

# **City of Scottsbluff, Nebraska**

**Monday, September 13, 2021**

**Regular Meeting**

## **Item New Bus1**

### **Kersch Powerhouse Renovation Project**

*i. Conduct public hearing for the purpose of reviewing and obtaining comment on a Redevelopment Plan submitted by Kersch, LLC for the Kersch Powerhouse Renovation Project. The area to be redeveloped under the Redevelopment Plan is described as Lots 17 and 18, Block 2, Original Town Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska, commonly known as 1721 Broadway, Scottsbluff, Nebraska.*

*ii. Review and take action on a resolution recommending approval of the Redevelopment Plan for the Kersch Powerhouse Renovation Project submitted by Kersch, LLC.*

**Staff Contact: Zachary Glaubius, Planning Administrator**

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Correspondence  
To Scottsbluff Office

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To: City of Scottsbluff Planning Commission  
From: John L. Selzer, Deputy City Attorney  
Date: September 8, 2021  
Re: Kersch Powerhouse Renovation Redevelopment Plan

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**Introduction:** At your September 13, 2021 meeting you will conduct a public hearing regarding the Redevelopment Plan for the Kersch Powerhouse Renovation Project (the “Plan” and the “Project”). The Plan is currently a preliminary plan and there may be updates to the Plan. However, there are no updates expected which would change the issues addressed in this memo. The proposed Project is in an area that has been designated as blighted and substandard and in need of redevelopment. After the public hearing, you will make a recommendation regarding the Plan and Project to the Scottsbluff Community Redevelopment Authority (“CRA”) and City Council.

**Standard of Review:** The Planning Commission is tasked with reviewing and recommending whether the Project and Plan conform to the general plan for development of the City as a whole. Thus, you must analyze whether the Project and Plan conform to the 2016 Scottsbluff Comprehensive Plan (the “Comprehensive Plan”).

**Issues Relevant to Your Review:** The Project Site is described as Lots 17 and 18, Block 2, Original Town Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID 010305203), commonly known as 1721 Broadway, Scottsbluff, Nebraska.

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Downtown District and in the Central Business District Neighborhood. A theme for the Downtown District is to grow as a regional leader of commerce and economic activity. The Redeveloper’s development of an additional restaurant option in the downtown area, within close proximity to already established restaurants, provides an additional attraction to the downtown area. Principles for sustainable development for the Downtown District include retaining historical value of existing buildings and encouraging upper story housing to increase vitality to the Downtown District. The Central Business District Neighborhood contemplates active daytime, evening, and nighttime activities and C-1 as the appropriate zone. The Redeveloper’s development of the Project Site is consistent with the Comprehensive Plan.

The Project Site is zoned as C-1 (Central Business District) which includes restaurants, bars, taverns, professional and service offices, and rooming and residential use above the ground floor as principal permitted uses. Thus, no zoning changes are necessary.

**Conclusion:** If at the conclusion of the public hearing, the Planning Commission feels that the proposed Project and Plan conform to the Comprehensive Plan, it may recommend approval of the Plan and Project to the CRA and City Council. A proposed resolution has been provided.

**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**  
***Kersch Powerhouse Renovation***

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**CITY OF SCOTTSBLUFF REDEVELOPMENT PLAN**  
***Kersch Powerhouse Renovation***

**1. Introduction/Executive Summary**

Kersch, LLC (the “Redeveloper”) submits this Redevelopment Plan (“Plan”) to the City of Scottsbluff City Council (the “City”), the City of Scottsbluff Planning Commission (“Planning Commission”), and the City of Scottsbluff Community Redevelopment Authority (the “CRA”), according to the Nebraska Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*

Under this Plan, the Redeveloper proposes to acquire, rehabilitate, and renovate the “Project Site” to provide for a new restaurant, office space, and furnished apartments (the “Project”). The Project Site has been declared to be blighted and substandard. The Redeveloper is requesting tax increment financing for certain eligible costs and expenses related to the Project.

**2. Blighted and Substandard Condition of Project Site (NEB. REV. STAT. §§ 18-2103 (3) and (31) and 18-2109)**

The City has declared the Project Site and surrounding areas as blighted and substandard as defined in the Nebraska Community Development Law. *See* Attachment 1.

**3. Statutory Elements (NEB. REV. STAT. §§ 18-2103(27) and 18-2111)**

- A. *Boundaries of the Project Site:*** The Project Site is described as Lots 17 and 18, Block 2, Original Town Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska (Scotts Bluff County Parcel ID 010305203), commonly known as 1721 Broadway, Scottsbluff, Nebraska. Aerial maps of the Project Site are attached as Attachment 2.
- B. *Land Acquisition:*** The Redeveloper has a purchase agreement for the Project Site with the current owner.
- C. *Land Uses:*** The Redeveloper proposes to rehabilitate and renovate the “Project Site” to provide for a new restaurant, office space, and furnished apartments. *See* Attachments 3-5.
- D. *Land Coverage and Building Intensities:*** The Project Site is approximately 7,000 square feet. The footprint of the building on the Project Site is approximately 5,000 square feet. The building has a basement and four above-ground floors. Paving on the east side of the Project Site comprises approximately 2,000 square feet.
- E. *Site Plan:*** *See* Attachment 5.
- F. *Existing Uses and Condition:*** The first floor of the building on the Project Site had a banquet space, but is now vacant. The second floor is comprised of 50% occupied office space. The third floor has unoccupied office space. The fourth floor has unoccupied open space with unfinished remodeling. *See* Attachment 4. *See* Attachment 6 for Existing Site Photographs.
- G. *Demolition and Removal of Structures:*** No demolition is required for this Project.

- H. Population Densities:* The Plan does not contemplate a change in population densities around the Project Site. Increased traffic to and use on the Project Site will likely result due to the increased employment, occupancy, and customers on the Project Site.
- I. Zoning Changes:* The Project Site is zoned as C-1 (Central Business District) which includes restaurants, bars, taverns, professional and service offices, and rooming and residential use above the ground floor as principal permitted uses. Thus, no zoning changes are necessary.
- J. Additional Public Facilities and Utilities:* No additional public facilities and utilities are anticipated.
- K. Street Layouts, Street Levels, and Grades:* No changes to street layouts, street levels, and grades are needed for this Plan.
- L. Ordinance and Building Code Changes:* No ordinance or building code changes are contemplated by the Plan.

4. **Conformity to General Plan of the City (NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a)).**

The Planning Commission, City, and CRA are all tasked with determining whether this Plan conforms to the general plan for the development of the City as a whole. NEB. REV. STAT. §§ 18-2112, 18-2113(1), and 18-2116(1)(a).

According to the 2016 Scottsbluff Comprehensive Plan, the Project Site is in the Downtown District and in the Central Business District Neighborhood. A theme for the Downtown District is to grow as a regional leader of commerce and economic activity. The Redeveloper's development of an additional restaurant option in the downtown area, within close proximity to already established restaurants, provides an additional attraction to the downtown area. Principles for sustainable development for the Downtown District include retaining historical value of existing buildings and encouraging upper story housing to increase vitality to the Downtown District. The Central Business District Neighborhood contemplates active daytime, evening, and nighttime activities and C-1 as the appropriate zone. The Redeveloper's development of the Project Site is consistent with the Comprehensive Plan. Relevant excerpts from the Comprehensive Plan are attached as Attachment 7.

## 5. Proposed Financing

**A. Tax Increment Financing.** The Redeveloper is requesting tax increment financing to pay for statutorily eligible expenses, to the extent such funds are available. The tax increment financing will be generated from the increased property taxes to be paid on the Project Site after development all according to NEB. REV. STAT. § 18-2147. The amount of the available proceeds from tax increment financing ("TIF Revenues") is estimated at approximately \$956,310.00 calculated as follows:

a. Estimated Base Value:	\$ 274,294.00
b. Estimated Project Completion Value:	\$3,000,000.00
c. Tax Increment (b minus a):	\$2,725,706.00
d. Estimated Levy:	2.339%
e. Annual Projected Shift (rounded):	\$ 63,754.00
f. Total TIF Available (e multiplied by 15)	\$ 956,310.00

*Note: The above figures are based on estimated values, project completion/phasing timelines, and levy rates. Actual values and rates may vary materially from the estimated amounts.*

The TIF Revenues will be used to make principal and interest payments toward a tax increment financing bond ("TIF Indebtedness") to be held or sold by the Redeveloper. The principal amount of the TIF Indebtedness will be based on the eligible expenses actually incurred. The interest rate will be established as set forth in the Redevelopment Contract.

