# SUPERIOR REDEVELOPMENT PLAN

## INTRODUCTION

The Superior Redevelopment Plan provides a general guideline for communities' to develop remedies for designated "Community Redevelopment Area(s)[1]" exhibiting a variety of deteriorating or dilapidated physical, social or economic conditions. The Redevelopment Plan attempts to eliminate problems and issues identified in these community redevelopment areas that are detrimental to the social and economic well-being of the neighborhood in which they exist. The existing conditions in these community redevelopment areas are considered beyond the remedy and control of the normal regulatory process or impossible to reverse through the ordinary operations of private enterprise.

The purpose of this Redevelopment Plan is to identify general goals and objectives for the redevelopment of the areas identified in the City of Superior, Nebraska Blight and Substandard Study (2003). With the adoption of this Plan, the Community Redevelopment Agency will recognize the need to utilize appropriate private and public resources to eliminate or prevent the development or spread of urban blight, encourage needed urban rehabilitation, provide for the redevelopment of substandard and blighted areas, and/or undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the goals and objectives set forth herein.

# BACKGROUND

## NEBRASKA COMMUNITY DEVELOPMENT LAW

The Nebraska Legislature enacted the Community Development Law (Neb. Rev. Stat. §18-2101 through §18-2144), which permits cities of all classes and City's to establish a Community Redevelopment Agency (CRA). The laws permit CRAs to undertake broad urban renewal and municipal growth opportunities through a variety of mechanisms. The Community Development Law enables cities and City's to take steps to eliminate blight through the acquisition, clearance, and disposition of property for redevelopment or through the conservation and rehabilitation of property.

The City of Superior Community Redevelopment Agency in accordance with Nebraska Community Development Law has prepared the Redevelopment Plan. Prior to recommending a Redevelopment Plan to the governing body for approval, the CRA shall:

> *…consider whether the proposed land uses and building requirements in the redevelopment project area(s) are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the City and its*

[1] Community Redevelopment Area shall mean a substandard and blighted area or a combination thereof which the Authority designates as appropriate for a renewal project (Neb. Rev. Stat. § 18-2103.20)

*environs which will, in accordance with present and future needs, general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for light and air, the promotion of the healthful and convenient distribution of the population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.*

Neb. Rev. Stat. §18-2113 (Cumm. Supp. 1996).

## REDEVELOPMENT PLAN COMPONENTS

After an area has been designated as blighted and substandard, the CRA may proceed with the preparation of a Redevelopment Plan. The Redevelopment Plan identifies possible redevelopment project(s) in the identified area(s), and shall

- be consistent with the general plan of the community; and
- indicate the actions that will be needed to carry out the redevelopment project, including land acquisition, demolition and removal of structures, redevelopment, improvements, rehabilitation, zoning changes, land uses, densities, and building requirements.

## REDEVELOPMENT PLAN PROJECTS

The Superior Redevelopment Plan identifies general redevelopment projects within eligible Community Redevelopment Areas as identified in the Blight and Substandard Study, City of Superior, Nebraska, (JEO Consulting Group, Inc., 2003).

Pursuant to Nebraska Community Development Law, the CRA shall afford maximum opportunity, consistent with the needs of the City as a whole and by private enterprise undertaking redevelopment activities within the area(s) discussed herein. A redevelopment project pursued by a CRA can involve a broad range of activities in a designated area, including:

- acquisition of substandard and blighted areas;
- demolition of existing buildings, structures, streets, and the construction of public improvements including streets, utilities, parks, playgrounds, public parking facilities, sidewalks, civic centers, landscaping and streetscaping, overpasses and underpasses, and any other necessary public improvements essential to the preparation of sites for uses in accordance with a Redevelopment Plan;
- sale or lease of land for a variety of land uses;
- disposal of specified real and personal property;
- acquisition of real property to be repaired or rehabilitated; and
- voluntary or compulsory rehabilitation of buildings or other improvements.

**A detailed proposal outlining the redevelopment project/or activity must be submitted to the CRA for evaluation prior to approval as a qualified Redevelopment Project.**

## RELATIONSHIP TO COMPREHENSIVE PLAN

The general plan for the development of the City of Superior, Nebraska, known as "The Comprehensive Development Plan" as amended from time to time, adopted in 2003, is incorporated herein by reference. In the event the terms and conditions of this Redevelopment Plan are not in conformance with the Comprehensive Development Plan, the provisions of the Comprehensive Development Plan shall supersede the intent of the Redevelopment Plan. The adoption of this Redevelopment Plan, or any modifications, additions, or amendments hereto, shall not be deemed to be an amendment of the Comprehensive Development Plan.

