



# City of Grand Island

Tuesday, June 10, 2014

Council Session

## Item I-3

**#2014-164 – Consideration of Approving Economic Development Incentive Agreement with Bosselman Tank & Trailer, Inc.**

Staff Contact: Mary Lou Brown, City Administrator

# **Council Agenda Memo**

**From:** Mary Lou Brown, City Administrator

**Meeting:** June 10, 2014

**Subject:** Approving Economic Development Incentive Agreement with Bosselman Tank & Trailer, Inc.

**Item #'s:** I-3

**Presenter(s):** Mary Lou Brown, City Administrator

## **Background**

At the November 6, 2012 General Election, the voters of the City of Grand Island approved LB840 funding to enable the City to extend economic development incentives through the Grand Island Area Economic Development Corporation (GIAEDC). The Economic Development Corporation has received an application from Bosselman Tank & Trailer, Inc. for building expansion and additional employees. On February 20, 2014, the Executive Board of the GIEDC approved submission of the attached Economic Development Agreement to the Citizens Advisory Review Committee (CARC) for consideration and recommendation. The CARC met on June 5, 2014 and approved the request and Agreement for recommendation to the City Council for final action and approval.

## **Discussion**

Bosselman Tank & Trailer, Inc. has submitted the required application (see attached) for an amount of \$90,000.00. Proposed is the creation of 8 new jobs within one year with an average hourly wage of \$16.00. Requested is \$6,250.00 per new employee for job training totaling \$50,000.00 and \$5,000.00 per new employee for job creation totaling \$40,000.00 for a total incentive request of \$90,000.00.

Bosselman Tank & Trailer, Inc. currently has 24 employees. This company manufactures and sells new and used transport trailers by welding stainless steel, aluminum, and iron. They are looking to expand its operations which will include the construction of a 6,400+ square foot facility in order to meet its current and future customer needs. The new construction will be located adjacent to the existing Bosselman Tank & Trailer, Inc. location at 4501 Juergen Road in the Platte Valley Industrial Park.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the Economic Development Agreement with Bosselman Tank & Trailer, Inc.
2. Do not approve the Economic Development Agreement with Bosselman Tank & Trailer, Inc.
3. Postpone the issue to future date.
4. Take no action on the issue.

## **Recommendation**

City Administration recommends that the Council consider the resolution authorizing the City to enter into the Economic Development Agreement with Bosselman Tank & Trailer, Inc.

## **Sample Motion**

Move to approve the resolution authorizing the City to enter into the Economic Development Agreement with Bosselman Tank & Trailer, Inc.

Bosselman Tank & Trailer  
4501 Juergen Road  
Grand Island, Ne 68801  
Fred Bosselman, President

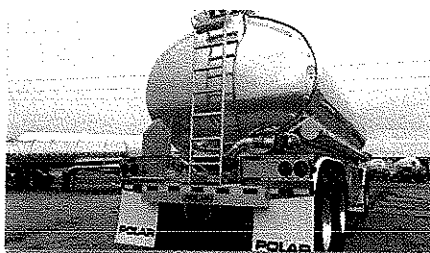
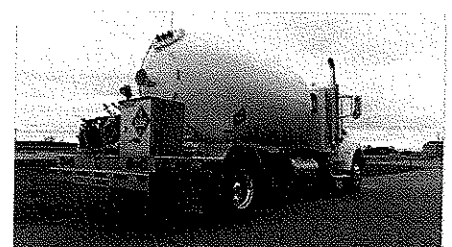
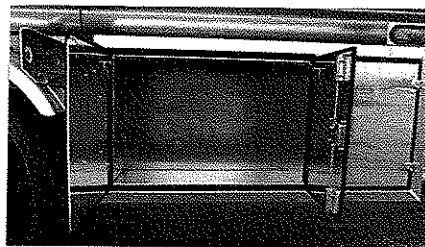
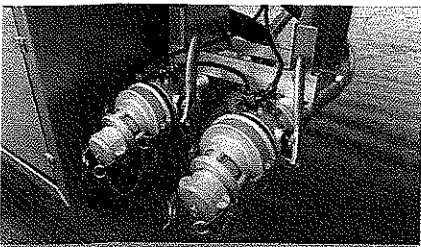
Creating 8 new jobs  
\$16 per hour