Because the Plan proposes the use of tax increment financing, the City must find that the Plan would not be economically feasible without the use of tax increment financing and the Project would not occur in the blighted and substandard area without the use of tax increment financing. The City and the CRA must also find that the costs and benefits of the Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed and been found to be in the long-term best interest of the community. NEB. REV. STAT. §§ 18-2113(2) and 18-2116(1)(b).

The Redeveloper certifies that the Plan would not be economically feasible and would not occur in the blighted and substandard area without the use of tax increment financing. Because of high acquisition and renovation costs, tax-increment financing is a necessary source of funding for the Project.

Notwithstanding the foregoing, the Redeveloper understands the liability of the CRA and City shall be limited to the TIF Revenues received by the CRA with respect to the Project available to pay the TIF Indebtedness issued for this Project and the Redeveloper shall look exclusively thereto for the payment on any TIF Indebtedness. The Redeveloper acknowledges that the above figures are, and any TIF Indebtedness will be set, based on estimates and assumptions, including expectations as to the completion of construction and valuations, suggested by the Redeveloper, which may alter substantially and materially, and/or certain project costs incurred by the Redeveloper, and that tax increment revenues may be altered or eliminated entirely based on future decisions of the Nebraska Legislature or the voters of the State of Nebraska or by future court decisions.

Below are the portions of the project, and estimated cost that the Redeveloper proposes to be paid for with TIF Revenues, to the extent available:

Description	Estimated Costs
Land Acquisition	\$ 950,000.00
Sitework	\$ 10,000.00
Fire Suppression	\$ 250,000.00
Plan Preparation/Legal	\$ 14,810.00
Total	\$ 1,224,810.00

**B. Private Investment/Financing.** The estimated TIF Revenues available will not be sufficient to cover the eligible costs. The Redeveloper will make a substantial private investment in and obtain private financing for the Project estimated at almost \$1,325,500.00.

**C. Workforce Housing/Façade Grants.** The Redeveloper is also budgeting for approximately \$380,000.00 in workforce housing and façade grants.

Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. A "TIF Adjustment" is made to show the TIF expenses that will not be covered by TIF, but rather private investment. This breakdown does not account for interest to be paid out of TIF funds.

Description	TIF Funds	Private Funds	
Land Acquisition	\$ 950,000.00		
Sitework	\$ 10,000.00		
Masonry		\$ 22,000.00	
Woods and Plastics		\$ 140,000.00	
Thermal Moisture		\$ 87,500.00	
Doors and Windows		\$ 85,000.00	
Finishes		\$ 147,000.00	
Specialties		\$ 16,000.00	
Fire Suppression	\$ 250,000.00		
Conveying System		\$ 209,500.00	
Mechanical		\$ 132,000.00	
Electrical		\$ 107,000.00	
Owner Supplied Items		\$ 38,500.00	
Indirect Construction Costs		\$ 11,000.00	
Permits, Taps, Impact Fees		\$ 3,000.00	
Telecommunication		\$ 3,500.00	
Commercial Equipment/Appliances		\$ 120,000.00	
Computers		\$ 7,500.00	
Supplies		\$ 12,500.00	
Decorative (FF&E)		\$ 165,000.00	
A/E Design		\$ 130,000.00	
Subtotals	\$ 1,210,000.00	\$ 1,437,000.00	\$ 2,647,000.00
Plan Preparation/Legal	\$ 14,810.00		
TIF Adjustment*	\$ (268,500.00)	\$ 268,500.00	<b>Total Project Cost</b>
Totals	\$ 956,310.00	\$ 1,705,500.00	\$ 2,661,810.00
Workforce Housing Grant/Façade Grant**		\$ (380,000.00)	
		\$ 1,325,500.00	
*Adjustment showing certain TIF costs estimated to not be covered by TIF proceeds			
**Shown for purposes of analyzing private investment			

*Please note that all the figures in this Plan are estimates and tax increment financing granted will be based on actual costs incurred for eligible expenses, as limited by tax increment revenues received.*

A proposed statutory Cost-Benefit Analysis of the Project is attached as Attachment 8.





**6. Implementation of the Plan**

Upon approval of this Plan, the Redeveloper will enter into a Redevelopment Contract with the CRA which shall govern the implementation of this Plan. All public improvements related to this Plan shall be according to (a) plans and specifications approved in writing by the City in advance of commencement of construction, (b) all ordinances and codes adopted by the City, as in effect at the time that the public improvements are constructed, and (c) any other agreement related to the public improvements between the Redeveloper and the City. The Redevelopment Contract between the Redeveloper and the CRA shall not replace or supersede the need for the Redeveloper to obtain other agreements, consents, permits, or licenses from the City related to the public improvements or other improvements as may be required by the City for the type of work to be performed on the Project Site.

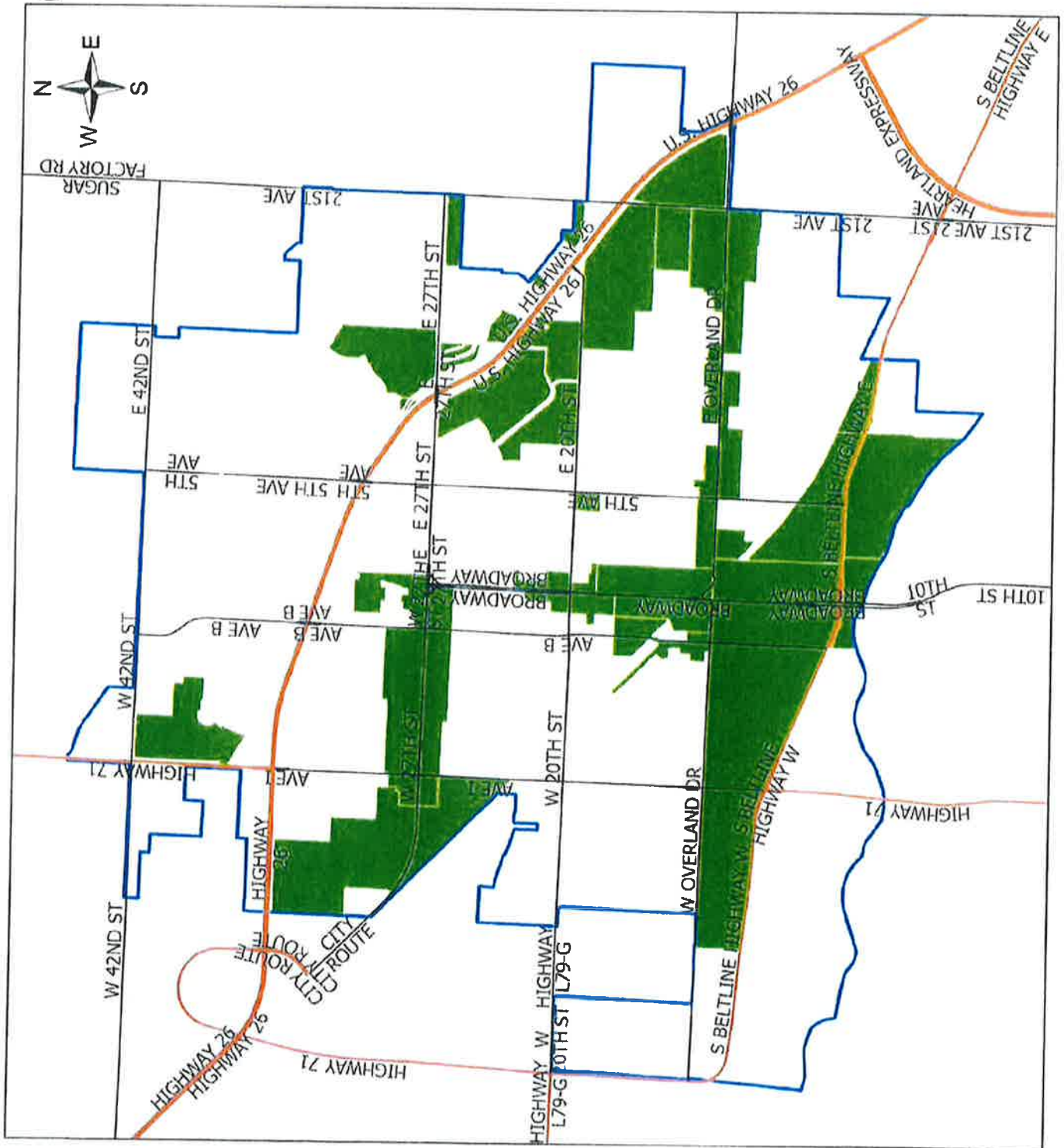
**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 1  
Blighted and Substandard Maps**

