

City of Scottsbluff, Nebraska

Tuesday, September 21, 2021

Regular Meeting

Item 1

**Receive Information and Consider Approval of the BDS3C, LLC
d/b/a Flyover Brewing Company Application.**

Staff Contact: Starr Lehl

City of Scottsbluff
Economic Development Grant Application

1. Applicant Information:

Business Name: BDS3C, LLC DBA Flyover Brewing Company
Address: 1824 Broadway, Scottsbluff
Applicant Contact: Andrea Margheim
Business Phone: 616-322-4564
E-mail address: Andrea@flyoverbrewingco.com

2. Business Information:

Structure of Business (proprietorship, partnership, LLC, corporation, etc.): LLC
Ownership breakdown (include percentages for each Owner): 33% x 3 partners
General Description of Business: Brewpub
Products/Services: Beer brewed on site
Number of years in Business (or if a new Business, describe Owners experience in this type of business): 3
Proposed Location Address: 1820/1824 Broadway
Current Zoning Classification: Commercial, Light Manufacturing

3. Employment:

Base (current) number of full-time positions: 35-40
Full-time positions to be created: 5 in the next five years (one already hired)
Salary/Wage Range: \$30,000-\$45,000
Benefits provided to employees (include any contribution required by Employees):

4. Financial Need:

Total project cost estimate: \$1,107,966

Breakdown of use of funds: See attached

Date funds are needed: ASAP

Investment to be made by Applicant (Amount & Source): \$100,000 Cash on hand

Loan(s) to be obtained (Amount & Bank Name): PVB Preapproved for \$600,000

LB840 financial assistance amount requested for the Project: \$602,317
Brewery Specific costs

****The committee reserves the right to make part of the funds Grant (forgivable loan) and part of the funds Loan, which in non-forgivable and has repayment terms.**

Other Loans/Grants (CDBG, TIF, Re-Use, etc.): Applied for TIF – Appx \$50,000

5. Security Available:

Guarantor(s): Joseph and Andrea Margheim, Peter Meyer

Real Estate: 1824 Broadway, Scottsbluff – Value \$296,782
1820 Broadway, Scottsbluff – Value \$90,000

Existing Liens: City of Scottsbluff \$400,723
Platte Valley Bank \$921,804

Personal Property: Margheim: 2745 Clubhouse Dr, Gering, NE – Value \$400,000
Existing Liens: \$296,613
Meyer: Clarkson Lane, Scottsbluff, NE – Value \$800,000
Existing Liens: \$250,000

Stock / LLC Interests:

Other:

6. Eligibility:

Principal Source of Income from (circle one):

- a. **Manufacturing**
- b. Research & development
- c. Processing, storage, transport or sale of goods or commodities in interstate commerce
- d. Sale of Services in interstate commerce
- e. Headquarters facilities relating to eligible activities
- f. Telecommunications activities
- g. **Tourism-related activities**
- h. Construction and rehabilitation of housing
- i. Retail trade where the principal source of income is from retail sales of products manufactured on the premises.
- j. Film production (Nebraska Film Office Activity Registration Form is also required).

Statement of how project is consistent with the goals of the Scottsbluff Economic Development Program:

Describe any pending legal action(s), to include the amount at risk and a summary of how ownership is reacting to the action(s):

7. Additional Information to be submitted:

- a. Resumes of Owners, Management & Key Employees (include experience, training, credentials & work history).
- b. Brief history of your business and where you see your business going in the next 5 years, with emphasis on the impact to the City of Scottsbluff.
- c. Personal Financial Statement of Guarantors and anyone owning 25% or more of the business. Note: documentation verifying assets and liabilities shall be made available upon request.
- d. Income statement covering the past 2 years of business operations, if in business for that long. Copies of filed tax returns are acceptable and the most recent year's return must be included.
- e. Business Plan, to include:
 - Total project costs to include itemized use of funds
 - Lender Commitments
 - Investor Commitments
 - Financial projections for the next 3 years.
 - Employment projections for the next 3 years
 - Identification of jobs to be created by description, number, average wage, benefits, etc.

- Information as to suppliers, and in particular, those in the Scottsbluff area

- f. References, to include name, position, address and phone number:
- g. Any other information that you feel will assist the City in evaluating your Application. Please include any marketing or sales brochures.
- h. With respect to the Business, or any persons owning 25% or more of the business and any officers, indicate if there is any past or pending litigation which either has resulted in or could result in a judgment against the Business or any such person. List the nature of the judgment or pending action, and whether any portion remains unpaid as of this date.
- i. With respect to any persons owning 25% or more of the business and any officers, indicate any who have been convicted of or plead guilty to any criminal charge or violation of law, excepting minor traffic offenses. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea.
- j. Applicant agrees to sign waiver form provided by the City of Scottsbluff for Background and Credit Check.

8. Nebraska Advantage Act:

The Applicant certifies to the city as follows (select one):

 X The Applicant has not filed nor does it intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act with respect to this project.

 The Applicant has filed or intends to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act for this project. If so, indicate if such application includes or will include, as one of the tax incentives, a refund of the City's local option sales tax revenue: ; and whether such application has been approved under the Nebraska Advantage Act: .

I certify that the information presented in connection with this Application for Economic Development Assistance is true and correct. Consent is given to the City of Scottsbluff to contact references, conduct one or more credit checks, criminal background checks, and to verify the information contained in this Application.

