



CRETE PLANNING COMMISSION MEETING

April 24, 2023 at 7:00 PM

Crete City Hall, 243 East 13th Street

MINUTES

Notice of the meeting was given by posting, the appointed method for giving notice as shown by the attached notice, at the following locations:

City Hall, 243 East 13th Street

Post Office, 1242 Linden Avenue

City Bank and Trust, 1135 Main Avenue

Advance notice of the meeting was also given to committee members. Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, the City has posted a current copy of the Open meetings Act, Laws of the State of Nebraska, in the back of the council chambers. All proceedings shown were taken while the meeting was open to the attendance of the public.

1. Open Meeting

2. Roll Call

Ryan Jindra: Absent

Jay Quinn: Absent

Drew Rische: Absent

Dave Jurena: Present

Justin Kozisek: Present

Scott Kunch: Present

Tom Ourada: Present

Jennifer Robison: Present

Jeff Wenz: Present

Present: 6, Absent: 3.

3. Items of Business

3.A. Approve Planning Commission Minutes

City Administrator Tom Ourada mentioned that the Planning Commission Chair is no longer chair and the vice chair is not present.

Committee member Scott Kuncel stated that Tom Ourada's name appeared on the motions and he has not voted and if that could be corrected.

Approved Planning Commission Minutes Carried with a motion by Justin Kozisek and a second by Dave Jurena.

Dave Jurena: Aye, Justin Kozisek: Aye, Scott Kuncel: Aye, Jennifer Robison: Aye, Jeff Wenz: Aye

Aye: 5, No: 0

3.B. Public hearing on Annexation Area #5

Open Public hearing on Annexation Area #5 at 7:04pm Carried with a motion by Jennifer Robison and a second by Justin Kozisek.

City Attorney Alison J Borer explained that the public hearing is on Annexation Area #5. The City Council passed a resolution on April 4th proposing to annex this area and a plan for providing services to this area. The area is already served by electricity and water. This parcel is bordered by the city limits on three sides, so it meets the statutory requirements for annexation. What the planning commission is looking at tonight and the goal would be to see if the annexation conforms to the comprehensive plan for the city and make a recommendation to the City Council. The comprehensive plan is in the process of being amended but as it currently stands, provides for annexation of those lands on the east side of Crete.

Allen Wanek commented that his taxes will be going up about \$1,500 more a year and is curious what he will get. He won't need sewer and he drilled a well for irrigation and filling the pond. He has city water and electricity, but his electric meter is across the street. He asked if the City might move that.

City Administrator Tom Ourada mentioned that some of what people don't have when they are annexed, Wanek already has. The plan does say that if or when additional services are needed, there is a plan to provide those services. The street is paved and a portion of the property is in City limits. Wanek mentioned that is the first 60 feet.

Wanek mentioned he currently has a three-inch meter on his water service from the City and it costs about \$189 per month. He questioned if he can get that switched to a one-inch meter.

Ourada stated if he is just wanting to do domestic water, that is reasonable. Ourada informed Wanek he can contact the utility office to arrange for that.

Steven Reisdorff stated that he is opposed to the City's use of Tax Increment Finance (TIF) for the following reasons:

- it is taking needed property tax revenue from the schools
- the City is giving out wrong information

- the Redevelopment Authority is the City Council
- projects are not passing the but/for test
- the Jones property requesting TIF was owned by Harold Jones and was never developed because he was not interested in having neighbors
- there are local developers who would develop this without incentives
- developers should have to pay for infrastructure improvements, not the tax payers
- all current TIF projects in Crete did not need the incentives

City Administrator Tom Ourada stated that this meeting is being held to discuss the annexation of Area #5, and we need to get back on task. The redevelopment plans are on the agenda for the May Planning Commission meeting.

Mr. Reisdorff stated that he would be back in May if he can get the correct information, and left the meeting.

City Attorney Alison J Borer stated that many of the questions about TIF will be answered at the next meeting with the proposed development plans. She mentioned that many of the things stated earlier were not statutorily accurate. The City of Crete currently has 5 active TIF projects and are all thoroughly vetted prior to being presented to the CDA and Council for approval. Not all development taking place in Crete are not financed by TIF.

Ourada mentioned that one of the five projects, Union Bank, did not request TIF, but being in a redevelopment area, the TIF funds could be captured by the City and used to make improvements in the designated redevelopment area. The Union Bank TIF funds were used to tear down the old hospital. That was a strategy provided to the City by an attorney specializing in Nebraska TIF law.