## Blight Areas

## Roads

-  Highway  
 Main Road  
 Residential  
 Corporate Limits  
 Blight Areas

**Taylor Stephens**  
City of Southburlift GIS  
Created on April 19, 2021  
Updated on June 23, 2021  
Coordinate System:  
NAD 1983 State Plane Nebraska  
FIPS 2600 Feet  
Lambert Conformal Conic





# Blighted and Substandard Area Area Closeup



September 1, 2021

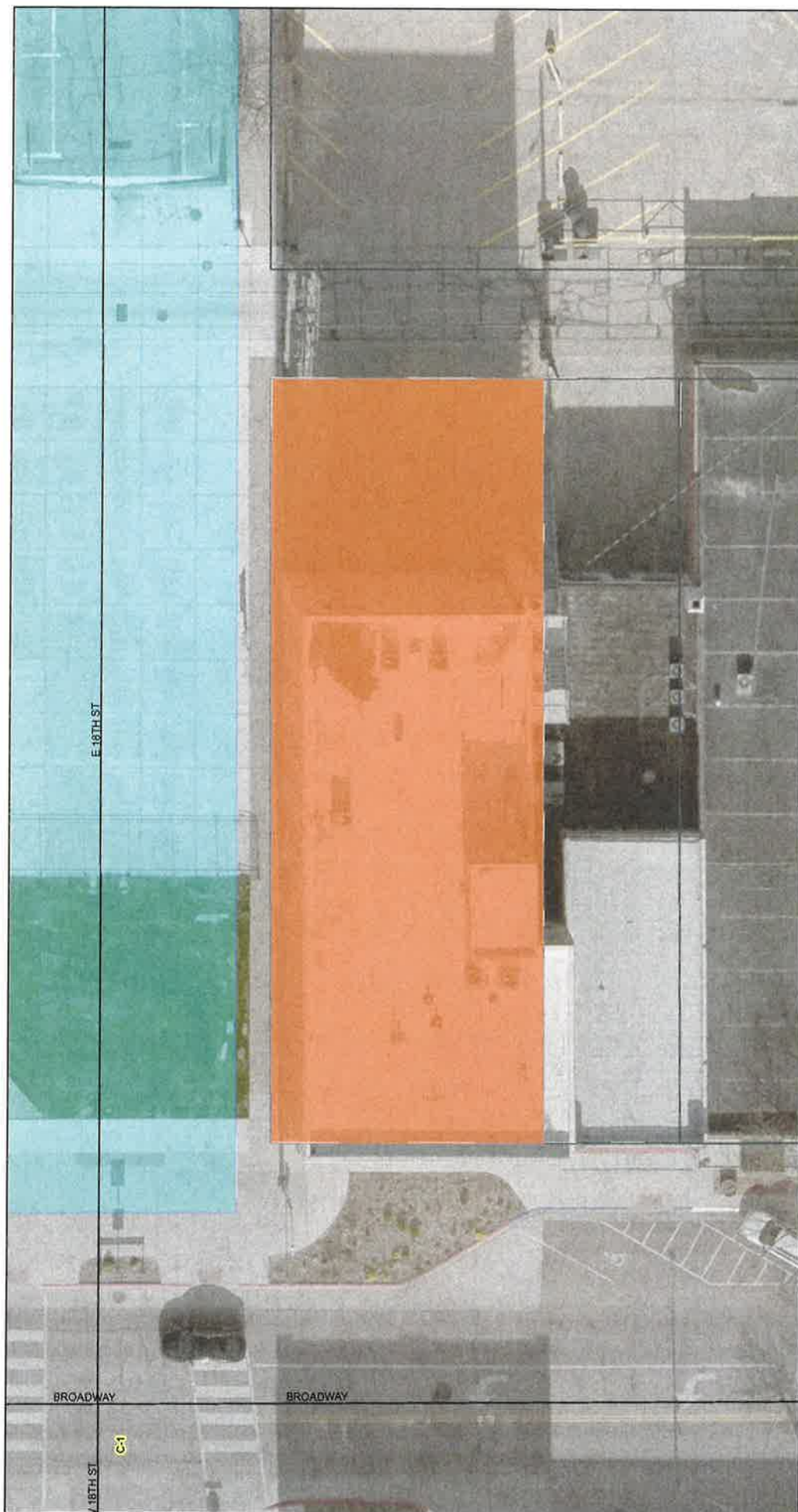
**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 2  
Maps of Project Site**







# Project Site



September 1, 2021

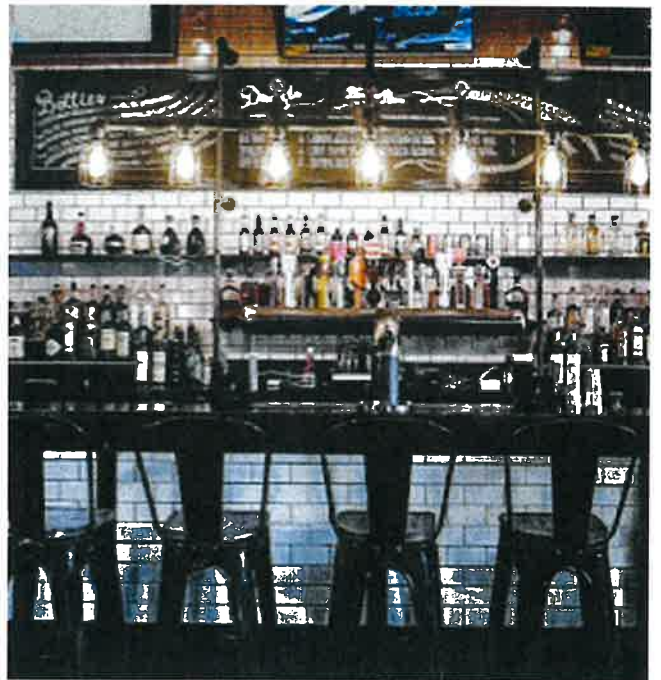
**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 3  
Project Highlights**



CONFIDENTIAL AND PROPRIETARY

# TAB 4

## PROJECT HIGHLIGHTS



POWERHOUSE - SCOTTSBLUFF

# PROJECT HIGHLIGHTS

This market analysis and economic feasibility study represents our best judgment and professional opinion based on a thorough review of the building supply and demand of the Scottsbluff/Gering market area. This report was compiled by Dave Schaff, a local business executive with experience with commercial and residential properties in the region. Mr. Schaff has worked as a Civil Engineer in the Pacific Northwest as well as western Nebraska. He grew up in the area, went to school at the University of Wyoming and moved back to Scottsbluff over 20-years ago after living and working in the Seattle area. Mr. Schaff currently owns or is a partner in 7 corporations and is actively involved in all of them. His most recent venture included the Fairfield Inn and Suites in Scottsbluff, NE.

Below: Existing Restaurant Space



Here is an Executive Summary of our findings and conclusions:

## Forecast of Future Performance

Based on economic indicators and market drivers, the proposed property (the Powerhouse) could achieve a permanent restaurant tenant on the first floor and a first year occupancy of 65.0% in the executive apartments with an average monthly revenue of \$27,593.00 (\$331,116.00 annually). We forecast the first year total gross operating profit of \$69,628 and cash available for debt service at 58% or \$192,160.20.

## General Market Trends

The Scottsbluff/Gering area is the regional economic and social hub of the Nebraska panhandle. The market trends regarding housing, median household income, employment growth and new business growth provide a positive environment for the development of the downtown property. The only issue that we are concerned about is the labor situation in the Scottsbluff/Gering area. Unemployment is extremely low and filling the property with businesses at lower wage, entry level jobs have become somewhat difficult for existing businesses.

