eligible for a designation of community redevelopment area as required and set forth by State Statute. The project must be located within a community redevelopment area prior to the preparation of a Redevelopment Plan, refer to Attachment 1 – Community Redevelopment Area map. Requirements for community redevelopment areas are found in Appendix One and Two. **(Community Development Law §18-2103)**
2. The use of TIF for the project will not result in a loss of pre-existing tax revenues to the City and other taxing jurisdictions. **(Community Development Law §18-2113 and §18-2116)**
3. The developer is able to demonstrate that the project would not be **economically feasible** without the use of TIF. In addition, when the project has site alternatives, the proposal must demonstrate that it would not occur in the area without TIF. Return on investment assists in determining the economic feasibility of the project. **(Community Development Law §18-2113 and §18-2116)**
4. The project must further the objectives of the City’s Master Plan. This includes job creation, application/implementation of Urban Design elements of the project and related/adjacent public areas, preservation of historic sites and structures, revitalization of older neighborhood communities, business start-ups, business growth and expansion, and the densification of the urban core. **(City of Omaha Charter §7.04, The Master Plan; See Community Development Law §18-2112)**

Regarding the **CRA**, if the proposed TIF project is not within an area designated as a **CRA**, the applicant may submit a written request to the City Planning Department – economic development staff requesting a study to determine whether the area meets the statutory definition as a **CRA**. Please note: an area beyond the proposed TIF project site may be required to be designated a **CRA** in order to achieve the best economic development outcome. See Appendices One, Two and Four – Blighted, Substandard, and Community Redevelopment Area Definitions according to the Nebraska Community Development Law.

Part of the evaluation of the potential TIF project plan will include the incorporation of City Master Plan Elements into the design and implementation of the project. This evaluation will include the integration of Urban Design, Land Use, and Transportation Elements. In addition, TIF projects should begin looking into ways to incorporate goals of the Environment Element of the Master Plan and to incorporate sustainability practices. Compliance with the City Master Plan and sustainability practices will be addressed during the site plan review process and during the TIF application review process. As it relates to staff review for the Urban Design Element, refer to Attachment 2 – Design Review and Documentation Materials for Tax Increment Finance (TIF) Projects.

#### **Other Criteria and Considerations of the TIF Program**

1. The minimum total project development cost is \$500,000.00 **and** the minimum supportable TIF loan to the project is \$50,000.00.

2. Types of supportable development projects:

a) Residential Developments

i) Rental Housing

(1) Single Parcel or Contiguous Parcels

A TIF application by a single developer comprised of **five (5) or more** residential units is generally acceptable.

(2) Non-contiguous Parcels

A TIF application by a single developer comprised of **ten (10) or more** residential units within a quarter-mile radius of each other is generally acceptable, if the TIF project plan aligns with a plan or study approved and/or acknowledged by the City of Omaha, and is within a Neighborhood Revitalization Strategy Area.

ii) Owner-occupied Housing

(1) Multi-family – Condos, Townhouses, etc.

1. Single Parcel or Contiguous Parcels

A TIF application by a single developer comprised of **five (5) or more** residential units is generally acceptable.

2. Non-contiguous Parcels

A TIF application by a single developer comprised of **ten (10) or more** residential units within a quarter-mile radius of each other is generally acceptable, if the TIF project plan aligns with a plan or study approved and/or acknowledged by the City of Omaha, is within a Neighborhood Revitalization Strategy Area, and if the developer does the following:

- Presents a realistic plan and vision for the entire defined project area
- Presents proven track record and prior experience in large scale neighborhood revitalization, especially within Omaha
- Presents a mechanism to maintain an element of control of the housing development for the life of the TIF term.

(2) Single Family

1. Single Parcel or Contiguous Parcels

A TIF application by a single developer comprised of **five (5) or more** residential units is generally acceptable, if the developer does the following:

- Presents a realistic plan and vision for the entire defined project area
- Presents proven track record and prior experience in large scale neighborhood revitalization, especially within Omaha
- Presents a mechanism to maintain an element of control of the housing development for the life of the TIF term.

2. Non-contiguous Parcels

A TIF application by a single developer comprised of **ten (10) or more** residential units within a quarter-mile radius of each other is generally acceptable, if the TIF project plan aligns with a plan or study approved and/or acknowledged by the City of Omaha, is within a Neighborhood Revitalization Strategy Area, and if the developer does the following:

- Presents a realistic plan and vision for the entire defined project area

- Presents proven track record and prior experience in large scale neighborhood revitalization, especially within Omaha
- Presents a mechanism to maintain an element of control of the housing development for the life of the TIF term.