## FUNDING FOR REDEVELOPMENT PROJECTS

There are a number of funding sources available for communities to use in order to initiate redevelopment activities in designated blight and substandard areas. These include, in addition to a number of city, state and federal funds, the use of Community Development Block Grant funding programs, special assessments, general obligation bonds and tax increment financing.

The following narrative further describes tax increment financing in Nebraska.

Tax Increment Financing (TIF) in Nebraska is primarily designed to finance the public costs associated with a private development and is a common tool utilized for redevelopment activities in designated blight and substandard community redevelopment areas. TIF provides a means of encouraging private investment in deteriorating areas by allowing local governments to devote property tax revenue increases to repay the public investment needed to attract development. Under the Nebraska Community Development Law, local governments may use TIF only in designated blighted and substandard community redevelopment areas. Following such designation, the CRA prepares a Redevelopment Plan. TIF projects may include commercial, residential, industrial or a mix of these uses.

Generally, TIF funds can be used for land acquisition, public improvements and amenities, infrastructure and utilities. The CRA shall conduct a **cost-benefit analysis** for each redevelopment project that proposes the use of TIF as a financing tool. This **cost-benefit analysis** must use a specific model developed for use by local projects, and shall consider and analyze the following factors:

- Tax shifts resulting from the approval of the use of funds pursuant to Neb. Rev. Stat. §18-2147, as indicated below;

*...Any ad valorem tax levied upon real property in a redevelopment project for the benefit of any public body shall be divided, for a period not to exceed 15 years after the effective date of provision by the governing body, as follows:*

*(a) That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and*

*(b) That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to, and when collected, paid into a special fund of the Authority to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the Authority shall so notify the County Assessor and County Treasurer, and all ad valorem taxes upon taxable property in such a redevelopment project shall be paid into the funds of the respective public bodies.*

- Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;
- Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;
- Impacts on other employers and employees within the city or City and the immediate areas that are located outside of the boundaries of the area of the redevelopment project, and
- Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.

After a project is approved, the CRA typically authorizes the issuance of TIF bonds to undertake public improvements in the designated area. TIF bonds may be issued in conjunction with revenue bond issues for water, sewer, or parking purposes and are exempt from state and federal income taxes. Since this process can work for large developments without increasing any tax rates or adding any new taxes or fees, it has an appeal to jurisdictions wishing to promote economic development or redevelopment of blighted and substandard areas.

Furthermore, a number of other sources can be utilized for redevelopment projects or in support of redevelopment projects such as economic development activities, including the following:

**Business Improvement Districts (BID's)**
A Business Improvement District (BID) is comprised of business and property owners within a defined area that are assessed an annual fee for improvements within the area. The fee can be used for services beyond those traditionally provided by the City, such as landscaping, beautification, pedestrian amenities, and services such as litter control and security. In addition, the funds can also be used to supplement projects undertaken by the City.

**General Obligation Bonds**
General obligation bonds are backed by property taxes, and are issued by the City for specific projects.

**Special Assessment Districts**
Certain improvements, such as parking lots and sidewalk improvements, can be financed by special assessments. This method of financing is a tax upon a property owner for a portion of the costs incurred by the City for a particular improvement.

**Banks**
In the past, many banks collected savings from distressed areas, but then refused to lend those dollars back. The Community Reinvestment Act (CRA) addresses past lending practices that did not support lending in depressed neighborhoods. Enforced by four federal agencies that track the geographic distribution of each bank's loans, the CRA applies to all large lending institutions.

Under the CRA, financial institutions are obligated to serve the public, specifically low- and moderate-income neighborhoods. Banks are encouraged to apply flexible underwriting standards for loans that benefit economically disadvantaged areas or individuals. Working in tandem with the CRA is the Home Mortgage Disclosure Act (HMDA), which addressed the problem of conventional lenders denying credit to certain neighborhoods or areas. The HMDA requires lending institutions to document and reveal the geographic location of their home mortgages.

Also, Bank Community Development Corporations (CDCs) are specific example of how banks can contribute to economic revitalization. Bank CDCs can be for-profit or non-profit subsidiary organizations funded by banks, bank holding companies, and/or federal savings associations under special regulations that encourage such investments in local community and economic development projects. Banks CDCs may make equity or debt investments in local businesses, or real estate investment projects that directly benefit low- and moderate-income groups. Unlike banks or bank holding companies, bank CDCs can also purchase, construct, or rehabilitate property.