POWERHOUSE - SCOTTSBLUFF

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*The  
Scottsbluff/  
Gering area  
is the regional  
economic and  
social hub of  
the Nebraska  
panhandle.*

An additional restaurant option in the downtown area, in particular within close proximity to already established, trendy restaurants in the area, is a viable opportunity that will help attract additional patrons to the downtown area. It is anticipated that a midscale dining opportunity would help attract additional patrons based on more variety, which will help other eating establishments close by.

The existing office space located on the second floor is currently 60% occupied. The high end furnishings and unique style provided by the building should be in high demand for small, one office, and professional style tenants. It is anticipated that the unoccupied space could be 65% utilized with some additional marketing and advertising.

Having hospitality ties to the area, it is evident that additional space, in particular extended stay properties are in demand. By having the five furnished apartments available in a highly desirable area providing F/B as well as entertainment and workout space, an occupancy of 65% should be attainable based on hotel trends in the area. The property will need to be creative in marketing techniques. By capitalizing on the existing base of business travelers, the apartments should be able to attract high quality tenants who will be somewhat transient in nature seeking stays in the area of 2-weeks or more.

#### **Site and Surrounding Area**

We studied the site and surrounding area in terms of location, traffic, access, visibility, zoning, adjacent land uses, and adjacent land owners. We want to point out several items: (1) the property is located directly adjacent to the 18th Street Plaza. This area has seen a number of improvements in recent years including abandoning 18th Street right of way and pavement directly north of the property. This area is slated to go through additional improvements and will be a huge benefit to the proposed use of the property. By providing open public space adjacent to the building, the area will become more inviting for longer stays in the direct vicinity of downtown. In addition, there is a proposed stage area for regular entertainment adjacent to the building. This will allow for open seating at the property which would enhance the dining experience of the first

Below: 18th Street Plaza



**POWERHOUSE - SCOTTSBLUFF**

floor use as a restaurant. The farmers market and other planned annual events taking place in the plaza, once again will be a huge benefit for the building. (2) The facility is anticipating making use of the rooftop as an additional event space or scheduled bar use. Being unique to the area, this space should be profitable with some expense. The use of the rooftop now makes the building a 6-story investment property. (3) The property is located at the heart of the downtown and is a dominant structure for the Downtown Business District. Its current underutilization has been a detriment to other businesses in the area and by refocusing the District to more of an entertainment area, the property has a significant upside. (4) The property is located in the direct vicinity of the Midwest Theatre. The events held at the theatre will provide additional use during the winter months as they host a number of seasonal entertainment options. Partnering with the theatre will provide an additional opportunity during down months in the area.

### Lodging Supply Analysis

There are twelve hotels in the Scotts Bluff County market area. They have a total of 700 guest rooms available per day and 254,405 available annually. Four hotels are considered primary competitors to the proposed property. Those hotels are the Fairfield Inn and Suites, (85 rooms), Hampton Inn & Suites Hotel and Conference Center (81 rooms), the Holiday Inn Express Hotel & Suites (70 rooms) and the Weborg 21 (newest property with 22 suites). The four hotels achieved an estimated 2018 year-end occupancy average of 65% and an estimated year-end average daily room rate of \$94.33. However, the only full suites available are in the Weborg 21 hotel located in an industrial area on the Scottsbluff/Gering highway.

### Lodging Demand Analysis

The Scottsbluff/Gering area has a significant number of demand generators for lodging and the marketing should start the moment the property construction begins. The proposed apartments will have opportunities in every segment, in every season of the year. During the summer months, the leisure demand will provide the apartments with countless opportunities to fill space, we feel that once the property matures, the major extended stay generators will appreciate the location in downtown Scottsbluff along with its entertainment and eating opportunities.

Area businesses are generating demand and staying at hotels that are inadequate for their needs and creating negative guest experiences. This is pertaining primarily to the extended stay market that would prefer a fully furnished apartment. The Fairfield Inn, Hampton Inn and Holiday Inn Express have great guest scores, but very few others in the market do. We feel that the apartments should focus a significant effort on establishing themselves as a preferred extended stay lodging facility for the region and not just Scottsbluff. Niche marketing should be used to identify every type of visitor and to promote the apartments to each potential guest.

Below: Existing lodging supply examples in Scottsbluff/Gering area.



**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 4  
Utilization**



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# TAB 5

## UTILIZATION

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POWERHOUSE - SCOTTSBLUFF

# UTILIZATION

*All findings, estimates, assumptions, and conclusions discussed in this report are integral parts of the analyses and estimates which follow.*

## General

Based upon an assessment of the market demand and support for the redevelopment of the proposed property, we have estimated the potential utilization for the facility for the first five years of full-scale operation. All findings, estimates, assumptions, and conclusions discussed in this report are integral parts of the analyses and estimates which follow.

## Occupancy

The property utilization is roughly 11% of the total square footage available. This rate is generated by suggesting that 1,700 square feet of space is occupied by current tenants of the 18,500 square feet available on floors 1-4.

The first floor is currently set up as "event" space which is used sparingly. The transition into a successful full time restaurant should be fairly easy by adding additional restrooms and a commercial kitchen. It is anticipated that the space could seat 120-200 capacity with some additional if an outdoor seating arrangement is developed on the plaza side of the building. We would anticipate a long term lease arrangement for the first floor. Additional restaurant projects are included in the proforma.

There are four additional offices on the second floor that are ready for renting. It is anticipated that with some effort, an additional 65% of that space could be

rented on a regular basis generating roughly \$1,100/month in additional revenue. The current leasers on the second floor are very reputable businesses which will generate interest from other small businesses as neighbors.

The third floor is currently set up as offices. Although somewhat usable, they would be difficult to lease at their current use. The property will be redeveloped into five studio or 2-bedroom furnished apartments with controlled access. With appropriate marketing techniques, it is anticipated that the occupancy of these apartments would be similar to the historic occupancies of local hotels at 65%. With an average rental rate of \$1,500 a month per apartment, the revenue generated on the third floor would be roughly \$4,940 a month. In addition, one of the fiber optic companies currently pays for a trunk line into the building which provides an additional \$2,000 per month lease and takes up minimal space.

The fourth floor was in the process of being remodeled. The original intent was to develop a "museum" of sorts for a doll collection. A number of walls have been removed and a few miscellaneous items added such as a bathroom. The options for this space are open, however, for purposes of this analysis we anticipate redeveloping the fourth floor into a "Penthouse" for the property. Providing a unique opportunity for urban living in downtown Scottsbluff would be a unique experience and generate a useful occupancy for the property.

If the residential redevelopment would not be conducive to the project, the space could easily be converted to an event space usable for the restaurant tenant on the first floor. The space could then be rented by the hour or event. However, there is an abundance of event space available in the area and its utilization could be marginal.