Note: Preference will be considered for single family projects where the primary uses of TIF are public improvements, site preparation, building demolition, and/or excavation.

b) Mixed-Use Developments

A TIF application that involves a mix of land and/or structure uses is generally acceptable. (Residential components of a Mixed-Use Development must meet the above Residential Development criteria and considerations.)

c) Commercial and Industrial Developments

A TIF application that involves commercial (retail and/or office) or industrial only or a mix of both uses is generally acceptable.

3. Single, stand-alone retail project requests may be considered on a case by case basis, but are generally not preferred projects.

If the project is located along/within an Area of Civic Importance (ACI), which calls for a higher level of public improvements as defined in the Urban Design Guides of the City Code, the project may be considered. Grocery store project requests within food deserts in the City of Omaha may be considered for the use of TIF. Food deserts are defined by the United States Department of Agriculture (USDA) Economic Research Service. The website is: <http://www.ers.usda.gov/publications/err-economic-research-report/err143.aspx>.

4. Any TIF-assisted rehabilitation for buildings meeting one of the following criteria shall use Secretary of the Interior Standards for Rehabilitation as a guideline to the extent feasible as approved by the Planning Director; or other standards for rehabilitation of historic structures as adopted or amended by the City. Such buildings are identified as having historical or architectural significance and physical integrity as part of the City’s historic survey program.
- a) Buildings identified as listed individually on the national register
  - b) Buildings identified as a “contributing building” in a nationally registered district
  - c) Buildings identified as a historic building and listed individually as a local landmark
  - d) Buildings identified as a “contributing building” in a local landmark district
  - e) Buildings identified as eligible for historic designation on as part of the City’s historic survey program
5. Projects must include funding for any required public improvements.
6. For any TIF loan, the Project owner/developer must secure funds for the project, including any public improvements, as required. The incremental tax allocations paid into Douglas County are forwarded to the owner/developer, or their assignees as received, to amortize the TIF loan. Except for the tax allocations for the permitted term, the City assumes no responsibility for the repayment of any TIF loan.
7. The City assumes no responsibility for the financing of any TIF loan or bond.

8. An employee of the City of Omaha cannot invest, participate or take a personal interest in a redevelopment project that is funded through TIF. (See City of Omaha Charter §8.05).
9. Any TIF project that involves the displacement of property owners, renters or businesses must adhere to any and all laws, including relocation as required by law.
10. The following funding sources are generally used in conjunction with the City of Omaha TIF program:
  - Historic Tax Credits
  - New Market Tax Credits
  - Community Development Block Grant (CDBG) Funds
  - Low-Income Housing Tax Credits

The Valuation Incentive Program (VIP), administered by the Nebraska State Historic Preservation Office, is **not** compatible with the TIF program. Applicants must choose to use TIF **or** VIP, not both.

11. A percentage of the TIF loan, considered a voluntary TIF contribution, will be requested. These funds will be directed to a public improvement fund specifically for public enhancements off-site yet within the general vicinity of the TIF redevelopment project site.

These funds would be paid to the City of Omaha upon approval of the redevelopment agreement. These public enhancements will further improve the urban form and vitality of the community as a whole. Refer to Attachment 3 for details regarding this TIF contribution policy.

12. All TIF projects must comply with city codes and zoning ordinances, and will be approved subject to compliance with these codes and zoning ordinances, to include urban design review, when applicable.
  - a) **A TIF pre-application meeting must be scheduled for all proposed TIF projects and will include Planning, Economic Development and Public Works staff.**
  - b) A Site Plan Review is highly encouraged to determine if the site complies with the current ordinance and addresses appropriate public improvements. An application for Site Plan Review must be submitted along with an as-built survey to the Current Planning Division. Contact the Planners Desk for the Site Plan Review application process: (402) 444-5150 Ext. 2006.
  - c) **No Building Permit will be issued based on a site plan that does not comply with the provisions of the Zoning Ordinance.**

## Uses of TIF

TIF is primarily designed to finance public improvements associated with a project. However, residual funds can be used for other eligible purposes **after allowing for the cost of public improvements associated with the project.**

The following are considered TIF eligible costs:

- Total amount of public improvements associated with the TIF redevelopment project plan. 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 the project
- Acquisition costs of redevelopment project sites offset by the current assessed value

- Site preparation, demolition, grading, surcharging, special foundations, and other pre-development work prior to construction of the project such as architectural and engineering services related to the project as well as environmental services and studies
- Utility extensions and hookups to the property line
- Rehabilitation, major renovations, and retrofitting of structures within the redevelopment project area. TIF **will not cover** normal maintenance and repair costs
- Public parking structures
- Traffic studies, market studies and appraisals associated with the redevelopment project site
- TIF fees

#### IV. PROJECT SELECTION

**Application Process** (See separate TIF Application Form attached to these Guidelines)

The economic development staff – economic development planner – should be the applicant’s primary point of contact for the project. This will help ensure that the TIF application, Redevelopment Plan and Redevelopment Agreement approval process occurs within the same timeframe as other project site requirement(s) and approvals.