A neighborhood or area can establish a bank CDC by working with one or more local banks, the Federal Reserve, the Comptroller, and its respective state financial institution regulators. The Federal Reserve and the Office of the Comptroller of the Currency must approve the participating institutions. Bank CDCs have more freedom to participate in and provide guidance to commercial lending activities in their community than do regular banks. Therefore, small businesses located in distressed areas have a good opportunity to approach a local Bank CDC for further lending options. For more information, please refer to Chapter II on Major Players.

Additionally, the State of Nebraska Community Development Assistance Act allows a 40% tax credit to banks and other business that contribute cash, services, or materials to development or redevelopment activities. $250,000 is available statewide annually, with a maximum of $25,000 available per project.

**Peer Group Lending**

Individual entrepreneurs are frequently denied loans because banks believe they lack sufficient collateral or that the entrepreneur will be unable to repay the loan. Peer-group lending collects collateral and spreads the risk among a group of entrepreneurs, increasing an entrepreneur's chances of obtaining a loan.

Peer groups are composed of entrepreneurs gathered together by neighborhood groups, non-profits, or banks. The availability of a loan is dependent on the repayment schedule of others in the group. Since group members are dependent on the success of their peers, they work together to support each other. Most loans are based on character rather than collateral. Members alert each other to business opportunities and critically look at other member's business plans.

**Small Business Investment Companies**

Small Business Investment Companies (SBICs) provide another opportunity to secure venture capital. They are privately owned and managed investment firms that use their own capital, plus funds borrowed at favorable rates with an SBA guarantee, to make **venture capital investments** in small businesses, start-ups, and growth situations. SBICs are primarily for-profit organizations that provide equity capital, long-term loans, debt-equity investments, and management assistance to qualifying small businesses.

With few exceptions, there are no restrictions on the ownership of SBICs. An SBIC can be formed by virtually anyone with venture capital expertise and capital. By law, SBICs can be organized in any state as either a corporation or a limited partnership. Most SBICs are owned by small groups of local investors, although some are owned by commercial banks.

There are two types of SBICs: regular SBICs and Specialized SBICs (SSBICs), or 301(d) SBICs. SSBICs invest in small businesses owned by socially or economically disadvantaged persons, such as minorities.

SBICs obtain financing through equity capital, public stock sales, government leverage, debt security issues, and loans. In return, SBICs finance small business concerns. As financier, the SBIC has a variety of options. Long-term loans to small business concerns provide funds needed for sound financing, growth, modernization, and expansion. These loans may be provided independently or in cooperation with other public or private lenders and have a maturity of no more than 20 years. In the interest of the small business concerns, the SBA regulates the cost of money on SBIC loans and debt securities issued.

To become a licensed SBIC, an organization must bring to the table a minimum of $5-10 million in private capital ($5 million for SBIC using debenture, $5 million for Specialized SBICs and $10 million for SBIC using Participating Securities). Specialized SBICs (SSBIC) invest in businesses owned by socially and economically disadvantaged entrepreneurs, whereas SBICs can invest in any type of business. They are sometimes known as 301(d) SBICs. SSBICs that work with disadvantaged entrepreneurs, primarily members of minority groups, are often referred to as Minority Enterprise SBICs or MESBICs.

In order to leverage private sector money, the potential SBIC must reach out to private investors who understand the SBIC program and meet the SBA's operation requirements. Once this private capital has been raised, additional funds from the sale of SBA-guaranteed securities can be added, with approval by the SBA after a rigorous credit evaluation. Each SBIC is regularly assessed by the SBA to make sure the organization is doing well.

General information on SBICs:

**Finance Limit:** As with most local entities, SBICs vary across the country and establish different limits on the types of investments they make.

**Investment Policy:** SBICs make equity investments and loans. Some offices may prefer to do one over the other.

**Type of business:** The preferential type of industry that an SBIC will support depends on the individual management of each SBIC.

**Location:** Although SBICs, as do venture capitalists, prefer to invest in businesses close to their offices, SBICs will fund viable small business projects anywhere nationally if they believe in the company.

**Qualifications:** A business must have a net worth under $18 million and an average after-tax earning of less than $6 million in the past two years to be eligible for SBIC funding.

**Community Development Financial Institutions**

The federal government also supports Community Development Financial Institutions (CDFIs), which promote community economic development in areas lacking financial access. CDFIs can be banks, credit unions, loan funds, and venture capital funds that make grants, loans, and other investments in both community groups and small businesses in certain neighborhood areas. The three types of CDFIs are:

**Community Development Banks** are federally insured and regulated depository institutions structured and regulated like normal banks with a primary mission to serve low-income communities. Community development banks include South Shore Bank in Chicago, IL and Elk Horn Bank in Arkadelphia, AR.