**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 5  
Site Plan/Schematics/Layouts**

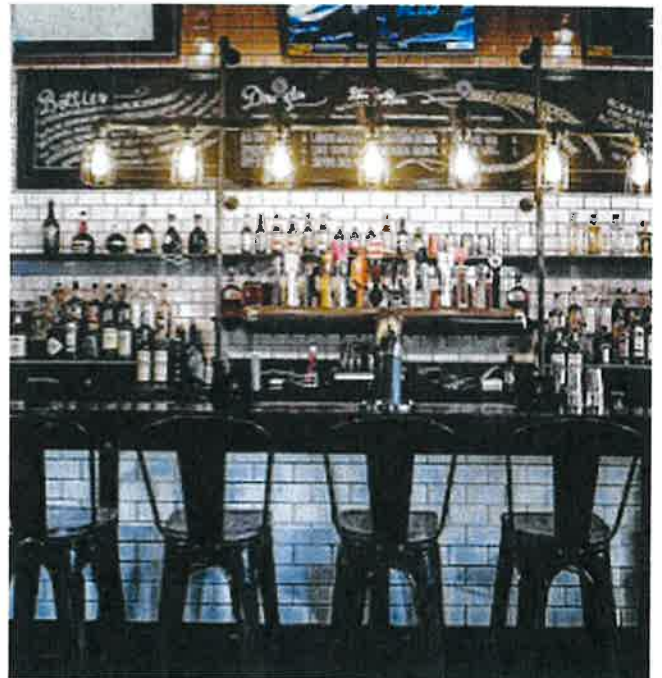


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# APPENDIX A

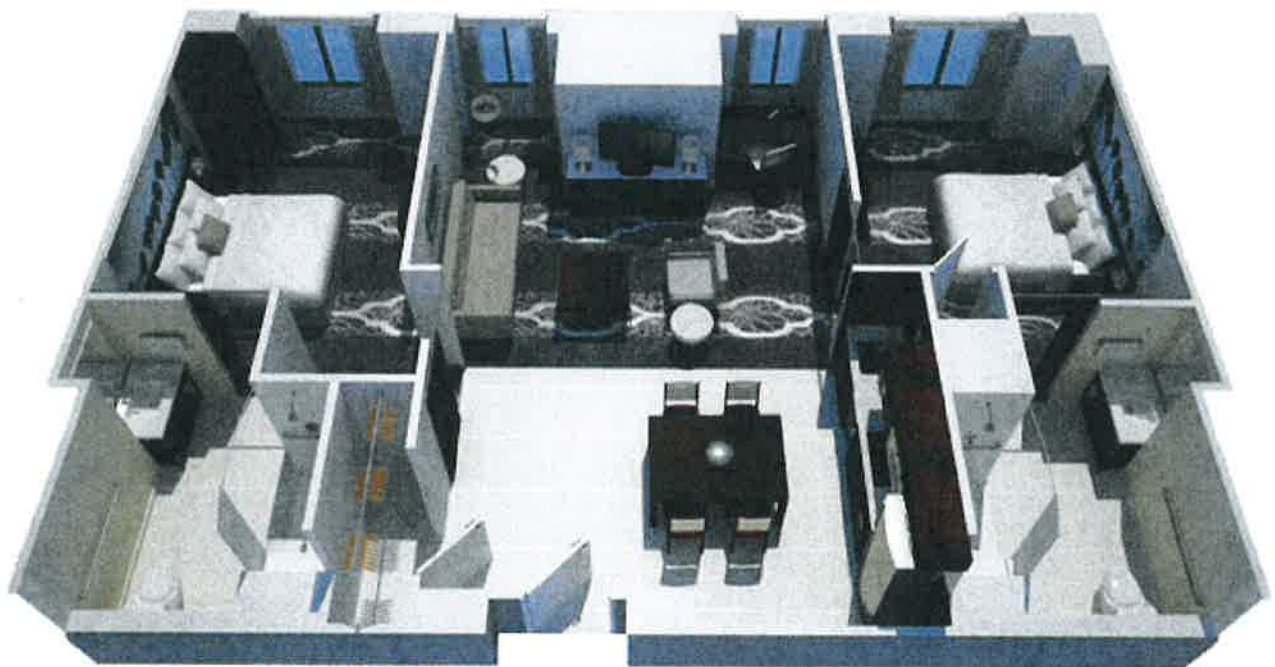
## PROPERTY PROTOTYPE SCHEMATICS PRELIMINARY SITE LAYOUT

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POWERHOUSE - SCOTTSBLUFF

# PROPERTY PROTOTYPE SCHEMATICS





## One-Bedroom Suite

Avg. 494 sq. ft.

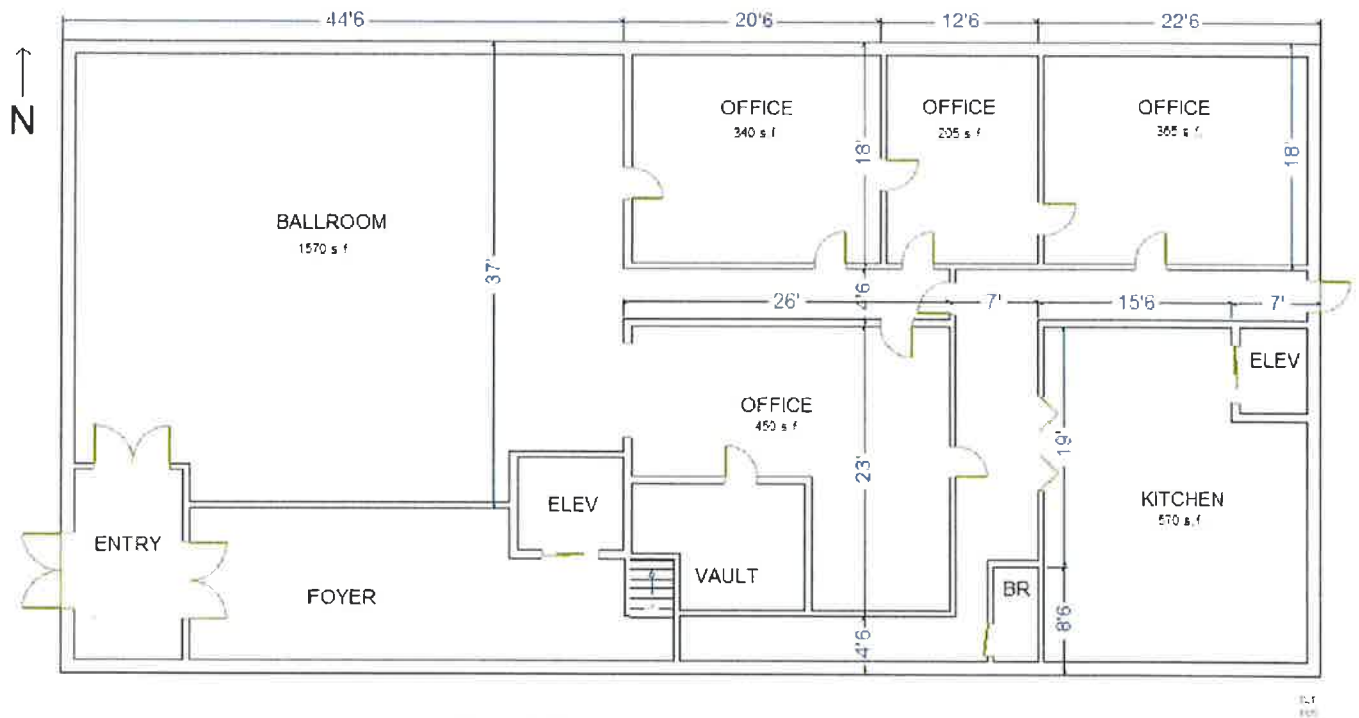
- Sleeps 1-4 people
- Spacious living room with sofa bed
- Separate bedroom
- In-room work space
- Fully equipped kitchen
- Dining area
- Bathroom with separate vanity area
- Luxury bedding and linens
- Free high-speed Internet
- 2 televisions



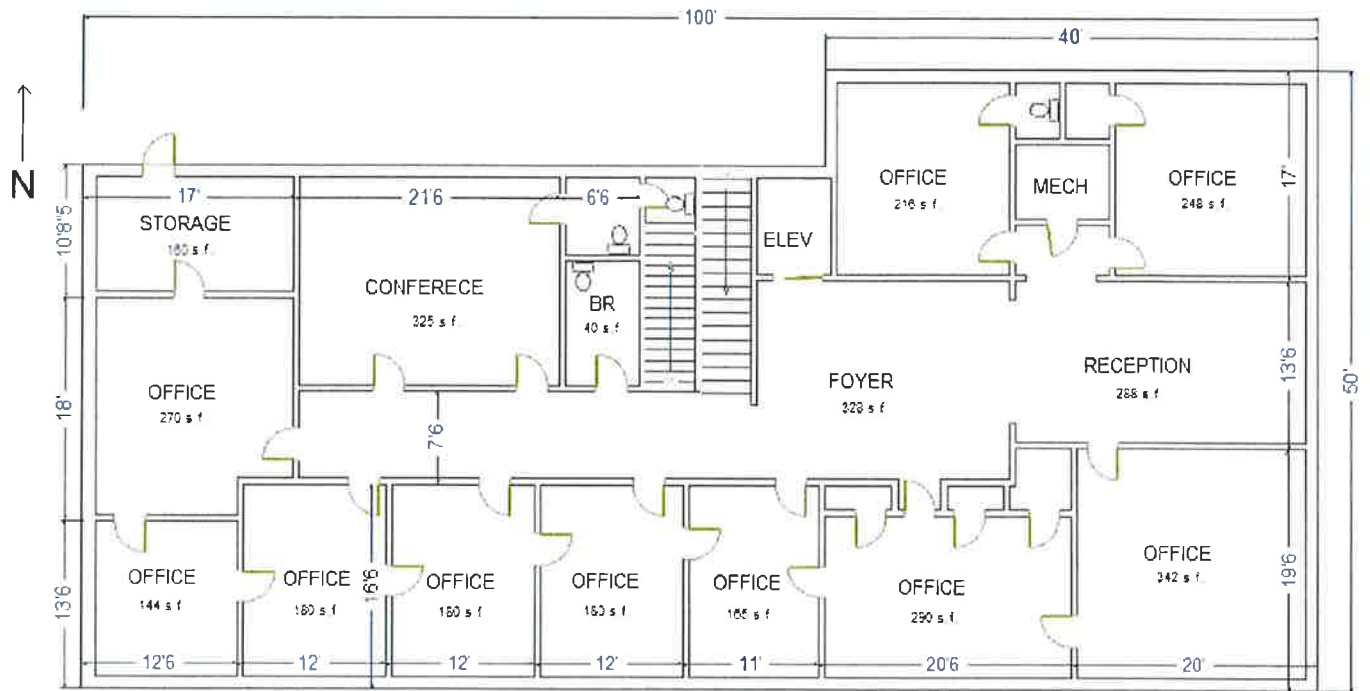
Floorplans can vary by location.