All applications for TIF must be submitted to the City of Omaha Planning Department, economic development staff, for review before presenting to the TIF Committee. Refer to the [TIF Application Submittal Schedule](#) for deadlines to submit the final, completed TIF application; also see Attachment 4. Submittal of the application, according to this schedule, generally establishes when the Redevelopment Project Plan will be presented to the Planning Board. TIF Committee meetings are generally scheduled for the 3<sup>rd</sup> Wednesday of each month at 1:00 o’clock in the afternoon. This scheduled date may change due to holidays or other circumstances. The owner/developer applicant will be contacted to give a brief presentation to the TIF Committee regarding the TIF project.

**On the TIF Submittal Deadline Date by noon:**

- ✓ **Submit one (1) hard copy of the entire, completed TIF Application,**
- ✓ **Submit at least the \$500.00 TIF Application Fee,**
- ✓ **Email the Word version of the Narrative sections of the TIF Application, and**
- ✓ **Email a PDF verison of the entire, completed TIF Application**

The TIF application will be evaluated by the economic development staff. After final evaluation of the TIF application that is determined to be ready to move forward, the applicant will be notified to

- ✓ **Submit three (3) hard copies of the *revised*, completed TIF Application,**
- ✓ **Email the *revised* Word version of the Narrative sections of the TIF Application, and**
- ✓ **Email a *revised* PDF verison of the entire, completed TIF Application**

Also, the applicant will be notified the appropriate TIF Committee meeting to attend to present the TIF project. Once the TIF Committee has provided its recommendation and approval, a Redevelopment Project Plan will be prepared for recommendation by the Planning Board. The Redevelopment Project Plan will be ready for the next available “Meeting Date” on the City of Omaha Planning Board schedule; see “Meeting Date” column of the TIF Application Submittal Schedule.

**The \$3,000.00 processing fee is due and payable upon the TIF Committee’s approval of the application and before the respective Planning Board hearing.** The administrative fee, if applicable, will be due and payable upon approval of the TIF redevelopment agreement.

**NOTE:** The owner/developer applicant must keep the economic development staff apprised of all meetings with City Departments and Divisions such as Planning Building Permits, Current Planning, Public Works, Legal, Parks and Recreation.

### **TIF Committee**

The TIF Committee will consist of the following nine members:

- The Planning Director or a designated representative
- The Finance Director or a designated representative
- The Public Works Director or a designated representative
- The City Attorney or a designated representative
- The Economic Development Manager
- Public Works – City Engineer
- An additional representative from the Finance Department
- Two designated representatives of the Mayor’s Office

The Planning Department will provide administrative staff to the Committee. A minimum of five members of the Committee must concur for a TIF project to receive a positive recommendation.

## **V. APPROVAL PROCESS**

After approval by the TIF Committee, the project goes through the following process:

1. Preparation of a Redevelopment Project Plan: The economic development staff prepares a redevelopment plan for the project. The plan has certain statutory requirements and will include a definition of the Tax Increment Project Area. It will also contain information about the use of TIF funds. Refer to Appendix Three.
2. Approval of the Redevelopment Plan: The Plan is submitted to the Planning Board by the economic development staff for the Board’s recommendation. Following Planning Board action, the Plan is then submitted to the City Council for its approval by a Resolution. Various notice requirements must be met before the Plan is heard by the City Council. See below:

#### Resolution - 2 separate readings

City Council approval

- a) First Reading – Introduced, week one
  - b) Laid over for publication (advertised in the official newspaper of the City) – two (2) consecutive Thursdays following the introduction
  - c) Public hearing on a Tuesday ten (10) **calendar** days following the last publication date
  - d) Second Reading – Public hearing on Tuesday; Voted on same day
3. Approval of the Redevelopment Agreement: Following approval of the Redevelopment Plan, the City and the owner/developer negotiate a Redevelopment Agreement. The Agreement sets forth the mutual responsibilities of both parties and may include the financial terms of the project. As part of the agreement process, the owner/developer will either demonstrate that they can finance the TIF loan or negotiate loan terms with a private lender unless the project is utilizing a publicly-offered bond issue. A promissory note between the City of Omaha and the owner/developer is created stating that the City will borrow money from the owner/developer via property taxes. The City will then pay the incremental

taxes to the private lender to amortize any debt. This note will be an exhibit of the Redevelopment Agreement. The Redevelopment Agreement is approved by the City Council by an Ordinance.

