

# **City of Scottsbluff, Nebraska**

**Tuesday, January 16, 2024**

**Regular Meeting**

## **Item Pub. Hear.4**

**Council to conduct a public hearing set for this date at 6:00 p.m. for the purpose of reviewing and obtaining comment on an Amended Redevelopment Plan for the Former Monument Mall, Now Uptown Mall, Rehabilitation and Former K Mart Site Rehabilitation.**

**Staff Contact: Sharava Toof, Economic Development Director**

**AMENDED REDEVELOPMENT PLAN FOR THE FORMER  
MONUMENT MALL, NOW UPTOWN MALL, REHABILITATION AND FORMER K  
MART SITE REHABILITATION  
INCLUDING A REQUEST FOR TAX INCREMENT FINANCING  
AND DESIGNATION AS AN ENHANCED EMPLOYMENT AREA AND IMPOSITION  
OF A TWO PERCENT OCCUPATION TAX ON SALES**

I. INTRODUCTION.

The City of Scottsbluff, Nebraska, recognizes that blight is a threat to the continued stability and vitality of the City as a focal point of business, financial, social, cultural and civic activity of the region, and a focus of community pride and achievement. The City Council previously approved a redevelopment plan (“Original Plan”) for the former Scottsbluff Mall in 2015 which provided tax increment financing and the imposition of a one-half percent occupation tax to support the mall rehabilitation.

This plan is intended to amend the Original Plan and add the adjacent site formerly occupied by a K Mart retail store (“K Mart Site”). Since the implementation of the of the Original Plan, the Herberger’s store closed leaving a substantial vacancy. K Mart closed the store on the K Mart Site. The K Mart Site has remained vacant and in a state of deterioration for a substantial period. RockStep Scottsbluff, LLC, (“RockStep”) owns the real estate described in the Original Plan. An affiliate of Rock Step, RockStep KM Redevelopment, LLC, (“RockStep KM”) has recently purchased the K Mart Site.

This Amended Plan has been developed to provide for the comprehensive redevelopment of the Uptown Mall and the K Mart Site. Exhibit “A” is a map of combined properties showing four intended development areas. The redevelopers intend to install demising walls and provide for separate ownership of the four parcels. Parcel IV will be further subdivided, after partial demolition, into five or more parcels. Exhibit “B” shows a proposed concept of the final development of the K Mart Site.

This Amended Redevelopment Plan covers an area legally described and shown on Exhibit “C”, attached hereto and incorporated herein by this reference (“Community Redevelopment Area”). The Community Redevelopment Area was declared blighted and substandard by the Scottsbluff City Council on August 20, 2013. The Community Redevelopment Area has been determined, through the blight and substandard resolution, to be in need of revitalization and strengthening to ensure that it will contribute to the economic and social well-being of the City.

To encourage private investment in the Community Redevelopment Area, this Redevelopment Plan has been prepared to set forth the Monument Mall Rehabilitation Redevelopment Project (“Redevelopment Project”), which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Community Redevelopment Area.

## REQUESTED ACTION

1. Terminate division of taxes on Uptown Mall properties and implement new TIF project for Uptown Mall properties.
2. Designate Uptown Mall and former K Mart properties as an Enhanced Employment Area
3. Amend one-half cent occupation tax ordinance to two percent occupation tax and impose the tax on not only the Uptown Mall but also the former K Mart site.
4. Adopt redevelopment contracts that provide TIF and EEA funding for Uptown Mall renovation and for the renovations and new construction for the K Mart site.
5. Waive percentage fee for TIF bond with undertaking of Redevelopers to reimburse City and Authority for legal expenses.

## II. EXISTING SITUATION.

This section of the Redevelopment Plan examines the existing conditions within the designated Community Redevelopment Area. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The Community Redevelopment Area contains the Uptown Mall consisting of approximately 364,904 square feet under one roof and the K Mart property consisting of a retail space of 105,742 square feet under one roof. This use is shown on Exhibit "A".

B. Existing Zoning. The Community Redevelopment Area is zoned PBC. The intent of the Planned Business Center District is to provide for an area for a unified commercial center which provides goods and services to a regional trading area; joint or grouped parking facilities serving several retail stores; and coordinate a vehicular and pedestrian traffic circulation system and carefully design access that is compatible with surrounding uses. The PBC District includes a wide range of retail and service uses generally helpful to the traveling public and found along arterial roadways in the community. Some of the permitted uses include retail stores. The Redevelopment Area also falls within the Gateway Greenway Overlay zone.

C. Existing Public Improvements.

1. Street System. There is no internal street network or system constructed within the Community Redevelopment Area.

2. Utilities. Existing public utilities are available adjacent to the Redevelopment Area.

D. Existing Building Conditions/Blighting Influences. Charles K. Bunker, Attorney at Law, conducted a study entitled "Study of Blight and Substandard Conditions" dated July 7, 2013 ("Blight Study"). The "study area" for the Blight Study, which includes the Community Redevelopment Area, as well as additional property. The evaluation and subsequent findings of

the Blight Study were based upon the criteria outlined in the Nebraska Community Development Law (Neb. Rev. Stat. § 18-2101 et seq.). The Blight Study determined that the study area exhibited a number of deficiencies applicable to the consideration of a “substandard and blight” designation including the existence of conditions which endanger life or property by fire or other causes, improper subdivision and dilapidation/deterioration. In addition, the Blight Study identified the existence of one condition within the study area that is a determinant of blight – the area substantially impairs or arrests the sound growth of the community and the average age of structures in the area is greater than 40 years. The City Council declared the Community Redevelopment Area blighted and substandard and eligible for a Redevelopment Project on August 20, 2013, by resolution of the Scottsbluff City Council, after a public hearing with notice pursuant to the Community Development Law. The Blight Study is incorporated herein by this reference. A copy of the Blight Study is available at the City of Scottsbluff Clerk’s Office.

### III. FUTURE SITUATION.

This section of the Redevelopment Plan examines the future conditions within the Community Redevelopment Area. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing

A. Proposed Land Use Plan. Changes are contemplated in the current Land Use Plan for the area. The Redevelopment Project will primarily provide for site rehabilitation of the Uptown Mall for re-tenanting with up to 8000 square feet of possible new pad site construction. The proposed site plan for the area after completion of the Uptown Mall Redevelopment Project is shown on attached Exhibit “D” which is attached hereto and incorporated herein by this reference. The land use plan shows a proposed Redevelopment Project including approximately 8000 square feet of new construction not shown, but contemplated.

The Land Use Plan for the K Mart site is shown on Exhibit “B” as a concept.