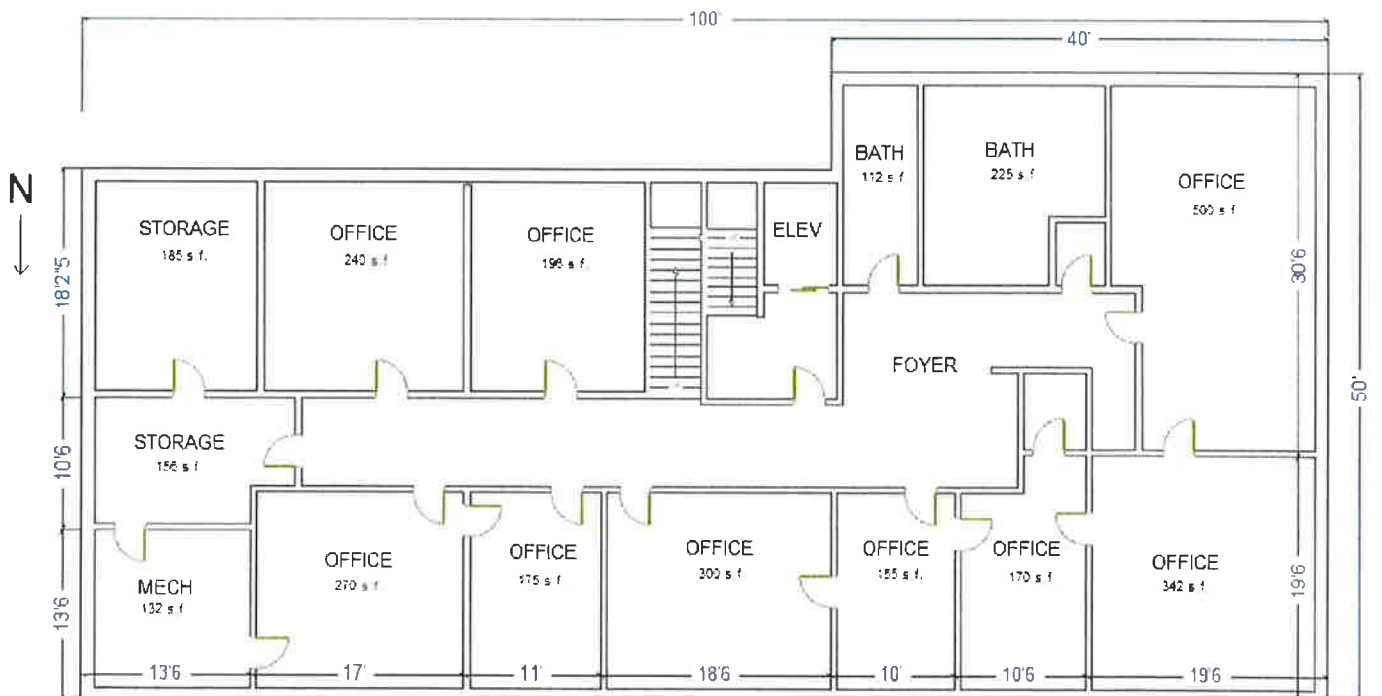
# PRELIMINARY SITE LAYOUT



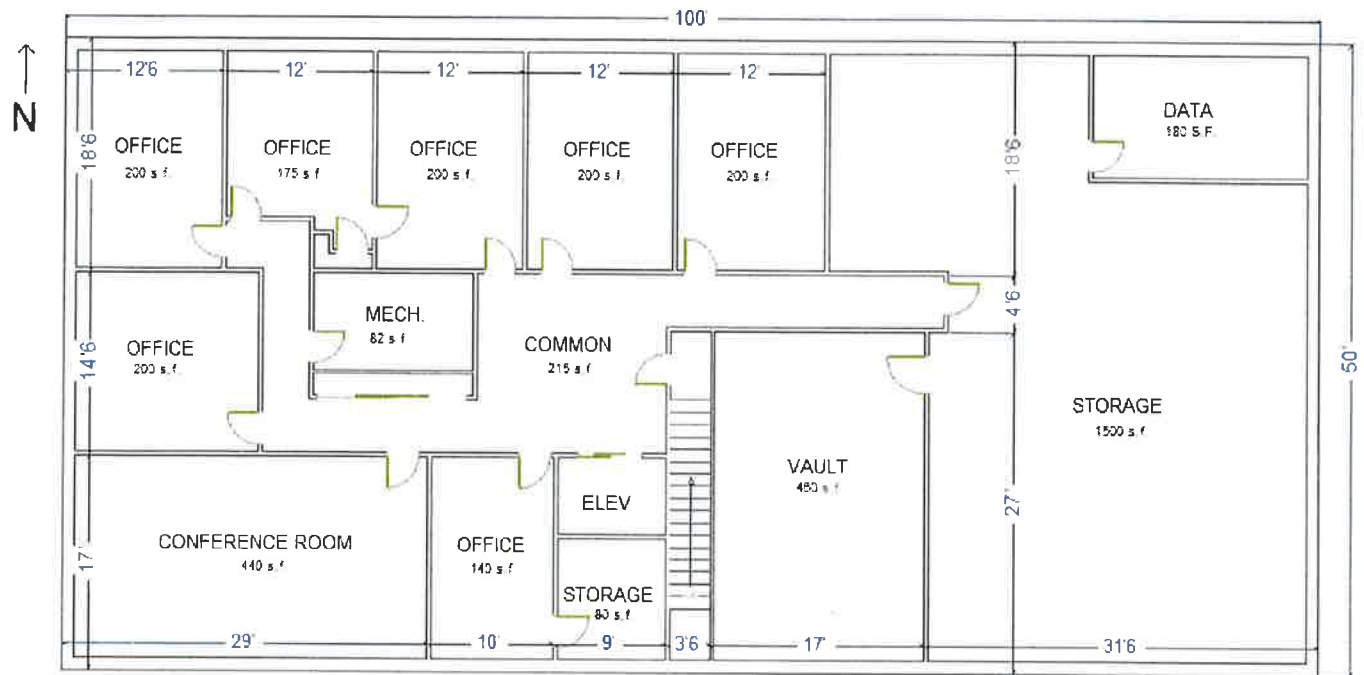
POWERHOUSE 1ST FLOOR



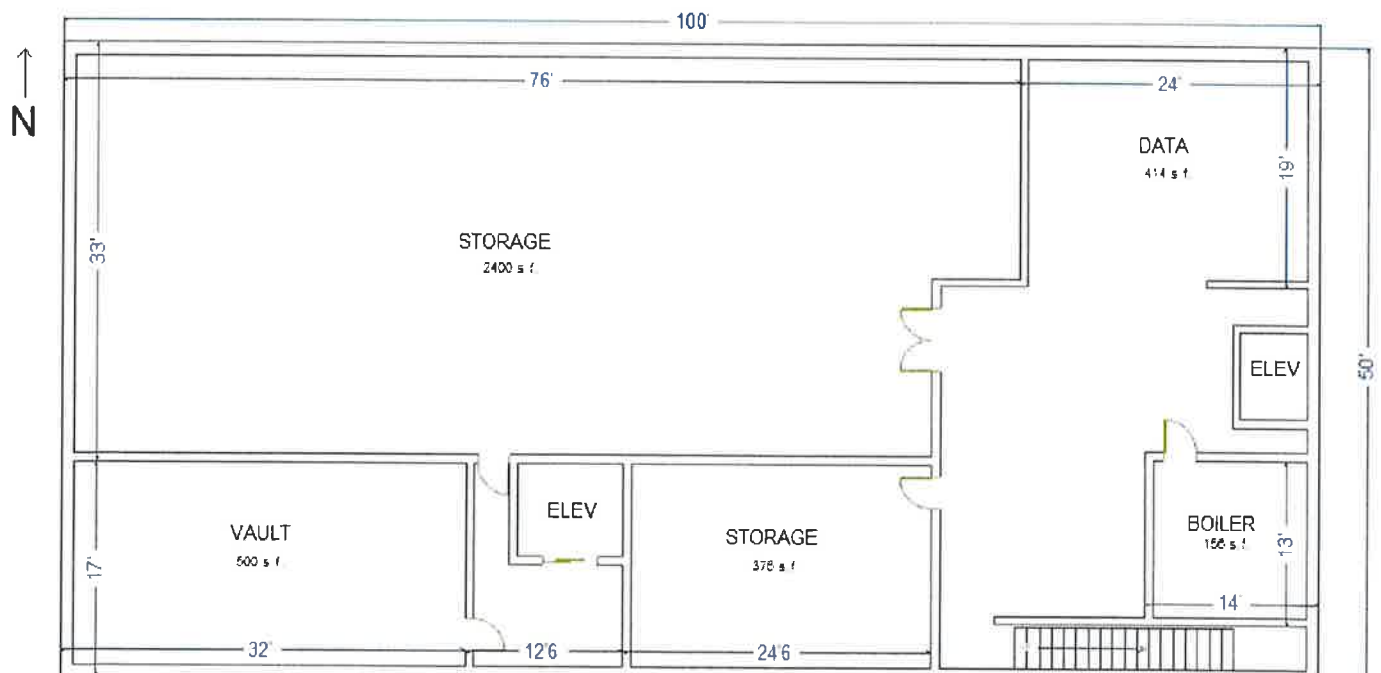
POWERHOUSE 2ND  
FLOOR



POWERHOUSE 3RD  
FLOOR



POWERHOUSE 4TH FLOOR



POWERHOUSE BASEMENT

**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 6  
Existing Site Photographs**

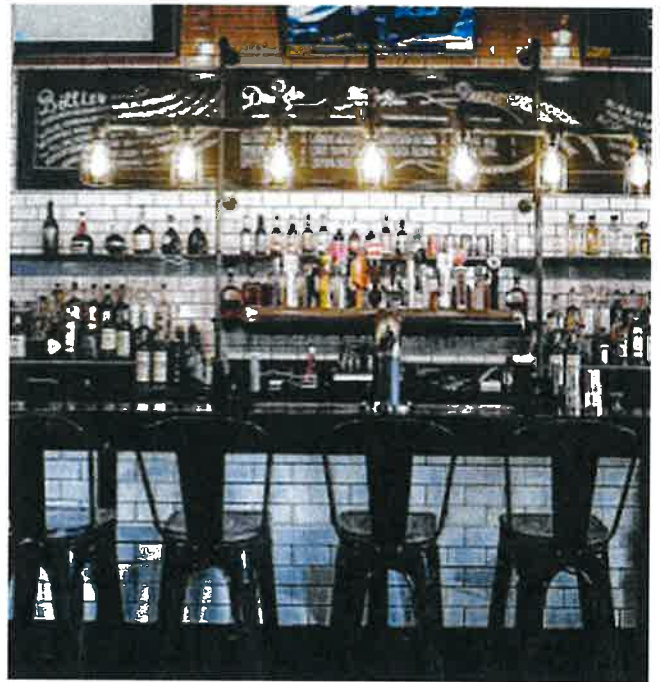


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# APPENDIX F

## EXISTING SITE PHOTOGRAPHS

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POWERHOUSE - SCOTTSBLUFF



# EXISTING SITE PHOTOGRAPHS



*Building  
Exterior*

*Architectural detail  
Front profile  
Rear profile*



POWERHOUSE - SCOTTSBLUFF

*Building Interior - First Floor*



POWERHOUSE - SCOTTSBLUFF

53



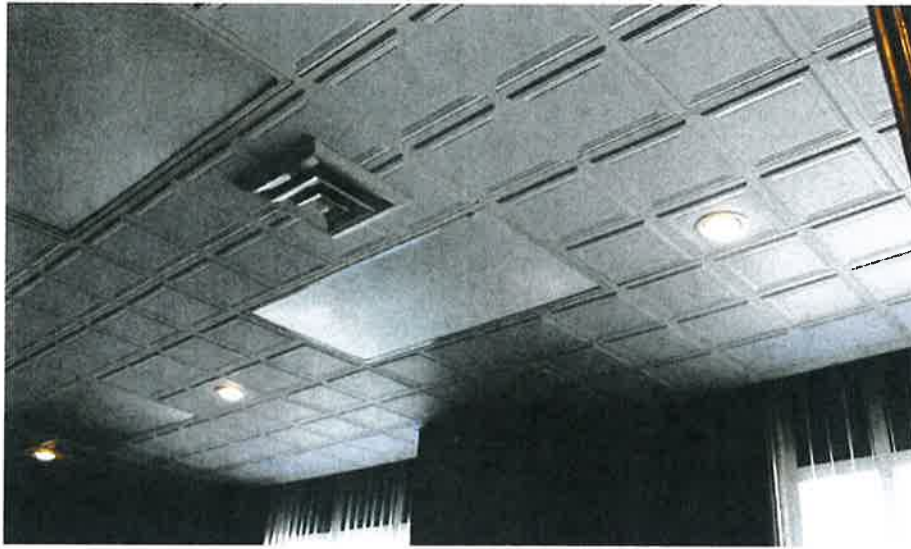
*Building Interior - First Floor*



**POWERHOUSE - SCOTTSBLUFF**

54

*Building Interior - First Floor*



POWERHOUSE - SCOTTSBLUFF



*Building Interior - First Floor*



*Building Interior - Second Floor*



POWERHOUSE - SCOTTSBLUFF

56

*Building Interior - Third Floor*



POWERHOUSE - SCOTTSBLUFF

57