Ordinance – three (3) separate readings; typically, three (3) consecutive weeks

City Council approval

- a) First Reading - Introduced
- b) Second Reading – Public Hearing, no vote
- c) Third Reading – Public Hearing - Voted on same day

NOTE: If the project site has not been designated as a community redevelopment area, the approval process will include a few extra steps as follows: (See Appendix One, Two and Four.)

- 1) Upon the request of an owner/developer to designate the area a community redevelopment area, a study will be conducted.
- 2) A public meeting will be held to inform the public of the community redevelopment area study.
- 3) The Community Redevelopment Area Designation Study and supporting documents are introduced to the:
  - a. TIF Committee for recommendation and approval;
  - b. To the Planning Board; and,
  - c. Then, to the City Council for final approval.

The approval processes are the same as for the Redevelopment Plan.

- 4) Upon City Council approval of the Community Redevelopment Area Designation, the area will meet the requirements of being a community redevelopment area and the TIF application process may continue. A TIF application can then be reviewed by the economic development staff, submitted to the TIF Committee, and the process described above as “Approval Process” can be followed.

### **Amendments to Existing TIF Projects**

If the owner/developer seeks to amend the redevelopment plan and/or redevelopment agreement, he/she will need to contact the economic development staff to determine procedures. There may be fees associated with amendments to TIF projects.

## **VI. TIF FEE STRUCTURE**

On February 26, 2008 the City Council of Omaha passed an ordinance adopting a fee structure to assist in alleviating the various personnel and administrative costs associated with TIF. See Attachment 5. The fees are as follows:

1. An initial application fee of \$500.00 – due upon submission of the TIF application, and/or request for a blight study.
2. Upon conceptual approval of TIF application, a processing fee of \$3,000.00 shall be remitted if the applicant wishes the application to be further considered. This is to be done prior to the City of Omaha Planning Department preparing a Redevelopment Plan or any other document pursuant to the approved

application. If the processing fee has not been paid for a period of nine (9) months after notification of conceptual approval, the application shall be deemed abandoned and the application fee forfeited.

3. Upon approval of the Redevelopment Plan and Redevelopment Agreement, the person or organization receiving the TIF funds shall pay an administrative fee based on the amount of TIF proceeds. The following calculation will be utilized to determine the administrative fee:
  - No administrative fee for the first half million dollars of any TIF principal amount
  - 1.5% administrative fee on any TIF principal amounts of \$500,000.00 thru \$2,000,000.00
  - Additional 1% administrative fee for TIF principal amounts \$2,000,000.00 thru \$4,000,000.00
  - No additional administrative fee for TIF principal amounts above \$4,000,000.00
  - The maximum administrative fee is \$42,500.00

**VII. APPENDICES (These are citations of Nebraska’s Community Development Law, Neb. Rev. Stat. §§ 18-2101 et seq.)**

**Appendix One: Blight Definition**

Blighted areas are defined by Nebraska State Statute and shall mean an area within a city or village:

- A. Which by reason of the presence of, at a minimum, a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability and is detrimental to the public health, safety, morals or welfare in its present condition and use; and,
- B. In which there is at least one of the following conditions:
  1. Unemployment in the designated area is at least 120% of the state or national average.
  2. The average age of the residential or commercial units in the area is at least forty (40) years old.
  3. More than half of the plotted and subdivided property is unimproved land that has been within the city for forty (40) years and has remained unimproved during that time.
  4. The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated.
  5. The area has had either stable or decreasing population based on the last two decennial censuses.

**Appendix Two: Substandard Definition**

Substandard areas means an area in which there is a predominance of buildings or improvements, whether non-residential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of

population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare.

### **Appendix Three: The Statutory Requirements of a Redevelopment Plan**

A redevelopment plan is defined by the State of Nebraska Community Development Law as:

Redevelopment plan means a plan, as it exists from time to time for one or more community redevelopment areas, or for a redevelopment project, which

- A. Conforms to the general plan for the municipality as a whole, and
- B. Is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area, zoning and planning changes, if any, land uses, maximum densities, and building requirements

The City of Omaha can accept a business plan as a major portion of the Redevelopment Plan.