The Scottsbluff Redevelopment Authority will negotiate specific redevelopment agreements with the redevelopers outlining the proposed Redevelopment Projects, and what contributions are necessary from the City of Scottsbluff. In such case the written redevelopment agreement would include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City and the redevelopers to implement the Redevelopment Projects.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with Nebraska State Law, the Redevelopment Plan described in this document has been designed to conform to the City of Scottsbluff Comprehensive Plan 2016 (“Comp Plan”). The City Council finds that this redevelopment plan is feasible and in conformity with the general plan for the development of the City as a whole and the plan is in conformity with the legislative declarations and determinations set forth in the Community Development Law.

C. Relationship to Local Objectives. The Redevelopment Plan has been developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Monument Mall area. General goals, policies and actions relating to the community as a whole and for the Monument Mall are contained in the Comp Plan. The local objective of rehabilitating the vacant K Mart building can now finally be achieved with new ownership.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Community Redevelopment Area should generally achieve the following requirements and standards:

1. Population Density. There are no dwelling units currently located within the Community Redevelopment Area. The development proposed under this Redevelopment Plan does not include any residential construction. Consequently, there will be no change proposed for the permanent population density within the Community Redevelopment Area.

Redevelopment of the Community Redevelopment Area will provide for revitalization of the Upton Mall and former K Mart property. This development will encourage further development to both the northeastern sector of the City as well as the City as a whole. Often an investment and improvement of the magnitude proposed by this Plan has the benefit of spurring improvements in nearby commercial areas.

2. Land Coverage and Building Density. Land coverage and building density is shown on Exhibit “B” and Exhibit “D”.

3. General Environment. This plan will rehabilitate a retail mall and the adjacent K Mart store that has suffered significant retail closings over the past 15 years. New tenants are finally becoming available for these properties. This commercial activity will intensify and strengthen Scottsbluff as a focal point for local and regional retail sales and development.

The Plan will provide for significant reinvestment in both properties with tenant improvements, structural improvements, including the roof and parking lot. New retail buildings will be constructed on the K Mart Site increasing the amount and variety of activity in the entire Redevelopment Area while maintaining good traffic flow, pedestrian movement and visual interest.

The Plan provides an environment that minimizes automobile-pedestrian conflicts, assures that lighting, signs, pedestrian ways, and communication devices are oriented to the human scale and provides an attractive shopping experience.

4. Pedestrian ways and Open Spaces. Provide a pedestrian circulation system to facilitate the movement of pedestrians to and within the major development activities within the area.

5. Building Heights and Massing. Building heights and massing for the proposed project will comply with the PBC zone.

6. Circulation, Access and Parking. The Plan provides for vehicular access to the Community Redevelopment Area in a manner consistent with the needs of the development and the community.

The Plan provides for an adequate supply of appropriately located parking in accordance with applicable zoning district regulations. Adequate parking needs to be provided so the development does not generate parking problems for abutting commercial and residential streets.

7. Off-Street Loading, Service and Emergency Facilities. The Plan provides for consolidated off-street loading and service facilities.

The Plan provides for emergency vehicle access in a manner compatible with established design and environmental objectives.

The Plan provides a maximum floor area ratio in accordance with applicable zoning district regulations in the Community Redevelopment Area.

E. Proposed Changes and Actions. The Community Redevelopment Area is anticipated to function as an upscale retail mall after significant investment through Tax Increment Financing, implementation of an Enhanced Employment Area Occupation Tax and Developer capital. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The Community Redevelopment Area is zoned PBC Planned Business Center. No additional changes to the City's Zoning Ordinances, Building Codes, or other local ordinances are contemplated to implement this Redevelopment Plan.

a. Uptown Mall subdivision. The current owner of the Uptown Mall intends to install demising walls generally as shown on Exhibit "D" and convey the individual properties to separate owners.

b. The K Mart Site will be further subdivided (see Exhibit "B" as an example) to provide for the development of separate retail sites in the current parking lot.

c. One possible use for a portion of the K Mart site would be for a private or public leased recreational facility.

2. Traffic Flow, Street Layout and Street Grades. The primary streets providing access to the Community Redevelopment Area is S. Frontage Road, 13<sup>th</sup> Avenue, Circle Drive and 27<sup>th</sup> Street.

3. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Community Redevelopment Area, the following proposed public redevelopments, improvements, facilities, utilities and rehabilitations may be needed:

- a. Installation of landscaping in the public right of way.
- b. Installation of appropriate site drainage solutions.

4. Site Preparation and Demolition. Site preparation will consist of relocation of utility lines to provide for pad site development in the current parking lots, new sign location and improvement. A portion of the existing building on the K Mart site may be demolished to provide pad site development.

5. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Community Redevelopment Area include site preparation, roof and HVAC rehabilitation, installation of demising walls, exterior lights, landscape rehabilitation, required interior rehabilitation for tenant relocation to the Mall, parking lot resurfacing and construction of new retail buildings with, enhancements to structures in the redevelopment plan area which exceed minimum building and design standards in the community and prevent the recurrence of substandard and blighted conditions. The Redevelopers specifically request that funds paid directly to tenants for use by tenants for leased space rehabilitation or lowered rent amounts be considered as qualifying expenditures for both enhanced employment area and TIF purposes.

6. Open Spaces, Pedestrian ways, Landscaping, Lighting, Parking. The proposed site plan and private sector improvements will comply with the City's minimum open space, pedestrian way, landscaping, lighting, and parking standards as defined in the Zoning and Subdivision Ordinances, Building Codes, or other local ordinances. In addition, the City may elect to require additional standards in these areas as described in a written redevelopment agreement in order to help remove blight and substandard conditions.

F. Cost-Benefit Analysis. A City of Scottsbluff Redevelopment Project TIF Statutory Cost Benefit Analysis is incorporated herein by this reference ("Cost-Benefit Analysis") and is shown on Exhibit "E". The Cost-Benefit Analysis complies with the requirements of the Community Development Law in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The City will work with the redeveloper owner of the Community Redevelopment Area to identify proposed funding, timeframe, ability to carry out the proposed Redevelopment Project, and what, if any, contributions are necessary to be made by the City of Scottsbluff.

The City will begin good faith negotiating on a specific written redevelopment agreement with the respective redeveloper owners of the Community Redevelopment Area. The written redevelopment agreements will include site plans consistent with this Redevelopment Plan, development descriptions, specific funding arrangements, and specific covenants and responsibilities of the City and the redevelopers to implement the Redevelopment Projects.

Estimated Redevelopment Project costs, including site preparation, and rehabilitation are shown on attached Exhibit “F” .

The figures shown are estimates. Final figures are subject to a specific site plan, design specifications, City approval and public procedures and regulations.