*Building Interior - Third Floor*



POWERHOUSE - SCOTTSBLUFF

58

*Building Interior - Third Floor*



POWERHOUSE - SCOTTSBLUFF

59



*Building Interior - Fourth Floor*



POWERHOUSE - SCOTTSBLUFF

60

*Building Interior - Fourth Floor*

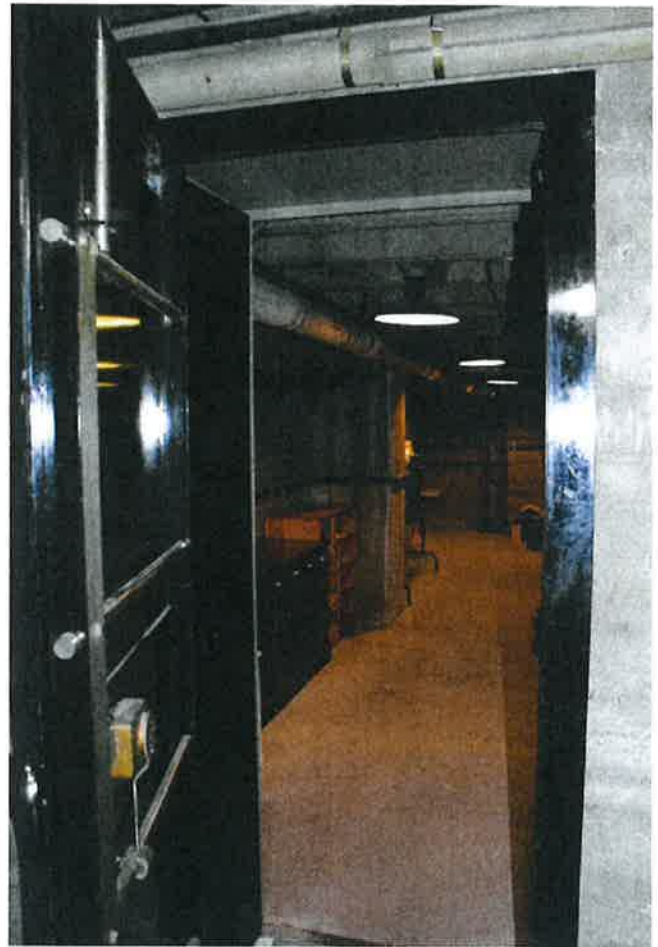


**POWERHOUSE - SCOTTSBLUFF**

61



*Building Interior - Basement*



**POWERHOUSE - SCOTTSSLUFF**

62

*Building Interior - Rooftop*



**POWERHOUSE - SCOTTSBLUFF**



**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 7  
Excerpts from Comprehensive Plan**

## Downtown

### Themes:

1. **Growing as a regional leader of commerce and economic opportunity**
  - Key area for light commercial (primarily retail) businesses.
2. **Living into our unique character of a city in the country**
  - Historic district with unique features. Cultural hub of the city with a focus on the arts.
3. **Promoting the health and happiness of all citizens**
  - Social, mental, physical well-being through prosperity, care, and physical environment conducive to activity.
4. **Inclusive Opportunities for participation in civic life**
  - Centralized gathering place for community events.