Qualifies for  
\$90,000  
LB-840 funds

Expanding existing  
facility with a  
6,400 ft<sup>2</sup> building at  
Platte Valley  
Industrial Park

Manufacture & sell  
new & used  
transport trailers by  
welding stainless  
steel, aluminum, &  
iron

Leadership team  
consists of 2nd & 3rd  
generation owners,  
experienced in fuel,  
manufacturing &  
distribution



**BOSSELMAN**  
**ENERGY** INC.



## Grand Island Area Economic Development Corporation LB-840 Application

The Grand Island Area Economic Development Corporation's mission is to facilitate the creation of jobs and economic opportunities for the regional trade area.

### Part I. GENERAL INFORMATION

#### *APPLICANT IDENTIFICATION*

Company Name: Bosselman Tank & Trailer, Inc.

Mailing Address: PO Box 1567

City: Grand Island      State: NE      Zip Code: 68802

Phone: 308-381-6900

Applicant Website: [www.bosselmantankandtrailer.com](http://www.bosselmantankandtrailer.com)

Business Classification (select all that apply):

- |                                       |  |  |                                |
|---------------------------------------|--|--|--------------------------------|
| <input type="checkbox"/> New Business | <input checked="" type="checkbox"/> Expansion of Existing Business | <input type="checkbox"/> Spec Building | <input type="checkbox"/> Other |
| <input type="checkbox"/> Corporation  | <input type="checkbox"/> Partnership                               | <input type="checkbox"/> Proprietor    | <input type="checkbox"/> Other |

Is this the business's first venture in Grand Island / Hall County? Yes ☐ No ☒

Is this the business's first venture in Nebraska? Yes ☐ No ☒

Does the business have a parent or subsidiaries? Yes ☒ No ☐

If yes, Name of Parent or Subsidiary Company: Bosselman Energy, Inc.

Mailing Address: PO Box 1567

City: Grand Island State: NE Zip Code: 68802

#### *MAIN CONTACT INFORMATION*

Name: Travis Hasselmann

Connection to Business: CFO

Mailing Address: PO Box 1567

City: Grand Island      State: NE      Zip Code: 68802

Company Name: Bosselman Tank & Trailer, Inc.

Projected Completion Date: 12/31/2014

Date Application Submitted: Friday, February 14, 2013

Email Address: travis.hasselman@bosselmanenergy.com  
Number: 308-398-6333

Phone

## **Part II. PROJECT INFORMATION**

### ***LOCATION***

Address of proposed project: OT

The proposed project is located:

- ☒ Within Grand Island city limits
- ☐ Outside of city limits, but within a two (2) mile jurisdiction
- ☐ Outside the zoning jurisdiction of Grand Island

Do you currently own the land of proposed project: Yes ☒ No ☐

Do you currently own the building of the proposed project: Yes ☐ No ☒

### ***JOB CREATION***

Current number of full time employees: 24

Number of new positions being created: 8-10

On a separate document, identify the employment positions being added, number of employees per position and wage per position.

Supporting documentation submitted: Yes ☒ No ☐

Describe any benefit packages available to new employees: Medical, Dental, Vision, STD, LTD, Accident Ins, Retirement Plan, Paid Holidays, Vacation,

### ***PROJECT SUMMARY***

On a separate document, provide a brief narrative describing the project for which LB-840 funds are being requested.

Narrative provided: Yes ☒ No ☐

Company Name: Bosselman Tank & Trailer, Inc.