### **Appendix Four: Community Redevelopment Area Definition**

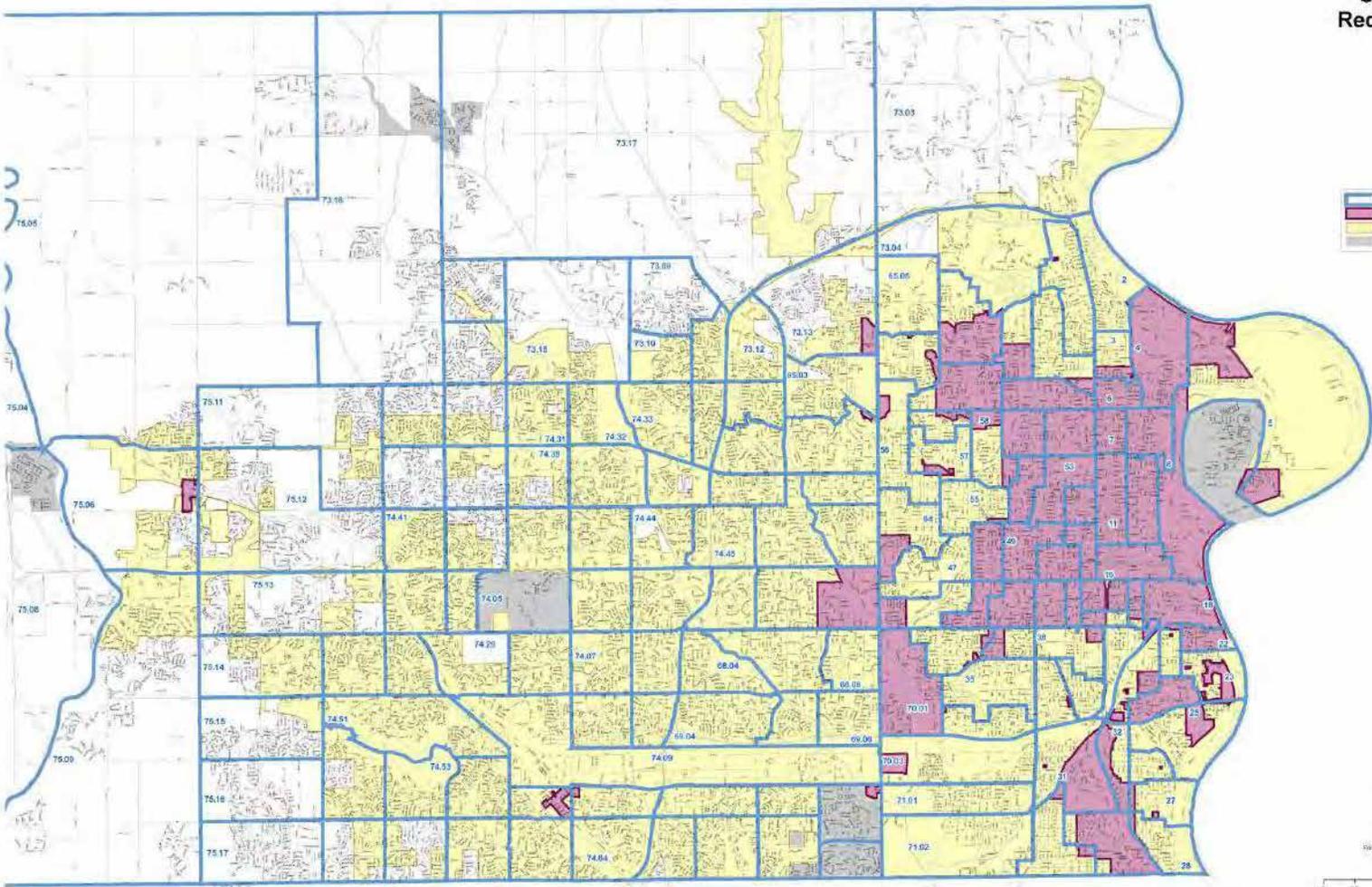
“A substandard and blighted area which the community redevelopment authority designates as appropriate for a renewal project” as per the Nebraska Community Development Law; the City of Omaha is a community redevelopment authority.

### **Appendix Five: Cost – Benefit Analysis**

A cost-benefit analysis for each proposed redevelopment project for which TIF is required.

The following factors will be considered and analyzed for each project. Applicants for TIF **must** include information about their projects addressing each of these considerations and may be asked to provide additional information as a part of this analysis.

1. Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147 (of the Community Development Law);
2. Public infrastructure and community public service needs impacts and local tax impacts arising from projects receiving incentives;
3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;
4. Impacts on employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and,
5. Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.



### Community Redevelopment Areas

- 2010 Census Tracts
- Community Redevelopment Areas
- City Limits
- Surrounding Tracts





## Design Review and Documentation Materials for Tax Increment Finance (TIF) Projects

Projects qualifying for tax increment financing will receive a design review from the urban design section of the planning department. This review is intended to assure that the project meets minimum standards for urban design.

