

# **City of Scottsbluff, Nebraska**

**Monday, October 16, 2017**

**Regular Meeting**

## **Item Pub. Hear.1**

**Council to conduct a public hearing as set for this date at 6:05 p.m. to consider and take action concerning the report of the LB840 Economic Development Program Citizen's Advisory Committee.**

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

**CITIZEN'S ADVISORY COMMITTEE MINUTES**  
**September 27, 2017**  
**Scottsbluff City Hall**

A meeting of the City of Scottsbluff Economic Development Citizen's Advisory Committee was held on September 27, 2017, at Noon, at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Committee members in attendance were Mark Harris, Diane Vandenberg, and Sam Mark. Also in attendance were Nathan Johnson (City Manager/Program Administrator), Starr Lehl (City Economic Development Director), Liz Hilyard (City Finance Director) and Rick Ediger (Deputy City Attorney).

Chairman Harris opened the meeting. It was noted that a copy of the Nebraska Open Meetings Act is posted on the south wall of the Council chambers. There were no changes in the agenda or citizens with unscheduled business.

The first order of business was to approve the minutes of the April 6, 2017 meeting. It was moved by Mark and seconded by Vandenberg that the minutes of that meeting be approved. Voting yes: Harris, Vandenberg and Mark. Voting no: None.

The next order of business was to review Job Credit Reports from Economic Development Program participants. Due to the fact that confidential information would be presented, it was necessary for the Committee to go into executive session for the purpose of reviewing Job Credit Reports. At 12:07 p.m., it was moved by Vandenberg and seconded by Mark that the Committee go into executive session and include all City staff currently present at the meeting. Voting yes: Harris, Vandenberg, and Mark. Voting no: None. The executive session began at 12:07 p.m.

At the conclusion of the executive session, the meeting was reconvened in open session at 12:34 p.m. The Chairman indicated the Committee had received substantial information concerning various program recipients during the executive session, but no action had been taken during the executive session. Reports were received and reviewed from the following representing job credits as of June 30, 2017:

Vertex  
Aulick Manufacturing  
Fusion Ranch  
EagleMed  
SWBC  
Regional West Medical Center

The next order of business regarded discussion concerning functioning and progress of the City's Economic Development Program. Economic Development Director Lehl introduced

Laurie Richards, who is the Nebraska Film Officer, as a consultant to the Nebraska Department of Economic Development. Ms. Richards and Ms. Lehl reported on the filming of the current Coen brothers film at FX Ranch in Sioux County. At least 250 people were involved in the production. Lodging, meals and other supplies and equipment were all provided locally. The Local Option Municipal Economic Development Act includes in the definition of “Qualifying Business” any business which derives its principal source of income from the production of films, including feature, independent, and documentary films, commercials, and television programs. The purpose of bringing this to the Committee was to determine if there would be any interest in adding film production as a Qualifying Business under the City of Scottsbluff’s Plan. Ms. Richards indicated she could provide examples of policies from the Cities of Fremont and Valentine, both of which had added film production to their plans. In particular, Fremont provides for definite levels of performance and for payment in arrears. The Members of the Committee generally were in favor of the concept. However, it was the consensus of the Committee that we should find out more information from the other cities that give grants for film production and bring it back to this Committee at a future meeting.

Economic Development Director Lehl gave her report on her activities since she started working for the City on August 1<sup>st</sup>. Committee Members were encouraged to contact her with ideas, and to provide input at any time.

With respect to action items, it was moved by Mark and seconded by Vandenberg that the Job Credit Reports from the above businesses be accepted. Voting yes: Harris, Vandenberg, and Mark. Voting no: None. Notification of this action by the Committee will be given to all of the above businesses.

It was moved by Vandenberg and seconded by Mark that staff prepare report to City Council indicating that the reporting businesses were in substantial compliance with their Agreements under the Program. Voting yes: Harris, Vandenberg, and Mark. Voting no: None.

There being no further business, it was moved by Mark and seconded by Vandenberg to adjourn the meeting. Voting yes: Harris, Vandenberg, Mark, Meyer and Philips; Voting no: None. The meeting was adjourned at 1:08 p.m.

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Nathan Johnson, Program Administrator

**Economic Development Program  
Report of Citizen's Advisory Committee Meeting  
September 27, 2017**

The Economic Development Citizen's Advisory Committee met on September 27, 2017, and issues this report to the City Council based on action taken by the Committee at those meetings. All reports received between the last Committee meeting and June 30, 2017, were reviewed.

As of June 30, 2017, the City had awarded 44 grants to businesses since the beginning of the Program. 13 are active, with the rest having previously been terminated, earned, repaid, or settled. 2 more grants have been approved since June 30, 2017. Annual Reports were reviewed and accepted for the following businesses for the periods ended June 30, 2017:

Vertex  
Aulick Manufacturing  
Fusion Ranch  
EagleMed  
SWBC  
Regional West Medical Center

Each of the Committee Members and the Council Members have been provided with Job Report Summaries as of June 30, 2017. The information concerning actual employee numbers for each business are, however, confidential and cannot be released as to specifics without the permission of the individual businesses. The following general information can, however, be provided in summary form:

1. Job creation grants and loans netting almost \$9 million (after repayment of amounts granted and repaid) have been awarded to businesses since the beginning of the program (1/1/96). The City has also invested in two water extension projects and a drainage project benefitting the areas near the airport which include Fusion Ranch and the EagleMed Hanger. In addition, the City's program has made a significant contribution to job training in this area through assistance to Western Nebraska Community College.
2. From the businesses that continue to be in operation or have been sold to entities who have maintained the business, over 1,350 jobs have been created or retained through the assistance of the City's program. Additional jobs were created for a period of time by businesses that have since been closed.
3. From the funds that have been awarded to businesses for job creation, the amount lost from businesses that did not survive as of the last reporting period is approximately 5.5%. Many of the businesses that have benefited from our program have produced jobs well in excess of their job commitment to the City. If these additional jobs were factored in, the impact of the net loss from failed businesses is much less.

4. City Staff and the Citizen's Review Committee are satisfied with the information provided by the businesses reviewed at the Review Committee meeting. With a couple of exceptions, all businesses with active grants are current in their reporting.

5. The Committee has been encouraged to consider adding businesses which derive their principal source of income from the production of films as a Qualifying business, in light of the Coen brothers film which took place at a ranch in Sioux County. It was pointed out that a significant amount of money had been spent with local hotels, motels and merchants in connection with the production. The Committee requested that staff obtain information as to what other communities are doing so that this information can be considered in the future.