

City of Scottsbluff, Nebraska

Tuesday, January 17, 2017

Regular Meeting

Item Reports1

Council to consider an Extension and Amendment to the Economic Development Assistance Agreement with Aulick Manufacturing and HVS LLP and authorize the City Manager to execute the agreement.

Staff Contact: Nathan Johnson, City Manager

City of Scottsbluff
Economic Development Application Review Committee
December 16, 2016

A meeting of the Economic Development Application Review Committee was held on December 16, 2016, at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, NE.

The meeting was convened at 8:07 a.m. Roll call was taken. Present were Committee Members, Jim Trumbull, Dennis Hadden, Dave Schaff, and Lee Glenn. In attendance on behalf of the City were Program Administrator, Nathan Johnson, Deputy City Attorney, Rick Ediger, and City Finance Director, Liz Hilyard. Also present were Jeanne McKerrigan and Vince Aulick on behalf of Aulick Industries.

Chairman Trumbull called the meeting to order and stated that a copy of the Nebraska Open Meetings Act is located on the West wall of the Conference Room. There were no changes in the Agenda, nor were there any citizens with business not scheduled on the agenda.

It was moved by Hadden and seconded by Schaff that the Minutes of the May 28, 2016 Committee Meeting be approved. Voting yes: Trumbull, Hadden, Schaff and Glenn. Voting no: None.

It was moved by Hadden and seconded by Schaff that the Minutes of the November 9, 2016 Committee Meeting be approved. Voting yes: Trumbull, Hadden, Schaff and Glenn. Voting no: None.

The next order of business concerned an Application for Extension of the June 2009 Economic Development Assistance Agreement between the City and Original Equipment, Inc., Aulick Manufacturing, Inc., and HVS, LLP. Vince Aulick explained that the company has been engaged in expansion and diversifying in recent months, and they have expect to continue to hire. Aulicks' currently have four manufacturing plants, the largest of which is in Scottsbluff. The unearned portion of the grant owed to the City as of December 31, 2014, was \$131,000. If credit is given for jobs through December 31, 2015, the balance will be \$109,100. Following questions by Committee Members, it was moved by Hadden and seconded by Schaff that the existing grant be extended to allow the Applicant to earn the remaining job credits over five years. The terms and collateral shall be the same as the original grant. Voting yes: Trumbull, Hadden, Schaff and Glenn. Voting no: None.

Discussion was then had concerning plans for housing grants ranging from infrastructure to gap financing assistance. No action was taken as it was felt that this discussion needed to be continued and particularly needed the input of Committee Member Marla Marx, who could not attend.

City Manager Johnson reported that the deadline for Applications for the Economic Development Director had been extended to January 13 and the scope of the search has been

expanded to a national level. City Manager Johnson presented information to the Committee concerning the acquisition of the industrial site with Gering. Information was provided to the Committee, but no action was to be taken unless requested by the City Council.

The meeting was then adjourned at 9:10 a.m.

Nathan Johnson, Program Administrator

EXTENSION AGREEMENT

This Extension Agreement is made on January __, 2017, between the City of Scottsbluff, Nebraska (the "City") and Original Equipment, Inc. ("OEI"), Aulick Manufacturing, Inc. ("Aulick"), and HVS LLP ("HVS"). OEI, Aulick and HVS are collectively referred to as the "Applicants".

Recitals:

a. On June 9, 2009, the City and the Applicants entered into an Economic Development Assistance Agreement (the "EDA Agreement"). Except as otherwise defined in this Extension Agreement, all capitalized terms shall have the same meaning as provided for in the EDA Agreement.

b. Pursuant to the EDA Agreement, the Applicants were awarded a Grant in the amount of \$165,000. The Applicants were given the opportunity to earn the Grant through Job Credits. As of the end of the Term (December 31, 2014), the Applicant owed the City a Repayment in the amount of \$131,000.

c. The City recognizes that although the Applicant has not earned all of its job credits under the Grant, it continues to be a viable business and a significant employer in the community.

d. In order to encourage the Applicant to remain in business in the Scottsbluff area, and to retain and hire employees, the City has agreed to extend the EDA Agreement and to provide the Applicant with additional time to earn Job Credits.

Extension and Amendment of Agreement:

1. The Term shall be extended by five years until December 31, 2019. The Maximum Annual Credit provided for in paragraph 6 of the EDA Agreement is deleted, and there shall be no limit on the amount of credits that the Applicant may earn in any one Year.

2. The address for notice for the City in paragraph 16 is changed as follows:

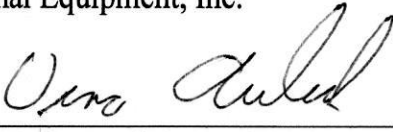
City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69361
Fax: (308) 632-2916
Attention: City Manager

3. Except as modified by this Extension Agreement, all other terms of the EDA Agreement shall continue in effect.

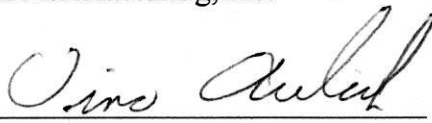
City of Scottsbluff, Nebraska

By: _____
Economic Development
Program Administrator

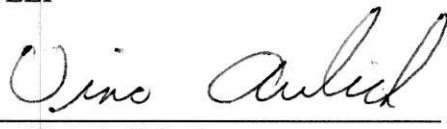
Original Equipment, Inc.

By: 
Vinc Aulick, President

Aulick Manufacturing, Inc.

By: 
Vinc Aulick, President

HVS, LLP

By: 
Vinc Aulick, Partner