The TIF review process does not provide variances to any municipal code provisions. All projects shall conform to the requirements of the Omaha Municipal Code and relevant sections of Chapter 55 – Zoning. The TIF design review should not be construed as permission to perform construction or as confirmation of compliance with zoning regulations. A subsequent code and ordinance compliance review will be performed during an application for building permit.

The TIF design review process is intended to be flexible and accommodating to the realities of the design and development profession in order to create the best possible solution for all interests. Preliminary and iterative meetings are encouraged in order to develop a final submittal package. The review process should take place when primary exterior and site design components are being considered – preferably during schematic design. Sufficient time should be provided by the applicant to incorporate design changes that may be requested during the review process.

### Final Submittal Package – List of Materials:

- Submittal materials should include the list of requirements stated in section 55-882(d) Site Plan Review, excluding fees.
- In addition, exterior elevations should be provided in both two and three dimensions. Colored renderings of the project are desired but not required.
- Site materials, landscaping, hard-scaping and exterior building materials should be clearly called-out and clearly legible when printed at 11"x17".
- A digital materials sample board is required and should include as available, the manufactures name, specific material, color, texture and or other distinguishing characteristics. The material board should coordinate with plan and elevation call-outs.
- All materials should be submitted in digital PDF format at a size suitable to the project scope.
- All materials should be clearly labeled with a uniform date of the submittal.

This list of submittal materials is intended to provide the applicant with a set of clear instructions for what is expected at the end of the review process and to attain consistency in documenting the project.

Design changes which may occur in subsequent phases after the design review such as, value management phases, during bidding and or construction are required to be resubmitted for review and approval prior to construction. Projects not receiving design review approval and or those that are constructed in a substantially different manner from that which is approved may be rendered ineligible for TIF financing. Projects may be inspected during construction to assure compliance with the approved design.

For questions about design review submittal materials please contact Jed Moulton with the planning department at 444-5208.

11-04-09

### TIF Contribution Policy

Voluntary TIF contributions will be used to support public enhancement projects within approved Business Improvement Districts nearest and/or adjacent to the TIF redevelopment project site. These public enhancements are above and beyond the improvements made to the right-of-ways immediately adjacent to the project site. The TIF contributions will assist with the investments in public enhancements above and beyond the normal capital improvements managed by the City of Omaha through the Public Works Department. Also, these public enhancements may leverage other public projects which will improve the urban form and general community as a whole. The TIF contribution is a recommended amount set forth in the schedule below. This amount should be paid to the City of Omaha upon approval of the redevelopment agreement.

Examples of the types of public enhancements are as follows; this is not meant to be an exhaustive list but a guideline:

- Streetscaping:
  - Decorative street lighting
  - Special tree planters (part of ROW landscaping)
  - Curb, nodes, new sidewalks
- Street repairs
- Wayfinding
- Historic cobblestone street repair

The public enhancement should follow goals outlined in the City's Master Plan, in particular the Urban Design, Transportation and Environmental Elements, and present solutions to these goals. Some of the goals of the Urban Design Element of the Master Plan identified the following needs:

- Improved roadside environments including sidewalks, street trees, pedestrian scaled lighting, public plazas and on-street parking

Some of the goals of the Transportation Element of the Master Plan identified the following needs:

- Improving infrastructure within the urban core of the City of Omaha
- Providing better linkages to communities and their neighboring business districts or commercial centers
- Implement multi-modal transportation options that enhance the public environment
- Emphasize Complete Streets principles in the design of streetscapes

The Environment Element addresses the City's goal to improve the quality of development in Omaha while protecting and enhancing the city's natural environment. This element of the Master Plan in essence will help establish sustainable development practices for the City of Omaha in a comprehensive manner.

Select members of the TIF Committee, comprised of Planning, Public Works and Finance, will approve the general use of these funds through acceptance and implementation of this policy. Any modifications to this policy will require the approval of those TIF Committee members. Actual expenditure of the TIF allocated funds will be facilitated by the Planning Department.

