

# **City of Scottsbluff, Nebraska**

**Monday, March 20, 2017**

**Regular Meeting**

## **Item Reports1**

**Council to consider an Extension Agreement to the Amended and Restated Economic Development Assistance with Vertex Business Services, LLC and authorize the City Manager to execute the agreement as the Economic Development Program Administrator.**

**Staff Contact: Nathan Johnson, City Manager**

**City of Scottsbluff**  
**Economic Development Application Review Committee**  
**March 2, 2017**

A meeting of the Economic Development Application Review Committee was held on March 2, 2017, at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, NE.

The meeting was convened at 8:00 a.m. Roll call was taken. Present were Committee Members, Jim Trumbull, Dennis Hadden, Dave Schaff, Hod Kosman, and Marla Marx. In attendance on behalf of the City were Program Administrator, Nathan Johnson, Deputy City Attorney, Rick Ediger, and City Finance Director, Liz Hilyard.

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 Schaff and seconded by Hadden that the Minutes of the January 6, 2017 Committee Meeting be approved. Voting yes: Trumbull, Hadden, Schaff, Kosman, and Marx. Voting no: None.

The next order of business concerned an Application for Assistance from Open Door Counseling, LLC. Dennis Hadden indicated that he had a conflict of interest as his office performs accounting services for the Applicant. Present on behalf of the Applicant was Sandra Raney and Bill Raney. Members of the Committee were given materials in support of the Application. The Applicant indicated that the most immediate area where they could use assistance in order to make their business successful was to provide front-end support in order to help with office matters, to include billing. They also anticipate adding two clinicians and family skill builders. Mrs. Raney described her practice, the need for it, and her contract with the Department of Health and Human Services. Following discussion, it was moved by Schaff and seconded by Kosman that the Committee recommend to the City Council that a Grant be awarded in the amount of \$20,000 to cover four jobs. The Grant can be earned over a five-year period at the rate of \$1,000 per employee per year. Collateral would be in the form of personal guaranties of Sandra and Bill Raney. Voting yes: Trumbull, Schaff, Kosman, and Marx. Voting no: None. Abstain: Hadden.

Marx left the meeting due to a pre-existing conflict.

The next order of business concerned a request from Skiles Industries, Inc. for subordination to Platte Valley Bank of the Deed of Trust held by the City on real estate owned by Skiles Properties, LLC. Hod Kosman indicated that he had a conflict of interest due to the fact that Platte Valley Bank finances Skiles' operation. Jerry Skiles presented information concerning his company's business. A real estate appraisal was presented, which showed the property valued at \$1,575,000. The maximum loan to be extended by Platte Valley Bank would be \$1,181,250, leaving \$393,750 in equity. The

potential unearned Job Credit amount as of the most recent report was \$46,300. It was moved by Hadden and seconded by Schaff that the Committee recommend to the City Council to approve the subordination as requested; provided, however, the principal amount loaned by Platte Valley Bank shall not exceed \$1,181,250. Voting yes: Trumbull, Hadden, and Schaff. Voting no: None. Abstain: Kosman. No longer present: Marx.

The final order of business involved a request by Vertex for extension of their Economic Development Assistance Agreement. Vertex requested an extension of one year in order to earn the remaining balance of Job Credits provided for in their Economic Development Assistance Agreement with the City. A letter was presented in support of the Application. It was moved by Kosman and seconded by Schaff that the Committee recommend to the City Council that Vertex's request for a one-year extension be approved. Voting yes: Trumbull, Hadden, Schaff, and Kosman. Voting no: None. No longer present: Marx.

The meeting was then adjourned at 8:46 a.m.

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Nathan Johnson, Program Administrator

## **EXTENSION AGREEMENT**

This Extension Agreement is made on March 8, 2017, between the City of Scottsbluff, Nebraska (the "City") and Vertex Business Services LLC ("Vertex").

### **Recitals:**

- a. On February 15, 2008, the City and ADS Alliance Data Systems, Inc. ("Alliance Data") entered into an Amended and Restated 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. The interest of Alliance Data in the EDA Agreement is currently held by Vertex.
- c. The time for earning Job Credits was previously extended to December 31, 2016, by an Extension Agreement dated January 8, 2014 (the "Extension Agreement"). Vertex has continue to earn Job Credits for which it was eligible under the Grant, but currently owes the City a Repayment in the amount of \$72,500.
- d. The City recognizes that although Vertex 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.
- e. In order to encourage Vertex 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 Vertex with additional time to earn Job Credits.

### **Extension and Amendment of Agreement:**


1. The Term shall be extended by one additional year until December 31, 2017.
2. Except as modified by this Extension Agreement, all other terms of the EDA Agreement, the Amendment and this Extension Agreement shall continue in effect.

*[Signatures on Following Page]*

City of Scottsbluff, Nebraska

Vertex Business Services, LLC

By: \_\_\_\_\_  
Economic Development  
Program Administrator

  
By:  
Brad Almond,  
Chief Financial Officer