The Proposed Public and Private Improvements will exceed the amount of funds available from the tax-increment financing indebtedness that the City Council may approve. The estimated amount of a Tax Increment Bond that can be retired based on increased values of real estate driven by the above investments is shown on Exhibit “F”. Therefore, RockStep Scottsbluff, LLC, and RockStep KM Redevelopment, LLC request that the Community Development Agency declare all of the Redevelopment Area, shown on attached Exhibit “C” as an Enhanced Employment Area under the Community Development Law; that the City impose a 2% occupation tax on such area to finance the payment of two separate Occupation Tax Bonds as in the amounts shown on Exhibit “F”. Specific undertakings related to the Enhanced Employment Area and the Occupation Tax are shown in Section IV below.

This Plan proposes that Tax Increment bond and the Occupation Tax Bonds be purchased by the respective property owners to fund the required rehabilitation of the Uptown Mall and the Former K Mart Site project. The balance of private improvements shall be paid by the respective property owners.

Any ad valorem tax levied upon the real property in a Redevelopment Project for the benefit of any public body shall be divided, for a period not to exceed fifteen (15) years after the effective date of such provision established in the respective redevelopment contracts or amended redevelopment contracts to be executed by the respective redevelopers and the Community Redevelopment Authority. Said tax shall be divided 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 such 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 real property in such a Redevelopment Project shall be paid into the funds of the respective public bodies.

Because the redevelopment plan proposes to use tax-increment financing funds as authorized in section 18-2147 of the Community Development Law, the City Council in approving this Redevelopment Plan will be required to find as follows:

- a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;
- b. the Redevelopment Project would not occur in the community redevelopment area without the use of tax-increment financing; and
- c. the costs and benefits of the Redevelopment 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 by the governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

**IV. THE ENHANCED EMPLOYMENT AREA DESIGNATED BY THE AGENCY AS ELIGIBLE FOR THE IMPOSITION OF AN OCCUPATION TAX TO PAY FOR AUTHORIZED WORK WITHIN THE AREA IS DESCRIBED AS FOLLOWS:  
Property Description (the “Enhanced Employment Area”)**

This property is generally referred to as the Uptown Mall and the former K Mart site.

- **Legal Descriptions** See attached Exhibit “C” for the legal description of the tracts to be declared as the respective Enhanced Employment Areas

**Authorized work within the Enhanced Employment Area means the performance of any one or more of the following purposes:**

- (a) The acquisition, construction, maintenance, and operation of public off-street parking facilities for the benefit of the Enhanced Employment Area;
- (b) Improvement of any public place or facility in the Enhanced Employment Area, including landscaping, physical improvements for decoration or security purposes, and plantings;
- (c) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other

seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;

(d) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the Enhanced Employment Area; and

(e) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

**Redevelopment Plan to the Enhanced Employment Area Complies with the Act:**

The Act requires that in connection with the approval of any redevelopment plan which includes the designation of an enhanced employment area, the governing body may approve the redevelopment plan if it determines that any new investment within such enhanced employment area will result in at least ten new employees and new investment of five hundred thousand dollars in counties with at least twenty five thousand inhabitants but fewer than fifty thousand inhabitants.

This Plan Amendment meets these enhanced employment area statutory qualifications because at the Uptown Mall and the former K Mart Site each site will (a) at project stabilization employment will increase by 10 full time employees, (b) the project in each Enhanced Employment Area includes new private sector investment of substantially in excess of \$500,000, and (c) as of the 2020 census, Scotts Bluff County’s population was 36,084 inhabitants. Total project development is expected to exceed \$27,000,000.

**Levy of General Business Occupation Tax and Levy:**

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. Any occupation tax imposed pursuant to the Act shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax.

The businesses and their classification in the Enhanced Employment Area are as follows:

<u>BUSINESS</u>	<u>CLASSIFICATION</u>
1. Apparel	Clothing Retail
2. Hobby & Crafts	Hobby & Craft Retail
3. Shoes	Shoe Retail
4. Cosmetics	Beauty Retail
5. Quick Serve	Prepared Food Retail
6. Specialty Store	Specialty Retail
7. Salon	Service Retail

8. Restaurant	Prepared Food Retail
9. Service/Fitness	Service Retail
10. Fast Food	Prepared Food Retail
11. Theatre/ entertainment	Entertainment
12. Sporting Goods	Sporting Goods Retail
13. Miscellaneous Retail	Retail

No occupation tax shall be imposed on any business or transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 of the Act or which is exempt from tax under section 77-2704.24 of the Act. Any such occupation tax agreed to by the Agency and the City shall remain in effect so long as the Agency has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

The collection of a tax imposed pursuant to the Act shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance.

Undertaking by RockStep Scottsbluff, LLC and RockStep KM Redevelopment, LLC.

Each developer undertakes to rehabilitate the Redevelopment Area and in so doing invest more than \$500,000 and create through new tenants, (over current employment) more than 10 jobs. (Neb. Rev. Stat. §18-2116(2)). For clarity RockStep Scottsbluff, LLC, will create more than 10 new full time jobs in the Uptown Mall site and invest substantially more than \$500,000. And RockStep KM Redevelopment, LLC will create more than 10 new full time jobs in the former K Mart site and invest substantially more than \$500,000.