Projected Completion Date: 12/31/2014

**PROJECT INVESTMENT**

|  |           |
|--|-----------|
| Land purchase price:                       | \$0T      |
| New facility construction expense:         | \$600,000 |
| Building purchase / renovation expense:    | \$0T      |
| New machinery / equipment expense:         | \$100,000 |
| Total working capital (include inventory): | \$0T      |
| Matching project funds:                    | \$0T      |
| Other:                                     | \$0T      |

**TOTAL INVESTMENT: \$700,000**

**SUPPORTING DOCUMENTATION**

Please include the following documents as attachments to the LB-840 application. The documents below must be submitted with your application to be considered complete.

Financial Statements:

Profit/ Loss Summary ☒

Balance Sheet ☒

Cash Flow ☐

Executive summary outlining plans to use Grand Island LB-840 funds.

Narrative provided:

Yes ☒ No ☐

Include a brief resume of management team to be placed in Grand Island.

Narrative provided:

Yes ☒ No ☐

Submit a Grand Island Area Economic Development membership application.

Application submitted

Yes ☒ No ☐

**FOR ADMINISTRATIVE PURPOSES ONLY**

Based on new job creation information provided and the EDC's job creation matrix, the applicant is eligible for the following LB-840 funds.

Funds available per new job created: *\$40,000 / \$5,000 per job*

Total LB-840 funds available to applicant: *\$90,000*

Company Name: Bosselman Tank & Trailer, Inc.

Projected Completion Date: 12/31/2014

Date Application Submitted: Friday, February 14, 2013

**PART III. SIGNATURES**

I hereby represent, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporations and the City of Grand Island.

I further represent that there is no legal action underway or being contemplated that would impact the capacity of this company to effectively proceed with this project.

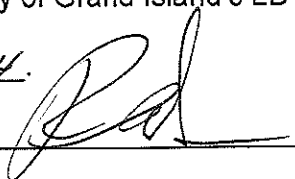
Dated this 14 day of Feb, 2014.

By: 

Its: CFO

As the President of the Grand Island Area Economic Development Corporation, I hereby represent that I have received and reviewed this application and its supporting information requesting the City of Grand Island's LB-840 funds.

Dated this 20 day of FEB, 2014.

By: 

Its: PRESIDENT

Company Name: Bosselman Tank & Trailer, Inc.

Projected Completion Date: 12/31/2014



Date Application Submitted: Friday, February 14, 2013

#### PART IV. APPROVAL OF AREA AGENCIES

*Reviewed by the Grand Island Area Economic Development Elected Trustees*

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Date of review: 02/20/14

Comments:

Approved ☒

Disapproved ☐

Signature of Chairman: \_\_\_\_\_



*Reviewed by the Citizen's Review Committee*

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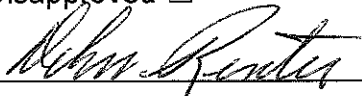
Date of Review: 6/5/14

Comments:

Approved ☒

Disapproved ☐

Signature of Chairman: \_\_\_\_\_



*Referred to the Grand Island City Council*

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Date of Review:

Comments:

Approved ☐

Disapproved ☐

Signature of Mayor: \_\_\_\_\_

Mayor Jay Vavricek

Company Name: Bosselman Tank & Trailer, Inc.

Projected Completion Date: 12/31/2014



## **Grand Island Area Economic Development Corporation**

### **Job Creation- Supporting Documentation**

The Grand Island Area Economic Development Corporation's mission is to facilitate the creation of jobs and economic opportunities for the regional trade area.

Use the template below to identify and describe new jobs your company plans to create through the use of LB-840 funds.

**Job Classification:** Shop Technician

Number of added employees: 8-10

Starting wage per new employee: \$15-\$17/hour

Benefits percentage: 35%

**Job Classification:** OT

Number of added employees: OT

Starting wage per new employee: OT

Benefits percentage: OT

**Job Classification:** OT

Number of added employees: OT

Starting wage per new employee: OT

Benefits percentage: OT

**Company Name:** Bosselman Tank & Trailer, Inc.

**Projected Completion Date:** 12/31/2014

**Project Summary:** Bosselman Tank & Trailer, Inc. is looking to expand its operations in Grand Island, NE which will include the construction of an ~6,400+ sqf facility in order to meet its current and future customer needs. The new construction will be located adjacent to the existing Bosselman Tank & Trailer, Inc. location at 4501 Juergen Rd in the Platte Valley Industrial Park.

