

City of Scottsbluff, Nebraska

Monday, May 21, 2018

Regular Meeting

Item Pub. Hear.1

**Council to conduct a public hearing as set for this date at 6:00 p.m.
to consider and take action concerning the report of the LB840
Economic Development Program Citizen's Advisory Committee.**

Staff Contact: Starr Lehl, Economic Development Director

**Economic Development Program
Report of Citizen's Advisory Committee Meeting
April 12, 2018**

The Economic Development Citizen's Advisory Committee met on April 12, 2018, 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 December 31, 2017, were reviewed.

As of December 31, 2017, the City had awarded 47 grants to businesses since the beginning of the Program. 14 are active, with the rest having previously been terminated, earned, repaid, or settled. 3 more grants have been funded since December 31, 2017. Annual Reports were reviewed and accepted for the following businesses for the periods ended December 31, 2017:

Vertex
Aulick Manufacturing
Fusion Ranch
EagleMed
Regional West Medical Center

Each of the Committee Members and the Council Members have been provided with Job Report Summaries as of December 31, 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 \$10 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, the EagleMed Hanger and a drainage project. 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 City has recently added different types of Qualifying Businesses, to include housing, retail where the principal source of revenue is from manufacturing on-site, and film production. It is too early to tell what kind of impact that these additions will have on the program.

CITIZEN'S ADVISORY COMMITTEE MINUTES

**April 12, 2018
Scottsbluff City Hall**

A meeting of the City of Scottsbluff Economic Development Citizen's Advisory Committee was held on April 12, 2018, at Noon, at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Committee members in attendance were Mark Harris, Diane Vandenberg, Marci Meyer and Scott Philips. Also in attendance were Nathan Johnson (City Manager/Program Administrator), 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 January 26, 2018 meeting. It was moved by Meyer and seconded by Vandenberg that the minutes of that meeting be approved. Voting yes: Harris, Vandenberg, Meyer and Philips. 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. It was moved by Philips and seconded by Meyer that the Committee go into executive session and include all City staff currently present at the meeting. Voting yes: Harris, Vandenberg, Meyer, and Philips. Voting no: None. The executive session began at 12:06 p.m.

At the conclusion of the executive session, the meeting was reconvened in open session at 12:28 p.m. The Chairman indicated the Committee had received 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 earned as of December 31, 2017:

Vertex
Aulick Manufacturing
Fusion Ranch
EagleMed
Regional West Medical Center

The next order of business concerned an update concerning Flyover Brewing. Due to the recent roof collapse, its opening date will likely be pushed back. Work is still progressing on the building. The first Note payment due from Flyover was to be July 1, 2018, but the City expects that a request for extension may be made.

It was indicated that LB768 would authorize grants and loans for early childhood care and education programs. The City would need to go through the process of deciding whether a business engaged in this activity could be added as a Qualifying Business. However, this bill is not likely to be passed this session.

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

Chairman Harris commented on the increased number of recent grants and loans. While he is in favor of helping local businesses, he was concerned about whether there would be sufficient amounts in the Economic Development Fund in the event there was an opportunity to bring in a large outside business. City Manager Johnson indicated that the City Council had committed \$1,000,000 to qualifying businesses that may locate in the Gering Industrial Park. Any such businesses would have to go through the normal City application process. In addition, \$588,000 had been committed to housing in order to support the LB518 grant applied for by Panhandle Regional Development, Inc.

It was moved by Philips and seconded by Meyer 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, Meyer and Philips. 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 12:56 p.m.

Nathan Johnson, Program Administrator