**EXHIBIT "A"**  
**COMBINED REDEVELOPMENT AREA MAP**



**EXHIBIT "B"**  
**Proposed K Mart Site After Redevelopment**

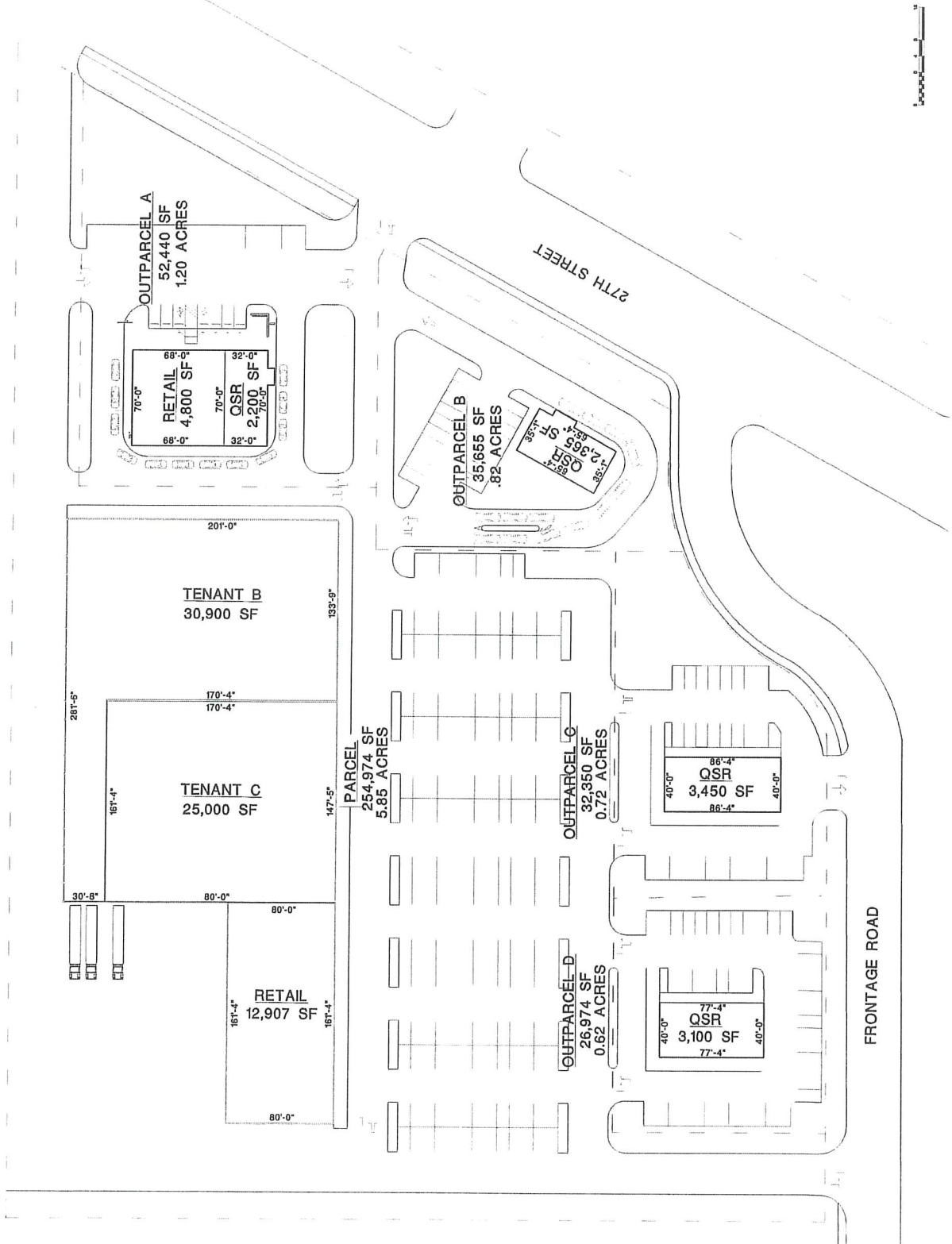
PRELIMINARY  
 NOT FOR CONSTRUCTION

Scope of Architectural Services:  
 1. Site Plan  
 2. Foundation Plan  
 3. Structural Steel Erection  
 4. Mechanical, Electrical, Plumbing  
 5. Fire Protection  
 6. Energy Conservation  
 7. Life Safety  
 8. Accessibility  
 9. Other as Directed

Project No: 202402  
 Drawing No: 001  
 Date: 02/23/24  
 Scale: As Shown  
 Project Location: NE

SP4

NEW SITE PLAN



**Exhibit "C"**  
**Respective Enhanced Employment Areas**  
**Combined Areas Constitute the Redevelopment Area**

**DESCRIPTION OF ENHANCED EMPLOYMENT AREA**  
**Uptown Mall**

THE LAND REFERRED TO IS SITUATED IN THE STATE OF NEBRASKA, COUNTY OF SCOTTS BLUFF AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

LOT 3, BLOCK 3, THIRD REPLAT OF LOTS 3 AND 4, BLOCK 3, NORTHEAST SECOND ADDITION REPLAT NO. 2, AN ADDITION TO THE CITY OF SCOTTSBLUFF, SCOTTS BLUFF COUNTY, NEBRASKA.

PARCEL IA:

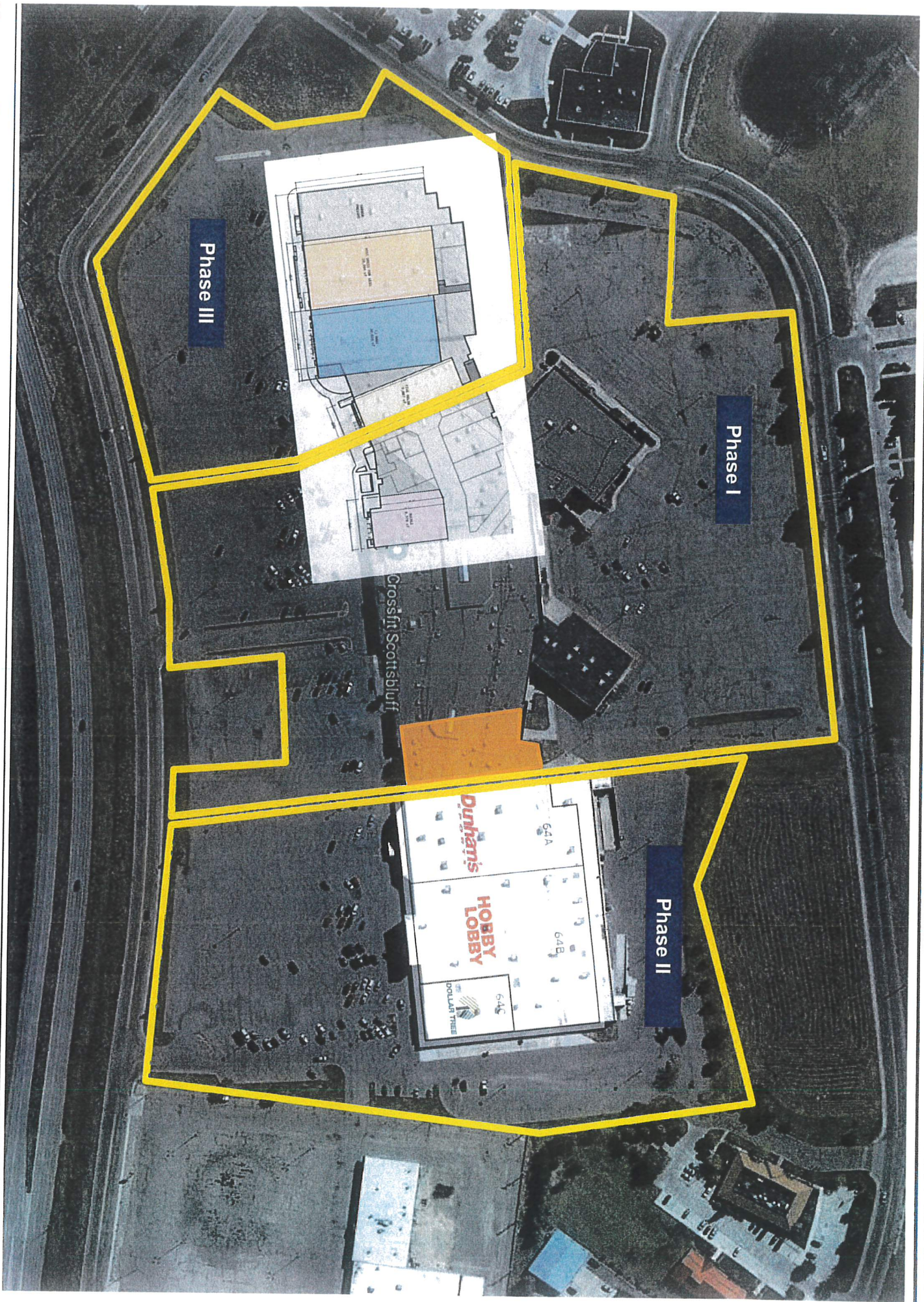
LOT 2, BLOCK 3, NORTHEAST SECOND ADDITION REPLAT NO. 2, AN ADDITION TO THE CITY OF SCOTTSBLUFF, SCOTTSBLUFF COUNTY, NEBRASKA.