**Executive summary outlining plans to use Grand Island LB-840 funds:** Bosselman Tank & Trailer, Inc. will use the LB-840 funds to hire and train 8-10 Shop Technicians in its Grand Island, NE operations. Due to the specialized work involved, Bosselman Tank & Trailer, Inc. requires its Shop Technicians to go through an extensive training program which includes shadowing existing employees and being able to weld on various types of metals (stainless steel, aluminum, iron, etc...). Due to the high level of knowledge and skill involved, training may take several weeks or even months to complete until new employees are ready to work on their own. Bosselman Tank & Trailer, Inc. will use LB-840 funds to offset the costs associated with hiring new employees, thus making it more cost effective to do so.

**Management Team to be placed in Grand Island:**

Fred A. Bosselman- Owner/Chief Executive Officer: Fred is a 2<sup>nd</sup> generation owner whose family has been in business in Grand Island for over 65 years.

Krishna C. Bosselman- President: Krishna returned to work for her father's business in 2008 and oversees all aspects of Bosselman Tank & Trailer, Inc. including business development.

Ken Caldwell- Vice President: Ken has worked for the Company for over 19 years after several years in the tank and trailer industry. Ken currently oversees all operations at Bosselman Tank & Trailer, Inc. and is responsible for the its' overall success.

**Company Name:** Bosselman Tank & Trailer, Inc.      **Projected Completion Date:** 12/31/2014

## ECONOMIC DEVELOPMENT AGREEMENT

This Agreement made by the City of Grand Island, Nebraska (City), and the Grand Island Area Economic Development Corporation (GIAEDC) with Bosselman Tank & Trailer, Inc. (Bosselman) does hereby set forth the terms and conditions of a forgivable economic development loan requested by Bosselman and granted by the City and the EDC as follows:

### I. INTRODUCTION

A. Bosselman has filed with the City and GIAEDC an Application for Economic Development Incentives (Application). In the Application, Bosselman stated it planned to expand its Grand Island workforce by eight (8) additional full time equivalent Shop Technicians.

B. The City and the GIAEDC find Bosselman is a qualifying business under the City's Economic Development Program, the Bosselman project qualifies for economic development incentives under the Program, the project will be of substantial economic benefit to the people of Grand Island and its surrounding area, and the forgivable economic development loan set forth below constitutes a fulfillment of the major objective of the City's Economic Development Plan.

### II. DEFINITIONS

As used in this Agreement the following words and phrases shall be defined as follows:

A. Full Time Equivalents (FTEs) - Shall be persons employed by Bosselman and working at its facilities located in Grand Island on the date of the Measuring Benchmark. The total number of FTEs shall be determined by dividing the total number of hours Bosselman employees worked at its facilities located in Grand Island by two thousand and eighty (2,080).

B. Additional Full Time Equivalents (AFTEs) - Shall be persons hired by Bosselman as part of its expansion of operations in Grand Island as detailed in paragraph I A of this Agreement. The total number of AFTEs shall be determined by dividing the total number of hours the AFTEs worked at Bosselman's facilities in Grand Island by two thousand and eighty (2,080).

C. Minimum Hourly Rate - Shall be a minimum of Sixteen Dollars (\$16.00) per hour for each AFTE hired as part of Bosselman's expansion of its operations in Grand Island. The hourly rate shall be determined by dividing the total wages and salaries paid to AFTEs by two thousand and eighty (2,080).

D. Employment Certificate - A document for a defined period containing the sworn statement of a duly authorized representative of Bosselman specifically setting forth compliance with the terms of this Agreement. The Employment Certificate shall contain the following information and adhere to the following terms:

1. The total number of hours which AFTEs worked and received compensation at Bosselman's facilities in Grand Island;

2. The hourly rate for all AFTEs in compliance with the minimum hourly rate as stated in paragraph II C of this Agreement.