**Community Development Credit Unions (CDCUs)** are financial cooperatives owned and operated by low-income people to serve member needs. CDCUs can make low interest loans for small business creation and expansion. For the initial fund start-up, CDCUs rely on outside groups interested in making social purpose investments. There are approximately 300 CDCUs serving 40 states.

**Community Development Loan Funds** aggregate capital and contributions from socially conscious banks, investors, and foundations to provide equity, bridge loans, or low-market financing for affordable housing, small businesses, or neighborhood economic development in distressed communities.

A CDFI is eligible for federal financial support, technical assistance, and training if it:

- Has a primary mission to promote community development.
- Serves an "investment area" determined by demographic criteria or a "targeted population" that is low income or lacking access to loans or equity investments.
- Provides development services in conjunction with equity investments or loans.
- Maintains accountability to area residents or targeted population through representatives on its governing board.

**Venture Capital**

Venture capital refers to equity investments in businesses with the hope that they will grow and become profitable. Although risky, equity investments can lead to enormous payoffs when the companies invested in are extremely successful. The prosperity of many of today's corporate giants can be directly linked to the venture capital investments they received when they were infant businesses. Recognizing this, neighborhood groups can encourage the use of venture capital as an option for financing small businesses and projects in their communities. Two effective ways of increasing the venture capital available to local businesses is to 1) coordinate databases that assist in matching up potential investors with businesses, and 2) promote the area to specific venture capital firms.

**Foundations**

Foundations with objectives similar to those of a neighborhood or community group or project can be approached for funds. A foundation is likely to fund planning studies, management or technical programs, rather than construction, maintenance or operations.

**Small Business Administration (SBA)**

Small businesses that meet SBA size standards and program requirements can apply for SBA guaranteed loans through participating lenders. Although administered through a participating bank, loans are federally guaranteed so that if the small business does not do well, the bank is not at risk. These loans are intended to assist businesses not successful in obtaining funds through commercial lenders, and decrease the lending risk to banks.

*SBA Credit Requirements*

To qualify for SBA lending programs, a small business must meet specific program requirements and the SBA size standards for that particular industry. Some credit and collateral requirements may apply. The SBA size requirements are as follows:

> **Manufacturing:** Maximum number of employees ranges from 500 to 1,500, depending on the type of industry.
> **Wholesaling:** Number of employees may not exceed 100.
> **Retail and Services:** Average annual receipts of the last three years may not exceed $3.5 to $17 million, varying by industry.
> **Construction:** Average annual receipts of the last three years cannot exceed $7 to $17 million, depending on industry classification.

Personal guarantees are required from all principal owners and from the CEO of the business. Liens on personal assets of the principals may be required. It should be noted that while SBA offices across the country have the same policies and regulations, there are regional differences in loan packages. Contact the SBA at (800) 827-5722 for specifics in your area.

To receive an SBA loan, the **applicant must:**

- Be of good character.
- Demonstrate sufficient management expertise and commitment to running a successful operation.
- Have sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis.

**Documents required** by the SBA include:

- Current balance sheet (start-up businesses must prepare an estimated balance sheet and state the amount that the principals have invested in the business).
- Profit and loss statement for the current period and for the most recent three fiscal years, if available (start-ups must prepare a detailed projection of earnings for at least the first year of operation).
- Current fiscal financial statement for all principals/stockholders who own 20 percent or more of the business.
- A detailed list of collateral and its estimated present value.
- A completed loan package. Provided by banks, these packages give insight on the applicant and the business.
- A statement of the amount of the loan request and the purpose for which the funds are to be used.

**SBA 7(a) Program**

The 7(a) loan program is the SBA's general business loan program. The SBA is authorized to guarantee between 75 percent and 80 percent of a loan, up to a maximum of $750,000, for small businesses that cannot obtain financing on reasonable terms through normal lending opportunities. This includes acquisition of real estate, business expansion, machinery and equipment purchases, furniture and fixture purchases, working capital, and inventory purchases.

A major advantage of the 7(a) loan program, over a straight commercial loan from a private lender, is the typically extended repayment term. Working capital loans can have maturities of up to ten years, while 25 year maturities are available to finance fixed assets such as the purchase of real estates. Interest rates are negotiated between the borrower and the lending institution, subject to SBA maximums, and cannot exceed the prime rate plus 2.75 percent.