**DESCRIPTION OF ENHANCED EMPLOYMENT AREA**  
**Former K Mart Site**

LOTS ONE (1), AND TWO (2), BLOCK ONE (1), SUBDIVISION OF BLOCK ONE (1), NORTHEAST SECOND ADDITION, REPLAT NO. 1, AN ADDITION TO THE CITY OF SCOTTSBLUFF, SCOTSS BLUFF COUNTY, NEBRASKA.



**EXHIBIT "D"**  
**Uptown Mall Showing Possible Subdivision**



**EXHIBIT “E”**  
**STATUTORY COST BENEFIT ANALYSIS**  
**UPTOWN MALL AND FORMER K MART SITE REHABILITATION**  
**PROJECT**

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Scottsbluff has analyzed the costs and benefits of the proposed Uptown Mall and K Mart site Redevelopment Project, including:

**Tax Shift:** Approximately \$316,000 in principal of public funds from tax increment financing provided by the City of Scottsbluff will be required to complete the Uptown Mall portion of the redevelopment project, in addition to \$20,200 in interest. Approximately \$2,050,000 in principal of public funds from tax increment financing provided by the City of Scottsbluff will be required to complete the former K Mart portion of the redevelopment project, in addition to \$1,650,000 in interest.

Enhanced employment area occupation tax bonds will provide \$7,590,000 in principal for Uptown Mall rehabilitation and \$2,400,000 for the former K Mart rehabilitation. This investment by the city will leverage \$15,356,000 in private sector financing.

**Public Infrastructure and Community Public Service Needs.** The Project will not require that the city pay for any changes to utilities, or other public service needs.

**Employment Within the Project Area.** Employment within the Project Area is expected to increase by at least 50 full and part time positions. Temporary construction employment will increase during the construction. The construction period is expected to exceed 24 months.

**Employment in the City Outside the Project Area.** The latest available labor statistics show that the Scotts Bluff County has a 2.2% unemployment rate.

**Impact on student population.** No significant student population increase is expected as a result of the redevelopment projects.

**Other Impacts.** Significant local sales tax will be generated as the Mall is filled with tenants. The Mall rehabilitation will generate on site sales significantly in excess of current levels. At full development with stabilized occupancy, the Redevelopers estimate an increase in city sales tax of \$442,000 annually.

**EXHIBIT "F"**  
**Redevelopment Costs and Bond Amounts**

**Uptown Mall TIF Expenditures****Uptown Mall TIF Bond**

Building rehab	\$	316,000.00		
Total Uptown TIF Expenditures	\$	<b>316,000.00</b>	\$	<b>316,000.00</b>

**Uptown Mall EEA****Uptown Mall EEA Bond**

Building rehab:				
Tenant imp; roof; HVAC	\$	5,344,950.00		
Parking lot	\$	1,000,000.00		
Lighting	\$	250,000.00		
Landscaping & signage	\$	200,000.00		
Arch/Promotion	\$	800,000.00		
Total EEA	\$	<b>7,594,950.00</b>	\$	<b>7,590,000.00</b>

**Former K Mart TIF Expenditures****Former K Mart TIF Bond**

Site acquisition reimbursement	\$	<b>2,470,000.00</b>	\$	<b>2,050,000.00</b>
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**Former K Mart EEA Expenditures****Former K Mart EEA Bond**

Site preparation/subdivision	\$	2,040,000.00		
Demolition	\$	300,000.00		
Building rehabilitation	\$	12,063,000.00		
Pad sites construction	\$	3,050,000.00		
Total EEA Expenditures	\$	<b>17,453,000.00</b>	\$	<b>2,400,000.00</b>

**Expenses may shift between categories without further approval.**

**Direct payment to tenants for tenant improvements are authorized rehabilitation expenditures.**

# Simmons Olsen Law Firm, P.C., L.L.O.

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Robert G. Simmons, Jr. (1918-1998)

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To: City of Scottsbluff City Council  
From: John L. Selzer, Deputy City Attorney  
Date: January 9, 2024  
Re: Uptown Mall/Former K-Mart Site Redevelopment Plan

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**Introduction:** At your January 16, 2024 meeting, you will consider a resolution regarding the Amended Redevelopment Plan for the Uptown Mall and Former K-Mart Site Rehabilitation Project (the “Plan” and the “Project”).

The Project contemplates rehabilitating the mall and former K-Mart site and adding pad site construction in the current K-Mart parking lot (see Exhibits A, B, and D of the Plan).

**Standards of Review:**

**1. Proposed Financing.**

The Plan contemplates financing from: (a) tax increment financing generated from the Project Site and (b) the issuance of enhanced employment area occupation tax revenue bonds for eligible costs, which tax is generated from taxable sales within the Project Site. The Project’s sources of funds are itemized on Exhibit F of the Plan.

**2. Conformity with Comprehensive Plan.**

The Project Site is zoned as PBC (Planned Business Center). The intent of the PBC zone includes to (1) provide an area for a unified commercial center which provides goods and services to a regional trading area and (2) provide for joint or grouped parking facilities serving several retail stores.

According to the Comprehensive Plan, the Project Site is in the *Northeast District* and in a *Highway 26 Commercial Neighborhood*.

Principles of sustainable development in the Northeast District include (1) encouraging diversity of commercial types and mixed use development along the Highway 26 corridor and (2) encouraging new development to be contiguous with existing development with planned linkages between roads and utilities.

For the Highway 26 Commercial Neighborhoods, the Comprehensive Plan contemplates daytime and evening hours with nighttime activity adjacent to the highway; a variety of building types, heights, and setbacks; moderate to high density and mixes of uses; high activity during the day; and PBC as an appropriate zone.