Dated: 9-7-21

Signed: Andy
Title: Director of Operations

2021 Atrium Expansion Budget

| | |
|----------------------------|----------------|
| Building purchase | \$72,000.00 |
| Architectural Fees | \$40,800.00 |
| Pizza Oven | \$15,999.58 |
| Brewing Equipment | \$148,983.00 |
| Ampco DH45 pump | \$13,000 |
| Transfer/CIP Hoses | \$2,515 |
| Washdown Stations | \$2,577 |
| Bulk CO2 | \$5,000.00 |
| RO Filter | \$8,500.00 |
| Draft Expansion needs | \$2,540.00 |
| Brewery office/lab | \$2,000.00 |
| Electromagnetic Flow Meter | \$5,000.00 |
| Lenticular Filter | \$7,200.00 |
| Chemical Station | \$500.00 |
| Gehaltemeter CO2/DO | 28,000 |
| Beer walk in | \$20,000.00 |
| Fire Suppression | \$10,990.00 |
| Fire Alarm | \$2,163.00 |
| Furniture | \$20,000.00 |
| Construction | \$629,913.00 |
| Glasswasher | \$7,366.00 |
| Pizza line | \$4,919.00 |
| Kitchen walk in | \$8,000.00 |
| Ancillary furnishings | \$50,000.00 |
| Working Total | \$1,107,965.58 |

2021 Atrium Expansion Budget

48% of any shared costs, plus brewery specific expenses

| | |
|----------------------------|--------------|
| Building purchase | \$34,560.00 |
| Architectural Fees | \$19,584.00 |
| Construction | \$302,358.00 |
| Brewing Equipment | \$148,983.00 |
| Ampco DH45 pump | \$13,000 |
| Transfer/CIP Hoses | \$2,515 |
| Washdown Stations | \$2,577 |
| Bulk CO2 | \$5,000.00 |
| RO Filter | \$8,500.00 |
| Draft Expansion needs | \$2,540.00 |
| Brewery office/lab | \$2,000.00 |
| Electromagnetic Flow Meter | \$5,000.00 |
| Lenticular Filter | \$7,200.00 |
| Chemical Station | \$500.00 |
| Gehaltemeter CO2/DO | 28,000 |
| Beer walk in | \$20,000.00 |

| | |
|-------------------|--------------|
| Brewery Sub total | \$602,317.00 |
|-------------------|--------------|

BIDS DUE: .
CONTACT:

RESPONSIBLE ESTIMATOR:

**See Operational
& Setup Tips
Below.**

Platte Valley Bank

1212 Circle Drive
P.O. Box 2308
Scottsbluff, NE 69363-2308
Phone: (308) 632-7004
Fax: (308) 635-7405



Platte Valley Companies
Member FDIC

www.pybank.com

info@pybank.com

BDS3C, LLC
Attn: Mrs. Andrea Margheim
2745 Club House Dr
Gering, NE 69341

August 31st, 2021

To Whom It May Concern,

Please let this letter serve as evidence that BDS3C, LLC is applying for commercial loan financing – including real estate – with Platte Valley Bank.

Platte Valley Bank is pleased to offer the following proposed terms contingent on the borrower's financing:

Term Loan Proposed Financing Terms

- Pre-approved loan amount approximately \$600,000
- Interest Rate – based on Platte Valley Bank base rate or borrower's credit worthiness
- Five Year Adjustable Rate
- Fifteen Year Amortization Period

The proposed financing terms are contingent on all relevant appraisals and inspection requirements, clear titles to the properties in question, and all verifications required as a normal part of commercial loan transactions.

Collateral for the financing would be a 1st Deed of Trust on 1820 Broadway, Scottsbluff, NE and other 1st Deeds of Trust towards additional properties as needed. Due to the real estate loan(s), we would be required to obtain appraisals and title insurance on all properties. Timing may fluctuate depending on said collateral, appraisals, and title insurance processes.

Thank you for giving us the opportunity to review the financing for this project. Please feel free to call if you have any questions.

Sincerely,

John D. Marshall
Assistant Vice President/Commercial Lender
Platte Valley Bank



June 22, 2021

City of Scottsbluff LB840 Committee
Starr Lehl-Director
2525 Circle Drive
Scottsbluff, NE 69361

Dear LB840 Committee:

As the Director of the Scotts Bluff Area Visitors Bureau, it is with great enthusiasm and respect that I strongly urge you to consider the Flyover Brewing Company for a LB840 grant to help with their expansion currently located at 1824 Broadway in Scottsbluff.

The Margheim Family (Flyover Brewing Company owners) have built a tourism empire in the downtown area that attracts young locals, area residents, and out of town guests. Flyover Brewing Company has the potential to reach an adventurous and diverse group that is excited to experiment with the story craft brewers tell. The Craft brew scene has created a vibe that allows the consumer diversity in their experiences. Tourism is all about creating experiences and the Flyover Brewing Company will continue to play a huge part in travel itineraries for writers, coach groups, and leisure guests.

In the past few years, we have sent hundreds of guests to the downtown Scottsbluff location, and use the presence of a brewery in our community to attract middle aged adults and millennials as well as outdoor enthusiasts. Recently, I served on a recruitment team that used the Flyover Brewing Company as a tool to show we care about young professionals by creating an atmosphere they have become accustomed to in the cities.

Expansion of this property is important for the Margheim family as they continue to improve the overall experience of their business. We have attracted larger groups of travel writers and coach operators over the past few years, and a larger meeting space is needed for groups touring our area. With the anticipation of a booming 2021-2022 tourism season, now is the time for an expansion to prepare for the future of our community and the popularity of rising tourism efforts.

Consideration for this project is greatly appreciated, and I would be happy to further discuss the opportunities that the Flyover Brewing Company provide to our Bureau and local tourism scene.

Best Regards,

Brenda K. Leisy
Director