3. Bosselman agrees upon written notice pursuant to paragraph VII of this Agreement to allow the City Administrator or his or her designee to personally inspect Bosselman's employment records as confirmation of the statements contained in the Employment Certificate.

E. Measuring Benchmark - The measuring benchmark shall be the first day of the month following the one (1) year anniversary of the application received at the GIAEDC.

### III. EMPLOYMENT REQUIREMENTS

Bosselman shall meet each of the following employment requirements:

A. Bosselman shall have a minimum of thirty-two (32) FTEs at its facilities in Grand Island on the date of the Measuring Benchmark as defined in paragraph II E of this Agreement.

B. Bosselman shall have a minimum of eight (8) AFTEs being compensated at the minimum hourly rate as defined in paragraph II C of this Agreement working at its facilities in Grand Island on the date of the Measuring Benchmark as defined in paragraph II E of this Agreement.

#### IV. FORGIVABLE ECONOMIC LOAN DISBURSEMENTS

Disbursements of the Forgivable Economic Development Loan shall be paid to Bosselman by the City according to the following schedule:

A. TRAINING - Disbursements related to training shall be paid to Bosselman by the City as follows:

1. A disbursement for training AFTEs in the total amount of Fifty Thousand Dollars (\$50,000.00), representing Six Thousand, Two Hundred and Fifty Dollars (\$6,250.00) for each AFTE, shall be paid to Bosselman by the City within sixty (60) days of the approval of this Agreement by the Council.

2. The maximum amount the City shall disburse to Bosselman for training shall be Fifty Thousand Dollars (\$50,000.00).

3. Bosselman agrees to provide the City and the GIAEDC evidence of expenditure of the training disbursement for training purposes on or before the date of the Measuring Benchmark as defined in paragraph II E of this Agreement.

B. JOB CREATION - Disbursements related to job creation in the total amount of Forty Thousand Dollars (\$40,000.00) for eight (8) AFTEs representing Five Thousand Dollars (\$5,000.00) for each AFTE shall be paid to Bosselman by the City as follows:

1. Disbursements in the amount of Five Thousand Dollars (\$5,000.00) per AFTE shall be paid to Bosselman by the City upon Bosselman providing appropriate evidence to the City of the hiring of the particular AFTE(s).

2. The maximum amount the City shall disburse to Bosselman for job creation shall be Forty Thousand Dollars (\$40,000.00).

3. Bosselman agrees to hire eight (8) AFTEs by the date of the Measuring Benchmark as defined in paragraph II E of this Agreement.

C. TOTAL DISBURSEMENTS - The maximum total amount the City shall disburse to Bosselman pursuant to this Agreement shall be Ninety Thousand Dollars (\$90,000.00).

## V. ECONOMIC DEVELOPMENT LOAN FORGIVENESS

The City shall forgive the entire economic development loan disbursed to Bosselman, representing a total of Ninety Thousand Dollars (\$90,000.00) upon Bosselman meeting the following conditions:

A. Bosselman fully complies with the terms as set forth in paragraphs III and IV of this Agreement.

B. If Bosselman continues to remain in compliance with the Terms as set forth in paragraphs III and IV of this Agreement the economic development loan will be forgiven pursuant to the following schedule:

1. On the date of the Measuring Benchmark as defined in paragraph II E of this Agreement, thirty-three and a third percent (33 1/3%) or Thirty Thousand Dollars (\$30,000.00);

2. One (1) year after the date of the Measuring Benchmark as defined in paragraph II E of this Agreement, an additional thirty-three and a third percent (33 1/3%) or Thirty Thousand Dollars for a total forgiven amount of Sixty Thousand Dollars (\$60,000.00); and

3. Two (2) years after the date of the Measuring Benchmark as defined in paragraph II E of this Agreement, an additional thirty-three and a third percent (33 1/3%) or Sixty Thousand Dollars for a total forgiven amount of Ninety Thousand Dollars (\$90,000.00).