Relevant excerpts from the Comprehensive Plan are attached to this memo.

The Planning Commission and CRA reviewed the Plan with respect to its conformity to the Comprehensive Plan and made a positive recommendations.

**3. *Conformity to Community Development Law.***

You must also consider whether the Plan conforms to the legislative declarations and determinations set forth in the Community Development Law. Those declarations include, among other things, that:

[Blighted and substandard] conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids herein provided. The elimination of such conditions and the acquisition and preparation of land in or necessary to the renewal of substandard and blighted areas and its sale or lease for development or redevelopment in accordance with general plans and redevelopment plans of communities and any assistance which may be given by any state public body in connection therewith are public uses and purposes for which public money may be expended and private property acquired. The necessity in the public interest for the provisions of the Community Development Law is hereby declared to be a matter of legislative determination. NEB. REV. STAT. § 18-2102.

The proposed Project is in an area that the City Council has designated as blighted and substandard and in need of redevelopment.

**4. *The “But For” Test.***

Because this Plan proposes the use of tax-increment financing (“TIF”), in order to approve the Plan you must determine that the Plan would not be economically feasible or occur in the blighted and substandard area without the use of TIF. The CRA also analyzed this issue and made this finding as set forth in its resolution.

**5. *Cost-Benefit Analysis.***

You must also analyze and, in order to approve the Plan, make a finding 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, having been analyzed by the City Council, are in the long- term best interests of the community. The CRA adopted the proposed Cost Benefit Analysis that is shown in Exhibit E of the Plan.

**6. *Enhanced Employment Area.***

Because the Plan proposes the designation of an enhanced employment area, the City must determine that the project will result in at least ten new employees and a new investment of at least \$500,000.00. This standard is addressed on pages 9 and 10.

**Resolution:** The above findings must be documented in writing. To that end, a proposed resolution for Plan approval is in your packet.

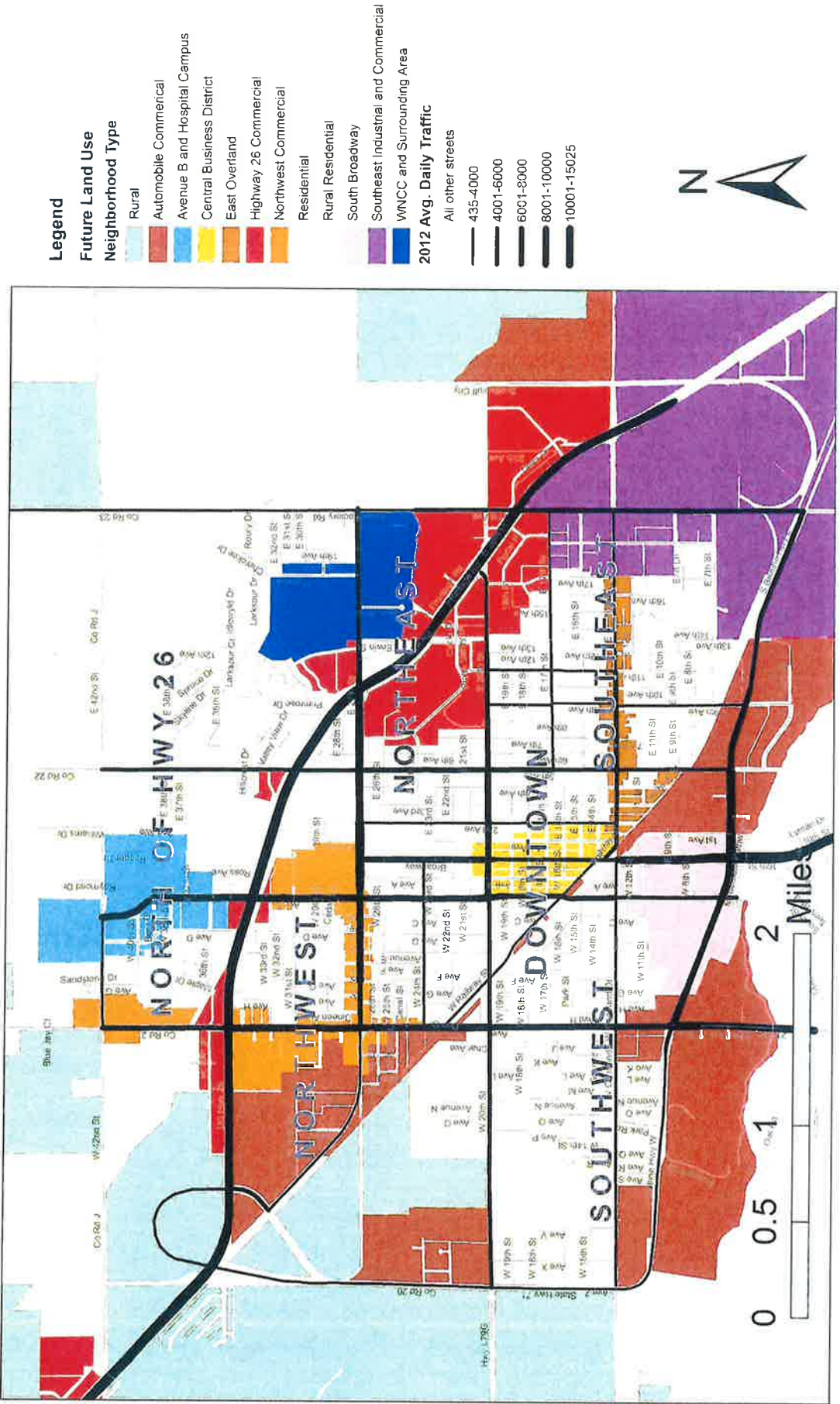
**Further Actions:** The implementation of the Plan will require a Redevelopment Contract among the CRA, City Council, and Redeveloper and an occupation tax ordinance. Upon approval of the Plan, these items will be drafted and presented to you for review at upcoming meetings.