**SBA 504 Program**

The SBA 504 loan program, administered by SBA Certified Development Companies (504 CDCs), provides long-term, fixed rate capital to small businesses to acquire real estate, machinery and equipment for business expansion or facility modernization. The loans cannot be used for working capital purposes or to refinance existing debt, except to replace funds spent on the project in anticipation of the loan. The minimum debenture SBA 504 project amount is $125,000. The SBA's share of the loan cannot exceed $750,000 or 40 percent of the total project cost, whichever is less.

The 504 program requires that funds are provided by three sources:

- The business needs to find a conventional lender to provide a first-mortgage type loan for approximately 50 percent of the funds at a normal lending rate.
- A minimum of 10 percent of the funds is provided by the borrower.
- The remainder is provided by a Certified Development Company (CDC) through debenture bond sales. The CDC will sell debentures in the private market that are guaranteed by the SBA. These debentures pay a below market rate of interest twice annually. The maximum SBA debenture is $1 million. These debenture bonds are popular even at the lower rate of interest because the bond is completely guaranteed in the full faith and credit of the U.S. Government.

The business is required to pay the bi-annual interest on the debenture to the holder of the note, in addition to the normal payments to the lender for the loan that covered 50 percent of the financing. The bank is protected by a deed of trust or lien on the property having an appraised value great enough to support 100 percent of the loan.

**Community Development Corporations 504 Loan Lender**

A Community Development Corporation loan lender (504 CDC) provides financial assistance on participation with SBA under Title V of the Small Business Investment Act. A CDC may also aid a small business in obtaining other assistance from SBA by preparing loan applications, facilitating management and procurement assistance, and obtaining assistance from other government and non-government programs. CDCs are encouraged to organize resources for the economic benefit of small business in a fashion that will produce community economic development.

All SBA 504 loans must originate with and be administered by a 504 CDC loan lender. Businesses can go directly to a participating CDC to apply for the loan. The CDCs generally will approach banks with qualified borrowers but banks may identify potential candidates for these loans, advice them about the 504 program, assist them in contacting a CDC in their community, and arrange to meet with the CDC. Similarly, the SBA District Office can advice small businesses about this process and supply them with names of CDCs in the area. In order for an organization to be a CDC, it must be certified by the SBA.

The SBA’s microloan program is designed to support existing financial assistance opportunities for microenterprises, particularly those in low-income or rural areas. The program seeks to provide credit or enhancement to motivate local lending institutions to extend funding to firms that are in certain industries (i.e., service or retail), are young, and/or are small. This is a “direct loan” options, should there be extraordinary loan requests that cannot be funded through private sector participation or other funds. The scope of the MicroBusiness Loan Program relies on the following concepts:

A Direct Loan provision (lender of last resort) to accommodate loan requests that cannot be reasonably funded by the private sector.

The MicroBusiness Loan Program is being initiated to address a large credit gap in the capital which is made available to small businesses. It is not a borrowers incentive or subsidy program.

Although established to serve targeted business, the program is flexible enough to expanded, when fiscally practical, to meet the requests of a variety of businesses.

Traditionally small entrepreneurs suffer from a lack of capital. The approach of this program is to bring microbusinesses into the broad and diverse capital resources which are typically accessible to their mainstream competition. Thus the goals are to:

- Improve access to business credit by targeted small-scale businesses, including minority and women owned enterprises.
- Increase the success of businesses in the region.
- Motivate micro businesses in the region.
- Encourage local banks to provide credit to small firms.
- Leverage public money through private sector involvement.

In order to reach the goals described above, there are essentially three services, which are available to microbusinesses:

- Assistance in locating and developing receptive financing sources, in preparation and submission of financing packages, and in loan negotiations and closing.
- Assistance in **leveraging** capital resources for the purpose of directing and using these resources to the benefit of micro enterprises.

The program, also, actively looks for merger, acquisition, and joint venture opportunities. In addition, it pursues such business growth opportunities for minority and women owned businesses.

**Micro-loan Demonstration Program**

Through the Micro-loan Demonstration Program the SBA makes loans to private, non-profit, and quasi-governmental organizations who will make **short-term, fixed interest rate micro-loans** (up to $25,000) to start-up, newly established, and growing small business concerns. Funds are then provided with marketing, management, and technical assistance. The program helps women, low-income, and minority entrepreneurs who lack credit.

SBA grants are also made to non-intermediary lender non-profits to provide marketing, management, and technical assistance to low-income individuals seeking, with or without loan guarantees or private sector financing for their businesses.