Borer stated that TIF projects can only take place on land that has been declared blighted or substandard. The TIF funds have to be used for eligible public improvements. The but/for test is to see if a project would not be feasible without TIF. More information on this will be on the plan provided at next month's meeting. As with other TIF projects, the city will issue a TIF note to the developer. It is a promise to pass through whatever tax increment is generated. It is up to the developer to go and monetize that note with a bank. They have to find a bank that is willing to lend them those dollars upfront. The developer is responsible for making any short fall payments if TIF is insufficient to pay off the lender. All of those obligations are between the redeveloper and the lender. The City or other taxing entities have no risk in the project. The planning commission's goal is to decide if the project conforms with the comprehensive plan. Many of the TIF issues discussed tonight are ones that are reserved for the council.

Scott Kuncl asked if it is correct that the schools lose out on taxes for a period of time. Borer explained that the taxes are divided and the base value of the property is frozen the year before the 15-year clock starts. Borer stated that the current parcel is just land and its value is not very much and once it is subdivided, the value will go up. That will make the tax revenue going to the City and others go up. Once a house is built, the taxes are divided and the tax base still

goes to the tax jurisdictions and then the tax increment on top of that will go to the TIF note. If the project had not happened, the school wouldn't have had those taxes from the increased property value or from the additional houses.

Planning commission member Justin Kozisek stated that they don't lose the taxes they never had. Borer added that in 15 years then they will have 100% of the taxes.

Ourada stated that the developer of Belohlavy Estates has put these housing developments in eleven communities in Nebraska and they have used TIF in all eleven. It is a competitive market for communities needing to add housing. If you don't want more housing, don't do TIF. We will see more TIF projects that include housing.

If it would have not been for TIF the Fairfield Inn would not be in Crete, plain and simple.

Ourada stated that Crete is nowhere near what other communities are at with the use of TIF. Similar cities have many more TIF projects. Development spurs development and increased sales tax and jobs.

Public Hearing Closed at 7:34pm

Dave Jurena: Aye, Justin Kozisek: Aye, Scott Kuncel: Aye, Jennifer Robison: Aye, Jeff Wenz: Aye

Aye: 5, No: 0 Closed Public hearing on Annexation Area #5 Carried with a motion by Justin Kozisek and a second by Jennifer Robison.

Dave Jurena: Aye, Justin Kozisek: Aye, Scott Kuncel: Aye, Jennifer Robison: Aye, Jeff Wenz: Aye

Aye: 5, No: 0

3.C. Consider a recommendation to the City Council regarding Annexation Area #5.

Recommend to the City Council regarding Annexation Area #5. Carried with a motion by Justin Kozisek and a second by Dave Jurena.

Dave Jurena: Aye, Justin Kozisek: Aye, Scott Kuncel: Aye, Jennifer Robison: Aye, Jeff Wenz: Aye

Aye: 5, No: 0

4. Officers' Reports

City Attorney Alison J Borer mentioned that there will be a redevelopment plan for each project. Those plans will set out what she has been explaining to them, including the cost benefit analysis. The goal of the planning commission is to see if the plan conforms with the comprehensive plan for the city.

Kuncel asked if there were any bad, unexpected things that could happen.

Borer explained that the risks with these projects are to the developers. If they don't timely construct the private improvements, there is no increased value for the taxes to be divided. They are the ones who will miss out on the TIF. The developer should be motivated to complete the project on time and as close to estimates as possible.

Anthony Fitzgerald asked if a developer goes bankrupt if the city has risks in that situation. Borer stated that the TIF note is not a general obligation if there is no TIF to pass on to them. There is no funding mechanism and the city would not have to go into its own bank account. The project goes away. The agreement would be terminated.

Ourada stated that if developers try to inflate their project, they will be disappointed when the state and county actually value the property. If the increment is not enough to pay the lender, the developer will have to make up the difference. Ourada added that furniture, fixtures, and equipment do not count towards the value.

Ourada added that the City receives 1% administrative and 6% developer fees on each project, so inflating the value will cost them upfront. Borer added that the 7% has to be paid up front.

Kuncl would like the community to have a better understanding on TIF. Ourada added that TIF is complex.

Fitzgerald stated that there is a stigma on properties being designated as blighted or substandard. Kuncl mentioned that he thought the north side of town would need more projects and the east side looks good.

Borer explained that the blight and substandard study consultant looks at the age of the houses, lack of sidewalks, and other factors in the study to make a determination based on those statutory requirements.

Ourada added that Cline Williams is reliable with their advice regarding TIF. Fitzgerald stated that the City has done well with selecting consultants.

Ourada commented that he doesn't know how many more annexations there will be. But they will be looking at each individual annexation on its own merit, not as a group. Ourada added that there is an opening for the Planning Commission Chair with Anthony Fitzgerald taking the Council seat vacated by Travis Sears.

Fitzgerald gave thanks for the opportunity to serve on the Planning Commission.

5. Adjournment

The meeting adjourned at 7:56 pm.