*Attachments:*

Excerpts from Comprehensive Plan  
Redevelopment Plan  
Planning Commission Plan Resolution  
CRA Plan Resolution  
Proposed City Council Resolution

Sincerely,  
SIMMONS OLSEN LAW FIRM, P.C., L.L.O.  
*/s/ John L. Selzer*  
John L. Selzer

# Scottsbluff Future Land Use Map





Summary of Neighborhood Types

Neighborhood	Characteristics
<b>East Overland</b>	<p><b>Hours:</b> Active daytime, limited nighttime activities</p> <p><b>Auto:</b> Human scale transportation oriented. Formalized bicycle and pedestrian accommodations.</p> <p><b>Mass:</b> Dense business corridor built near or to the street, one to two stories, Corners built out to develop 'nodes' of activity</p> <p><b>Emissions:</b> High activity during the day, generally residential daily business traffic, low amounts of noise and smells, and enforced aesthetic and design standards.</p> <p><b>Appropriate zones:</b> C-1, C-2, R-1a*</p>
<b>Southeast Industrial</b>	<p><b>Hours:</b> Active daytime and nighttime</p> <p><b>Auto:</b> Heavy traffic both personal and commercial motorized vehicles</p> <p><b>Mass:</b> Wide variety of buildings</p> <p><b>Emissions:</b> High amounts of noise and smells tolerated closer to highway 26. Heavy day-time traffic acceptable closer to residential areas west of 21st Avenue. .</p> <p><b>Appropriate zones:</b> C-3, M-1, M-2</p>
<b>WNCC Campus and Surrounding Area</b>	<p><b>Hours:</b> Daytime, generally 8-5 working hours.</p> <p><b>Auto:</b> Both motorized and non-motorized traffic should be well facilitated, Motorized vehicle convenience should yield to pedestrian connectivity</p> <p><b>Mass:</b> Variety of building types and heights and setbacks. Moderate to low density with accompanying open space and landscaping.</p> <p><b>Emissions:</b> High activity during the day, generally residential daily business traffic, low amounts of noise and smells, and enforced aesthetic and design standards.</p> <p><b>Appropriate zones:</b> R-1a, O-P, R-4</p>
<b>Highway 26 Commercial</b>	<p><b>Hours:</b> Daytime and evening. Nighttime activity acceptable adjacent to highway.</p> <p><b>Auto:</b> Motorized vehicle oriented to facilitate both personal and commercial vehicles. Formalized pedestrian and cycling facilities.</p> <p><b>Mass:</b> Variety of building types and heights and setbacks. Moderate to high density and mixes of uses.</p> <p><b>Emissions:</b> High activity during the day, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.</p> <p><b>Appropriate zones:</b> C-2, PBC, O-P, R-4</p>
<b>Avenue B and Hospital Campus</b>	<p><b>Hours:</b> Daytime and evening. Nighttime activity acceptable adjacent to highway.</p> <p><b>Auto:</b> Motorized vehicle oriented to facilitate both personal and commercial vehicles. Formalized pedestrian and cycling facilities.</p> <p><b>Mass:</b> Variety of building types and heights and setbacks. Moderate to high density and mixes of uses.</p> <p><b>Emissions:</b> High activity during the day, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.</p> <p><b>Appropriate zones:</b> C-2, PBC, O-P, R-5</p>
<b>Northwest Commercial</b>	<p><b>Hours:</b> Heavier daytime use, 24 hour retail, fast-food, or traveler activity accepted.</p> <p><b>Auto:</b> Multi-modal accommodations integrated on 27th street and included on Avenue I.</p> <p><b>Mass:</b> Big box with surface parking acceptable when built to design code, shared buildings, built out along key intersections, low height, set-backs to encourage walkability on 27th st.</p> <p><b>Emissions:</b> Traffic heaviest in the day but continuing through the night, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.</p> <p><b>Appropriate zones:</b> C-2</p>

<p><b>South Broadway</b></p>	<p><b>Hours:</b> Heavier daytime use, evening retail.  <b>Auto:</b> Multi-modal transportation well accommodated.  <b>Mass:</b> Higher density development, generally low buildings though 2.5-3 stories is acceptable. Broadway setbacks set eventually to be near or on the street. Larger for big box.  <b>Emissions:</b> Traffic heaviest in the day but continuing through the night, commercial deliveries frequent, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.  <b>Appropriate zones:</b> C-1, O-P, C-2, R-4, PBC*</p>
<p><b>Central Business District</b></p>	<p><b>Hours:</b> Active daytime, evening, and nighttime activities  <b>Auto:</b> Formalized bicycle and pedestrian accommodations. Pedestrian oriented along Broadway  <b>Mass:</b> Allowable height up to 70 feet, zero setbacks. Buildings should take up entire lot- green space provided in public facilities.  <b>Emissions:</b> High activity during the day, evening, and late night. Lights that reflect historical character of district.  <b>Appropriate zones:</b> C-1</p>
<p><b>Automobile Commercial</b></p>	<p><b>Hours:</b> Daytime and nighttime activity  <b>Auto:</b> Motorized traffic oriented with ease of commercial vehicle access  <b>Mass:</b> Wide variety of building types and sizes  <b>Emissions:</b> Noises and heavier commercial traffic associated with business  <b>Appropriate zones:</b> C-2, C-3, PBC, R-4</p>
<p><b>Rural Residential</b></p>	<p><b>Hours:</b> Generally daytime activity  <b>Auto:</b> Motorized traffic oriented  <b>Mass:</b> Some agricultural activity, low traffic intensity, dust from unpaved roads  <b>Emissions:</b> Noises and heavier commercial traffic associated with business  <b>Appropriate zones:</b> R-1b, AR</p>
<p><b>Residential</b></p>	<p><b>Hours:</b> Daytime activity  <b>Auto:</b> Generally personal motorized traffic only, safe streets for non-motorized transportation  <b>Mass:</b> Generally small buildings, single family homes predominately with ample setbacks  <b>Emissions:</b> No offensive smells or noises, low traffic, well maintained properties  <b>Appropriate zones:</b> R-1a, Due to higher intensity of traffic and density in R-4 and R-6, these zones may be appropriate in certain areas</p>

## Northeast

### Themes:

1. **Growing as a regional leader of commerce and economic opportunity**
  - Attractive, thriving highway corridor, housing that supports a capable workforce.
2. **Living into our unique character of a city in the country**
  - Small town feel in residential neighborhoods and minor arterials, major retail and office opportunities in major arterials and commercial centers.
3. **Promoting the health and happiness of all citizens**
  - Clean neighborhoods and housing, access to parks and schools.
4. **Inclusive Opportunities for participation in civic life**
  - Strong civic groups , available resources, community events

### Principles:

5. **Interconnection of Neighborhoods and amenities**
  - a. Improve pedestrian and cycling facilities east-west from Broadway to Highway 26 through the Northeast Neighborhood.
  - b. Safe and efficient transportation access in auto-oriented commercial centers along highway 26.
  - c. Enhanced employment centers set back from the highway and accessible from residential areas and main thoroughfares.
  - d. Encourage multi-family residential development along periphery of low density residential neighborhoods.
  - e. Plan safe crossings and routes to schools.
6. **Sustainable development**
  - a. Incorporate native species, and natural landscaping into codes of commercial and big box development along highway.
  - b. Scottsbluff drain- There is an opportunity to make changes to the drain that would improve stormwater drainage, improve water quality, and provide green space for recreation and wildlife habitat.
  - c. Encourage diversity of commercial types mixed use development along the Highway 26 corridor.
  - d. Targeted and planned utilities maintenance activities.
  - e. Preserve land potentially served by city utilities for near term (within five years) development needs.
  - f. Encourage new development to be contiguous with existing development with planned linkages between roads and utilities.
  - g. Direct rural residential development to areas to which utilities cannot be reasonably extended.
7. **Access to culture and recreation**
  - a. Improved access, visibility, and connectivity of school recreation facilities and public parks near the middle school and high school.
  - b. Walking and bicycle path connectivity along and across Highway 26 and greenways.
  - c. Improved pedestrian and cycling connectivity to downtown.
  - d. Enhanced sense of place improvements in parks and around high school sports fields and courts.
8. **Strong neighborhoods and places, rooted in our unique character**