Examples of TIF contributions are below; contributions reflect 3% of the TIF Loan Amount:

<u>TIF Loan Amount</u>	<u>TIF Contribution Amount</u>
Example 1: \$100K	\$3K
Example 2: \$500K	\$15K
Example 3: \$1M	\$30K
Example 4: \$5M	\$150K



# TIF APPLICATION SUBMITTAL SCHEDULE

## for City of Omaha TIF Committee Meetings

1:00 P.M. - Planning Central Conference Room

Omaha-Douglas Civic Center-1819 Farnam Street

### 2017 Meeting Schedule

TIF SUBMITTAL DEADLINE (Noon, second Monday of the Month)	TIF COMMITTEE MEETING DATE (1:00 pm, Third Wednesday of the Month)	PLANNING BOARD MEETING DATE (First Wednesday of the Month)
December 12, 2016	January 18, 2017	February 1, 2017
January 9, 2017	February 15, 2017	March 1, 2017
February 13, 2017	March 15, 2017	April 5, 2017
March 13, 2017	April 19, 2017	May 3, 2017
April 10, 2017	May 17, 2017	June 7, 2017
May 8, 2017	June 21, 2017	July 5, 2017
June 12, 2017	July 19, 2017	August 2, 2017
July 10, 2017	August 16, 2017	September 6, 2017
August 14, 2017	September 20, 2017	October 4, 2017
September 11, 2017	October 18, 2017	November 1, 2017
October 10, 2017*	November 15, 2017	December 6, 2017
November 13, 2017	December 20, 2017	January 3, 2018
December 11, 2017	January 17, 2018	February 7, 2018

\*Change due to holidays.

**NOTE: Application must be complete with attachments and payment when submitted.**





City of Omaha  
Mike Fahey, Mayor

RECEIVED

OP JAN 25 10:00

February 5, 2008

CITY CLERK  
OMAHA, NEBRASKA

**Planning Department**

Omaha/Douglas Civic Center  
1819 Farnam Street, Suite 1100  
Omaha, Nebraska 68183  
(402) 444-5150  
Telefax (402) 444-6140

**Steven N. Jensen, AICP, LA**  
Director

Honorable President

and Members of the City Council,

Attached is an Ordinance authorizing the City of Omaha to charge fees for various functions it performs in regards to applications for Tax Increment Financing (TIF) for private redevelopment projects within redevelopment plan areas. The process of approving these projects requires extensive staff time to review the applications and process all of the required documents. The fees become due at three stages of the process: the application fee, the processing fee and the administrative fee. Each fee recognizes the different costs incurred by the City of Omaha at different times throughout the process.

The application fee and processing fee are the same for all projects. The administrative fee is calculated as a percentage of the total TIF proceeds granted to a developer. The first half million dollars of any TIF award will not be charged an administrative fee in order to minimize the impact of the fee on smaller projects. Thereafter, the next one and half million dollars of any TIF award will pay an administrative fee of 1.5%. The next two million dollars of any TIF award will pay an administrative fee of 2%. There will be no additional fee for any TIF award over four million dollars and the maximum administrative fee is \$42,500.

It is anticipated that the funds received from these fees shall be sufficient to fund an additional planning professional to help process TIF projects as well as a clerical position in the City of Omaha Planning Department. Both these positions will assist the Economic Development Manager. In addition, if sufficient funds are available, funds received from these fees shall be used to offset the time and expense incurred by the City of Omaha Finance, Public Works and Law Departments, as well as, the cost of any studies directly related to the current use and possible expansion of the TIF program of the City.

Your favorable consideration of this Ordinance is respectfully requested.

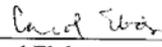
Respectfully submitted,

Referred to City Council for Consideration:

 1-18-08  
Steven N. Jensen, AICP Date

 1-24-08  
Mayor's Office/Title Date

Approved as to Funding:

 1/24/08  
Carol Ebdon Date  
Finance Director  
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ORDINANCE NO. \_\_\_\_\_

1 AN ORDINANCE to amend the Omaha Municipal Code by adding a new section 24-150 entitled  
2 "Fees: Tax Increment Financing Applications, Processing, and Administration"; to provide  
3 for fees to be paid to the City of Omaha for receiving and processing applications for projects  
4 involving tax increment financing pursuant to Nebraska's Community Development Law, as  
5 well as the administration of those projects; and to provide the effective date thereof.

6 BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OMAHA:

7 Section 1. The Omaha Municipal Code is amended by adding a new section 24-150 reading  
8 as follows:

9 Section 24-150. Fees: Tax Increment Financing Applications, Processing, and  
10 Administration.

11 The City of Omaha receives applications by parties interested in proceeding with projects  
12 pursuant to Nebraska's Community Development Law, Neb. Rev. Stat. § 18-2101, et seq. as  
13 supplemented by Neb. Rev. Stat. §§ 18-2147 to 18-2153. The City of Omaha Planning Department  
14 has been assigned the responsibility of receiving applications, reviewing the applications, processing  
15 the applications, preparing the applicable plans and agreements, and preparing any other documents  
16 necessary to administer any redevelopment plan under the Community Development Law which  
17 provides for the division and allocation of ad valorem taxes pursuant to Neb. Rev. Stat. § 18-2147  
18 (hereinafter referred to as "tax increment financing" or TIF). The City of Omaha Finance, Public  
19 Works and Law Departments have been assigned the responsibility of reviewing various applications  
20 and of assisting in the administration of any award of tax increment financing, as necessary and