### Principles:

5. **Interconnection of Neighborhoods and amenities**
  - a. Transportation amenities should prioritize pedestrians. Encourage residents to park and walk.
  - b. Connection to other services and areas of the city through multiple modes of safe transportation; bike lanes could connect to other pathways throughout the City.
6. **Sustainable development**
  - a. Reduce impervious cover- decrease stormwater runoff while providing aesthetically pleasing landscaped areas.
  - b. Focus on tree planting to help moderate temperatures and beautify public spaces.
  - c. Continue making public improvements in landscaping and other public facilities to encourage additional private investment.
  - d. Maintain landscaped areas to keep them attractive long-term.
7. **Access to culture and recreation**
  - a. Partner with Midwest Theater, Western Nebraska Arts Center to provide cultural opportunities downtown.
  - b. Access to walking paths; signage to encourage more walking downtown.
8. **Strong neighborhoods and places, rooted in our unique character**
  - a. Promote cultural hub of the community through built design of buildings
  - b. Retain historical value of existing buildings
  - c. Encourage upper-story housing to increase vitality of the district

## Downtown Neighborhoods

### *Central Business District*

Appropriate Zones: C-1

- **Hours:** Active daytime, evening, and nighttime activities
- **Auto:** Formalized bicycle and pedestrian accommodations. Pedestrian oriented along Broadway
- **Mass:** Allowable height up to 70 feet, zero setbacks. Buildings should take up entire lot-green space provided in public facilities.

- **Emissions:** High activity during the day, evening, and late night. Lights that reflect historical character of district.

**Kersch Powerhouse Renovation Redevelopment Plan  
Attachment 8  
Proposed Cost-Benefit Analysis**



COMMUNITY REDEVELOPMENT AUTHORITY, CITY OF SCOTTSBLUFF, NEBRASKA  
Kersch Powerhouse Renovation  
COST-BENEFIT ANALYSIS  
(Pursuant to Neb. Rev. Stat. § 18-2113)

**A. Project Sources/Use of Funds:** An estimated \$956,310.00 of TIF Revenues are available for this Project. This public investment will leverage approximately \$1,325,500.00, in private sector investment; a private investment of approximately \$1.39 for every TIF dollar invested, plus potentially an additional \$380,000.00 in grants. Below is a breakdown of estimated costs and expenses of the Project and the use of funds for each. A “TIF Adjustment” is made to show certain TIF expenses that will not be covered by TIF, but rather private investment. This breakdown does not account for interest to be paid out of TIF funds.

Description	TIF Funds	Private Funds	
Land Acquisition	\$ 950,000.00		
Sitework	\$ 10,000.00		
Masonry		\$ 22,000.00	
Woods and Plastics		\$ 140,000.00	
Thermal Moisture		\$ 87,500.00	
Doors and Windows		\$ 85,000.00	
Finishes		\$ 147,000.00	
Specialties		\$ 16,000.00	
Fire Suppression	\$ 250,000.00		
Conveying System		\$ 209,500.00	
Mechanical		\$ 132,000.00	
Electrical		\$ 107,000.00	
Owner Supplied Items		\$ 38,500.00	
Indirect Construction Costs		\$ 11,000.00	
Permits, Taps, Impact Fees		\$ 3,000.00	
Telecommunication		\$ 3,500.00	
Commercial Equipment/Appliances		\$ 120,000.00	
Computers		\$ 7,500.00	
Supplies		\$ 12,500.00	
Decorative (FF&E)		\$ 165,000.00	
A/E Design		\$ 130,000.00	
Subtotals	\$ 1,210,000.00	\$ 1,437,000.00	\$ 2,647,000.00
Plan Preparation/Legal	\$ 14,810.00		
TIF Adjustment*	\$ (268,500.00)	\$ 268,500.00	<b>Total Project Cost</b>
Totals	\$ 956,310.00	\$ 1,705,500.00	\$ 2,661,810.00
Workforce Housing Grant/Façade Grant**		\$ (380,000.00)	
		\$ 1,325,500.00	
*Adjustment showing certain TIF costs estimated to not be covered by TIF proceeds			
**Shown for purposes of analyzing private investment			

**B. Tax Revenues and Tax Shifts Resulting from the Division of Taxes.**

Taxes from base value of the Project Site will be available to the local taxing jurisdictions regardless of the tax increment financing. The estimated current value of the Project Site is \$274,294.00. Taxes from the current value of the Project Site are approximately \$6,140.00 per year. The local taxing jurisdictions are the City, Scotts Bluff County, Scottsbluff Public Schools, WNCC, ESU 13, and North Platte NRD. The tax increment revenues from this Project will not be available to local taxing jurisdictions for up to 15 years after the effective date of the division of taxes. During those times, the tax increment revenues from the Project Site will be used to reimburse the Redeveloper for the eligible development costs (with interest) necessary for the Project. The estimated average annual tax increment revenues are calculated as follows:

a. Estimated Base Value:	\$ 274,294.00
b. Estimated Project Completion Value:	\$3,000,000.00
c. Tax Increment (b minus a):	\$2,725,706.00
d. Estimated Levy:	2.339%
e. Annual Projected Shift (rounded):	\$ 63,754.00
f. Total TIF Available (e multiplied by 15)	\$ 956,310.00

*Note: The above figures are based on estimated values, project completion/phasing timelines, and levy rates. Actual values and rates may vary materially from the estimated amounts.*

**C. Public Infrastructure and Community Public Service Needs Impacts and Local Tax Impacts Arising from Project Approval.**

The Project will rehabilitate and increase utilization of an underutilized building in the Downtown area of the City. Potential uses may include (1) extended stay lodging, which would increase hotel accommodation tax and relocate business travelers and tourists to the Downtown area and (2) apartments which would increase local housing. No negative tax impacts from public infrastructure costs are anticipated.

**D. Impacts on Employers and Employees of Firms Locating or Expanding Within the Boundaries of the Redevelopment Project Area.**

The Redeveloper anticipates including a restaurant, which will increase employment opportunities, and office space for businesses.

**E. Impacts on other Employers and Employees within the City and immediate area located outside the Redevelopment Project Area.**

None anticipated.

**F. Impacts on Student Populations of School Districts within the City.**

None anticipated.

**G. Other Impacts.**

Local contractors and consultants will perform the work.  
Increase in personal property taxes due equipment and other personal property.

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**RESOLUTION \_\_\_\_\_**

**BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF  
SCOTTSDLUFF, NEBRASKA:**

**Recitals:**

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, a redevelopment plan titled *Kersch Powerhouse Renovation* by Kersch, LLC (the “Redevelopment Plan”) has been submitted to the Planning Commission.

b. The Planning Commission has reviewed the Redevelopment Plan as to its conformity with the 2016 Scottsbluff Comprehensive Plan (the “Comprehensive Plan”).

**Resolved:**

1. The Planning Commission finds that Redevelopment Plan conforms to the Comprehensive Plan and recommends approval of the Redevelopment Plan to the Scottsbluff Community Redevelopment Authority and City Council.

2. All prior resolutions of the Commission in conflict with the terms and provisions of this Resolution are repealed to the extent of such conflicts.

3. This Resolution shall become effective immediately upon its adoption.

**PASSED and APPROVED** on September \_\_\_\_, 2021

**PLANNING COMMISSION OF THE CITY  
OF SCOTTSDLUFF, NEBRASKA**

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Recording Secretary