- a. Make programs that encourage up-keep of private property and neighborhoods more accessible and better communicated.
- b. Facilitate and support neighborhood involvement in plans, studies, and community events.
- c. Continue traditional neighborhood style of homes, streets, and sidewalks in residential areas.
- d. Improve aesthetics and landscaping along collectors and arterials, utilizing native species.

## Northeast Neighborhoods

### *WNCC Campus and Surrounding Area*

Appropriate Zones: R-1a, O-P, R-4

- **Hours:** Daytime, generally 8-5 working hours. Special events in the evenings expected, very limited activity at night.
- **Auto:** Both motorized and non-motorized traffic should be well facilitated, Motorized vehicle convenience should yield to pedestrian connectivity and safety around WNCC campus.
- **Mass:** Variety of building types and heights and setbacks. Moderate to low density with accompanying open space and landscaping.
- **Emissions:** High activity during the day, generally residential daily business traffic, low amounts of noise and smells, and enforced aesthetic and design standards.

### *Highway 26 Commercial*

Appropriate Zones: C-2, PBC, O-P, R-4

- **Hours:** Daytime and evening. Nighttime activity acceptable adjacent to highway.
- **Auto:** Motorized vehicle oriented to facilitate both personal and commercial vehicles. Formalized pedestrian and cycling facilities.
- **Mass:** Variety of building types and heights and setbacks. Moderate to high density and mixes of uses.
- **Emissions:** High activity during the day, low amounts of non-restaurant smells, lower noise, and enforced aesthetic and landscaping standards.

**RESOLUTION 12-02**

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

**Recitals:**

a. Pursuant to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.*, the *Amended Redevelopment Plan for the Former Monument Mall, now Uptown Mall, Rehabilitation and Former K Mart Site Rehabilitation Project* (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 December 11, 2023

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

ATTEST:

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

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

RESOLUTION NO. CRA 010824-1

**BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSBLUFF, NEBRASKA:**

**Recitals:**

a. An Amended Redevelopment Plan for the Former Monument Mall, now Uptown Mall, Rehabilitation and Former K Mart Site Rehabilitation (the "Redevelopment Plan") has been submitted to the Scottsbluff Community Redevelopment Authority ("CRA") according to the Community Development Law, NEB. REV. STAT. § 18-2101 *et seq.* The Redevelopment Plan proposes to redevelop an area of the City which the City Council has declared to be blighted and substandard and in need of redevelopment.

b. The Redevelopment Plan includes a request for tax increment financing and for the designation of an Enhanced Employment Area for purposes of establishing two percent occupation tax on taxable sales within the Enhanced Employment Area.

c. The area to be redeveloped and designated as an Enhanced Employment Area is described as: Lot 3, Block 3, Third Replat of Lots 3 and 4, Block 3, Northeast Second Addition Replat No. 2, an Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska (2302 Frontage Road); Lot 2, Block 3, Northeast Second Addition Replat No. 2, an Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska (2410 Frontage Road); and Lots 1 and 2, Block 1, Subdivision of Block 1, Northeast Second Addition Replat No. 1, an Addition to the City of Scottsbluff, Scotts Bluff County, Nebraska (804 and 802 East 27<sup>th</sup> Street) (together the "Redevelopment Area").

d. The Redevelopment Plan has been reviewed by the Planning Commission, which found that the Redevelopment Plan conforms to the 2016 Scottsbluff Comprehensive Plan (the "Comprehensive Plan"). The Planning Commission recommended approval of the Redevelopment Plan to the CRA and City Council.

e. The CRA has reviewed and conducted a cost-benefit analysis of the Redevelopment Plan and makes the findings and recommendations as set forth in this Resolution.

**Resolved:**

1. The proposed land uses and building requirements in the Redevelopment Plan are designed with the general purposes of accomplishing, in conformance with the Comprehensive Plan, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, 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 insanitary or unsafe dwelling accommodations or conditions of blight.

2. The CRA has conducted a cost benefit analysis for the project according to the Community Redevelopment Law, and finds that the project as proposed in the Redevelopment Plan would not be economically feasible or occur in the project area without tax increment financing and 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, are in the long term best interests of the community. The cost benefit analysis shown in Exhibit E of the Redevelopment Plan is adopted.

3. The CRA states: (a) the Redevelopers have acquired the Redevelopment Area in contemplation of redevelopment and pursuing the Redevelopment Plan; (b) the estimated cost of preparing the Redevelopment Area for redevelopment is \$2,340,000.00, which includes general site preparation, subdivision, and demolition; (c) the Redevelopment Plan does not propose that either the CRA or City will acquire the project area and neither the CRA nor City will receive proceeds or revenue from disposal of the project area to the Redevelopers; (d) the proposed methods of financing of the project are (i) tax increment financing for eligible costs; (ii) the issuance of an enhanced employment area occupation tax revenue bond for eligible costs, which taxes will be generated from taxable sales in the Redevelopment Area; and (iii) private investment and borrowing for the remainder of the project costs; and (e) no families or businesses will be displaced as a result of the project.

4. The CRA recommends approval of the Redevelopment Plan to the City Council.

5. This Resolution along with the recommendation of the Planning Commission shall be forwarded to the City Council for its consideration when reviewing the Redevelopment Plan.

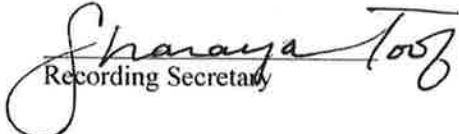
6. All prior resolutions of the CRA in conflict with the terms and provisions of this Resolution are repealed to the extent of such conflicts.

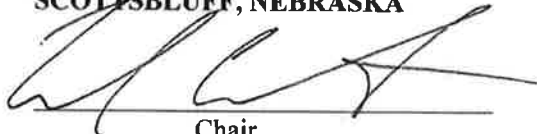
7. This Resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED** on January 8, 2024

**COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
SCOTTSBLUFF, NEBRASKA**

ATTEST:

  
Recording Secretary

  
Chair