## VI. BREACH OF AGREEMENT

A. In the event Bosselman fails to comply with any of the terms as set forth in this Agreement the City may declare it to be in breach. Any such declaration shall be in writing, signed by a person authorized to make such a declaration, and delivered by Certified U.S. Mail, Return Receipt Requested to Bosselman at its last known address.

B. In the event the City declares Bosselman to be in breach, any monies disbursed by the City shall become immediately due and owing by Bosselman to the City and if unpaid shall accrue interest at the rate of eight percent (8%) per annum.

## VII. COMMUNICATION

A. Bosselman agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or the GIAEDC related to Bosselman's compliance with the terms of this Agreement. All responses to such inquiries shall be in writing and electronic and provided to the City and the EDC at the following addresses:

1. Grand Island City Administrator  
100 East First St.  
P.O. Box 1968  
Grand Island, NE 68802-1968  
cityadministrator@grand-island.com
2. Grand Island Area Economic Development Corp.  
308 North Locust St., Suite 400  
P.O. Box 1151  
Grand Island, NE 68802-1151  
rgard@grandisland.org

B. Bosselman agrees to inform the City and the GIAEDC of any changes in its address, telephone number, or email address within three (3) business days of such changes.

## VIII. LEGAL EFFECT

Notwithstanding the other provisions of this Agreement, Bosselman specifically agrees to the following:

A. If Bosselman is purchased, absorbed, or merged with any other person or entity the terms of this Agreement shall continue to be in force on any such purchaser or successor entity.

B. If Bosselman ceases operations in Grand Island at any time while this Agreement is in force, any monies disbursed by the City shall become immediately due and owing to the City, and any monies owed shall accrue interest at the rate of eight percent (8%) per annum until paid in full.

C. If any provision of this Agreement is declared void or illegal by a Court of law, all other unaffected provisions shall remain in full force and effect.



D. This document constitutes the entirety of the terms and conditions of this Agreement. This Agreement shall not be altered or modified in any way unless agreed to by all parties thereto, memorialized in writing, and executed by the parties.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

GRAND ISLAND AREA ECONOMIC  
DEVELOPMENT CORPORATION

BOSSELMAN TANK & TRAILER,  
INC.

By \_\_\_\_\_  
Randy Gard, President

By \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE CITY OF GRAND ISLAND

By \_\_\_\_\_  
Jay Vavricek, Mayor

By \_\_\_\_\_  
Mary Lou Brown,  
City and Program Administrator

RESOLUTION 2014-164

WHEREAS, on November 6, 2012, the City of Grand Island adopted an Economic Development Program and a Citizens Advisory Review Committee to oversee the process of approving applications for economic development incentives; and

WHEREAS, Bosselman Tank & Trailer, Inc. has applied for a forgivable loan for job creation and training in the amount of \$90,000.00 from the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program; and

WHEREAS, such application has been approved by the executive committee of the Economic Development Corporation and was approved on June 5, 2014 by the Citizens Advisory Review Committee; and

WHEREAS, Bosselman Tank & Trailer, Inc. will be required to meet or exceed employment numbers and employee salary levels as outlined in the Economic Development Agreement to retain all of the economic incentives granted under the agreement; and

WHEREAS, it is in the best interests of the City to provide economic development funding to Bosselman Tank & Trailer, Inc. as provided by the Grand Island Economic Development Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Economic Development Agreement by and between the City, the Grand Island Area Economic Development Corporation and Bosselman Tank & Trailer, Inc., to provide \$90,000.00 in economic assistance to Bosselman Tank & Trailer, Inc., to be used for expanding its business in Grand Island is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, June 10, 2014.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

|                     |                 |
|---------------------|-----------------|
| Approved as to Form | ▣ _____         |
| June 6, 2014        | ▣ City Attorney |