1 appropriate. The City of Omaha Law Department has been assigned the additional responsibility of  
2 assisting in the negotiation and preparation of various documents required to award tax increment  
3 financing. In order to offset personnel costs incurred by or at the direction of the City of Omaha as a  
4 result of the applications received for tax increment financing, the City of Omaha herein creates a fee  
5 structure for projects of that nature. It is anticipated that the staff funded by this fee will be in  
6 addition to the staff levels existing at the time that this ordinance is initially adopted. The staff will  
7 be added as the fees contemplated by this ordinance are received which will allow the City of Omaha  
8 to handle these projects efficiently. Prior to the time that any of the following activities occur, any  
9 party pursuing or seeking tax increment financing shall pay the following fees:

- 10 1. Upon the submission of an application to the City of Omaha Planning Department  
11 for tax increment financing), the applicant shall submit an application fee of \$500.  
12 This fee shall help offset the costs incurred for processing the application by the  
13 Planning Department and those other departments assigned by the Mayor to  
14 review the applications.
- 15 2. After the application for tax increment financing is approved conceptually by the  
16 Planning Department and those other departments assigned by the Mayor to  
17 review the document, the applicant shall submit a processing fee of \$3,000 if the  
18 applicant wishes the application to be further considered. Such fee shall be  
19 submitted prior to the City of Omaha preparing a redevelopment plan or any other  
20 document pursuant to the approved application. If such fee is not paid for a period

1                   of nine months after notification of conceptual approval of the application by the  
2                   City of Omaha Planning Department, such application shall be deemed  
3                   abandoned, and the application fee shall be forfeited.

4           3.       In the event the City of Omaha approves a redevelopment agreement authorizing  
5                   tax increment financing, the person or organization receiving the TIF grant shall  
6                   pay an administrative fee upon grant of TIF proceeds, in whatever form, based  
7                   upon the following calculation: (1) for the first half million dollars of any TIF  
8                   principal amount – none; (2) for the next one and one half million dollars of any  
9                   TIF principal amount – 1.5%; and, (3) for the next two million dollars of any TIF  
10                  principal amount – 1%. There shall be no additional fee for any TIF proceeds  
11                  granted over four million dollars. The grant of TIF proceeds upon which an  
12                  administrative fee is levied shall be reduced by the cost, as itemized in the  
13                  redevelopment agreement, of any specific amount committed for specific public  
14                  improvements adjacent to, but not located on, the redevelopment site. (Any  
15                  amount contributed to any fund to revitalize an area generally shall not reduce the  
16                  amount of TIF proceeds upon which an administrative fee is charged.) The  
17                  maximum fee as a result of this section is \$42,500. By way of illustration, the fee  
18                  on a loan with a TIF principal amount of three million dollars is \$32,500 which is  
19                  calculated by taking one and one half percent of the amount between a half million  
20                  dollars and two million dollars (\$22,500) and 1 percent of the next million dollars

1                    (\$10,000). Such fee shall offset the City's costs in preparing the various  
2                    documents and agreements as well as the ongoing administration incurred for the  
3                    15-year report period and shall be considered a TIF eligible expense. When any  
4                    redevelopment agreement is amended to increase the amount of the TIF principal  
5                    amount, an additional fee shall only be due on the difference between the original  
6                    TIF principal amount and the new TIF principal amount.

7                    4. If at any time, the balance of the TIF fees collected by the City and on hand at a  
8                    given time are in excess of the amount of funding necessary to finance the  
9                    expenses contemplated and paid by these fees for the following two fiscal years,  
10                   the City Planning Director shall review the fee structure and report to the Council  
11                   and Mayor as to whether the fee structure should be revised.

12                   Section 2. This Ordinance shall be in full force and take effect fifteen days from and after the  
13                   date of its passage.

14                   INTRODUCED BY COUNCILMEMBER  
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APPROVED BY:

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23                   PASSED \_\_\_\_\_  
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\_\_\_\_\_  
MAYOR OF THE CITY OF OMAHA    DATE

ORDINANCE NO. \_\_\_\_\_  
Page 5

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CITY CLERK OF THE CITY OF OMAHA    DATE

APPROVED AS TO FORM:

  
\_\_\_\_\_  
ASSISTANT CITY ATTORNEY    DATE 1/18/08

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