Micro-loans can be used to purchase machinery and equipment, furniture and fixtures, inventory, supplies, and working capital. This is not part of the 7(a) program and funds cannot be used to retire existing debt. Loans must be repaid on the shortest term possible, no more than six years, depending on the earnings of the business.

Each organization has individual collateral requirements; assets bought with the loan are automatically considered collateral. Personal business owners guarantees are also commonly required.

**CAPLines**

CAPLines is used by SBA to help small businesses meet short-term and cyclical **working-capital needs.** Most loans can be for any amount and the following purposes:

Finance seasonal working-capital needs.
Finance direct costs needed to perform construction, service, and supply contracts.
Finance direct costs associated with commercial and residential building, construction without a firm commitment for purchase.
Finance operating capital by obtaining advances against existing inventory and accounts receivable.
Consolidate short-tern debt.

Fixed or variable interest rates are negotiated between the lender and borrower, and have a maturity of up to five years. The five short-term CAPLines programs are:

**Seasonal Line:** revolving or non-revolving, it advances funds against anticipated inventory and accounts receivable for peak seasons and sales fluctuations.
**Contract Line:** either revolving or non-revolving, it finances direct labor and materials costs associated with a performing assignable contract(s).
**Builders Line:** either revolving or non-revolving, it helps small contractors and builder in finance direct labor and materials costs. The project if the collateral.
**Standard Asset-Based Line:** provides finances for cyclical, growth, recurring, and/or short-term needs. Borrowers generate repayment by converting short-term assets into cash. Borrowers continually draw and repay as their cash cycle dictates. Businesses that provide credit to other firms generally use this; since loans require periodic servicing and monitoring of collateral, the lender may charge additional fees.
**Small Asset-Based Line:** provides an asset-based revolving line of credit up to $200,000, and operates like the Standard Asset-Base Line, except stricter serving requirements are waived, provided the borrower can consistently provide full repayment from cash flow.

**Low Documentation Loan Program (LowDoc)**

LowDoc is one of the SBA's most popular programs because of its **one-page application** form and rapid turnaround time (two to three business days) for loans of up to $100,000. Borrowers must meet the lender's credit standards before applying for a LowDoc loan. Business start-ups and businesses with fewer than 100 employees and with average annual sales of less than $5 million over the past three years are eligible for LowDoc.

**FA$TRAK**

FA$TRAK makes loans of up to $100,000 available **without requiring lenders to use the SBA process**. Approved lenders use existing documentation and procedures to make and service loans, and the SBA guarantees up to 50 percent of the loan. Maturities are 5-7-years for working capital and up to 25 years for real estate or equipment.

**Revolving Loan Funds (RLF's)**

In economically distressed areas, RLF's are vitally important to revitalization and growth as they are designed to alleviate the high cost and short supply of capital by providing flexible loan terms to entrepreneurs and business owners. RLF's make capital accessible to those unable to obtain financing from banks or other financial institutions, filling a credit gap for many small businesses. The RLF board tries to make the loans as affordable as possible by providing below market interest rates and longer loan terms.

Long-tern economic growth strategies must include methods to replenish funds that have been dispersed for business development. RLFs' constantly enlarging money pool meets this economic development need. Since most states prohibit the use of local revenue for private business assistance, public financing of private economic development traditionally has been capitalized and recapitalized with federal and state monies. However with RLFs, federal funds can be used to leverage further private investments, sometimes producing loan pools with as large a ratio as five or six private dollars to each public dollar. Because of their involvement in RLFs, private investors often influence how RLF loans are made.

In addition to the programs listed above, the following programs should be utilized to assist in the implementation of the proposals listed in the Comprehensive Plan:

- Community Services Block Grants
- Community Development Block Grants
- Transportation Equity Act for the 21st Century (TEA-21) programs:
  - Transportation Community and System Preservation
  - Transportation Enhancements
  - Scenic, Historical, and Trails
- U.S. Department of Commerce EDA programs:
  - Public Works
  - Economic Adjustment
- U.S. Department of Housing and Urban Development programs:
  - Assisted Living Conversion Program
  - Brownfields Economic Development Initiative (BEDI)
  - Community Development Block Grant (CDBG) Technical Assistance
  - Community Development Work Study
  - Community Housing Development Organizations (CHDO) Technical Assistance
  - Continuum of Care Homeless Assistance/Supportive Housing Program
  - Economic Development Initiative (EDI)
  - Empowerment Zone/Enterprise Community Initiative
  - Fair Housing Initiative Program (FHIP)
  - Healthy Homes Initiative
  - Hispanic Serving Institutions Assisting Communities
  - HOME Technical Assistance
  - Homeless Assistance Technical Assistance
  - Homeless Innovative Project Funding Grants
  - Homeownership Zones
  - HOPE 3
  - HOPE VI Demolition
  - HOPE VI Revitalization
  - Housing Choice Voucher Program
  - Housing Opportunities for Persons With AIDS (HOPWA) Competitive
  - Housing Opportunities for Persons with AIDS (HOPWA) Technical Assistance
  - HUD Colonias Initiative (HCI) Grant (non-CDBG)
  - Indian Community Development Block Grant (ICDBG)
  - Intermediary Technical Assistance Grants (ITAG)
  - Lead Hazard Control Program

Lead Hazard Research
Multifamily Housing Drug Elimination Grant Program
Outreach Technical Assistance Grants (OTAG)
Resident Opportunity and Self-Sufficiency Program (ROSS)
Rural Housing and Economic Development
Section 8 Housing Assistance Payments Program
Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings (Continuum of Care)
Self-Help Homeownership Opportunities Program (SHOP)
Shelter Plus Care (Continuum of Care)
Youthbuild

U.S. Department of Agriculture
Rural Development
Natural Resources Conservation Service

Environmental Protection Agency
Construction Grants Programs
Section 106 Water Pollution Control Program Grants
Indian Set-Aside Grants
Hardship Grants Program for Rural Communities
Water & wastewater grants
Brownfields Initiative Grants

## Outline of Redevelopment Plan

The Redevelopment Plan is organized in a manner that follows the outline of the Blight and Substandard Study. All provisions of the Blight and Substandard Study are incorporated herein by reference. There is one (1) community redevelopment area included in this Redevelopment Plan that is shown in Figure 1. The Redevelopment Plan will evaluate the Community Redevelopment Area and identify general redevelopment projects aimed at rehabilitating these areas.

In addition, the Redevelopment Plan includes a number of sections that are potential redevelopment areas, which are shown graphically in Figure 2, along with other potential redevelopment projects aimed at improving the quality of life in the community and eliminating blight and substandard conditions.

# Redevelopment Areas – City of Superior

The areas selected for the Redevelopment Plan includes five (5) areas within the City or Superior,. This is within the statutory limits afforded by City's to declare conditions of a blighted and substandard nature.

There are a number of specific redevelopment areas within the City, many of which contain older, more established sections of the community, including the Central Business District. Currently, land uses in the study area are a mix of commercial, residential, industrial, and a public/quasi-public uses.

### ■ SUBSTANTIAL NUMBER OF SUBSTANDARD STRUCTURES

Renovation, rehabilitation or removal of deteriorated or dilapidated structures must be addressed on a case by case basis. Each structure in a deteriorated or dilapidated condition may require a wide range of improvement efforts. However, not all structures may need the same level of improvement. In some cases, the best option to eliminate blight and substandard conditions may be the complete removal of the structure(s). Other structures requiring significant improvements, but which are structurally sound, may be a viable component of this area in the future and should be improved appropriately.

The City, property owners, and housing professionals should inspect structures located within deteriorated or dilapidated blocks, as identified in the Blight and Substandard Study, to determine those structures that meet guidelines for rehabilitation, or whether removal of the structure is the best course of action. In any case, structures that undergo rehabilitation will have to meet existing building codes and zoning regulations. When structures are deem uninhabitable, the City should move to demolish them.

### ■ CONDITIONS UNSANITARY AND UNSAFE / DETERIORATION OF INFRASTRUCTURE

There are a number of conditions in this area considered to be unsanitary and unsafe to the general public. With regard to streets, because a number of street segments are in poor conditions, the City should pursue the reconstruction/rebuilding and/or rehabilitation of these roadways in order to address issues such as potholes, sub-grade failure, and other problems that hinder traffic circulation in the community.

Future development in some sections of the community will increase the potential for high stormwater levels and localized periodic flooding. The removal of unsanitary and unsafe conditions should be addressed through future engineering projects to include paving, curb and gutter, storm sewer redesign and reconstruction, and sidewalk/pedestrian improvements. Furthermore, the presence of the floodplain in a large section of the community should be taken under further study to see what measures, if any, can be taken to provide additional flood protection.

Additionally, the removal of junk and other debris from properties should become a major focus for the City. The City should not only work with property owners on this issue, but others such as Nuckolls County, non-profit groups, and others to assist in the clean up of properties.

### ■ CONDITIONS DANGEROUS TO LIFE OR PROPERTY

The elimination of conditions dangerous to life or property due to fire or other conditions will be addressed through the actions discussed in all sections of this general Redevelopment Plan. The findings of the Blight and Substandard Study indicated that a number of factors attributed to the condition of the City as a whole. The number of structures in a substandard condition located in the individual study area area creates an ongoing threat to life and property due to fire or other factors and is an immediate concern to the community. Therefore, either rehabilitation, or the demolition and removal of the structure(s) determined to be in a state of deterioration or dilapidation is the overall objective in redevelopment projects identified for this area.

### ■ FACTORS IMPAIRING/ARRESTING DEVELOPMENT

Factors impairing or arresting new development include a combination of conditions found in this area. Based upon the Blight and Substandard Study, these factors are: 1) large tracts of undeveloped land; 2) faulty and inadequate platting and layout; 3) inadequate infrastructure; and 4) condition and age of structures.

The City and the CRA must address these issues as part of any proposed redevelopment for the study area. By addressing the identified problems, the City of Superior and the CRA will eventually eliminate these contributing factors, thus, aiding in the redevelopment and betterment of the community.

### ■ AVERAGE STRUCTURE AGE 40 YEARS AND OLDER

This factor is a visible condition of blight and will require a long-term plan to mitigate its impact within the redevelopment area. Through a rehabilitation or removal program, structures meeting the 40+age criteria that are in a deteriorated/dilapidated condition should be targeted for further study, and where practical remove these structures to lessen the blighted and substandard conditions impacting this area.

The average age of existing structures is not an item which will be easily removed. This is especially true if the CRA works to redevelop and rehabilitate the existing structures. Only through demolition and reconstruction will the average age of the City be lowered below 40 years of age.

## ■ COMPREHENSIVE PLAN AND ZONING ANALYSIS

The existing land use patterns within the study area were described in the Blight and Substandard Study section of this study. In general, the study area contains a mix of land uses. The primary land uses are comprised of public/quasi-public, residential, commercial, industrial and vacant land.

The Redevelopment Plan represents an effort to encourage land uses compatible with the existing environment and stimulate redevelopment opportunities in the future.

Figure 2 identifies the recommended future land uses within this redevelopment area. The recommended land uses are consistent with the Comprehensive Development Plan for the City of Superior. This figure shows that no changes are necessary in the current Future Land Use Plan for this redevelopment area. With regard to zoning, no zoning changes are proposed, and is therefore consistent with the current Zoning Ordinance for the City of Superior.

## ■ GENERAL REDEVELOPMENT RECOMMENDATIONS

As redevelopment projects are considered for the area, a number of existing blighted and substandard conditions should be improved through planning and redevelopment activities. These activities include:

- Removal of deteriorating or dilapidated structures. The determination of structure(s) to be removed will depend upon the severity of the substandard condition of individual structure(s);
- Renovate or rehabilitate structures deteriorating or dilapidated based upon structural analysis, building codes or economical reuse;
- Improve unsanitary and unsafe conditions related to inadequate drainage and other related infrastructure (i.e. culverts, curb and gutter);
- Develop and replace sidewalks;
- Street and Alley improvements;
- Assemblage and platting of land for redevelopment;
- Enforce existing municipal codes on properties that are detrimental to the health, safety and welfare of the community;
- Develop and improve public infrastructure on case by case basis to support redevelopment projects,
- Undertake landscaping, streetscape, and façade improvements in the Central Business District, particularly as part of a master plan for the downtown,
- Undertake landscaping, streetscape, and façade improvements in the Nebraska Highway 14/8 corridors, particularly as part of a master plan for each corridor,

- Undertake projects that improve pedestrian circulation and provide amenities such as trails and park improvements,
- Undertake projects that improve the quality of life, increase the economic development potential for the City, and help the community increase its tourism/recreational capabilities, and
- Undertake and support other economic development activities in the City such as special events, development organizations/foundations, economic development planning, business promotion/marketing, and business development/retention.
- Explore the potential of becoming a full member of the Lied Main Street Program.

## ■ CONCLUSION

As stated in the Blight and Substandard Study, there are a number of factors contributing to the Blight and Substandard conditions of the study areas. The recommendations listed above will aid the City of Superior and the CRA in creating a viable and sustainable urban environment in order to lessen the impact of the blight and substandard conditions located in the study areas.

Appendix A

Examples of Potential Redevelopment Projects/Activities