

City of Scottsbluff, Nebraska
Friday, February 15, 2019
Regular Meeting

Item 1

Approval of minutes for meeting of January 11, 2019

Staff Contact: Starr Lehl

City of Scottsbluff
Economic Development Application Review Committee
January 11, 2019

The meeting of the Economic Development Application Review Committee was held on January 11, 2019 at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were committee members Jim Trumbull, Lee Glenn, Dennis Hadden and Hod Kosman. In attendance on behalf of the City was City Manager, Nathan Johnson, City Economic Development Director, Starr Lehl, City Finance Director, Liz Hilyard, and Deputy City Attorney, Adam Hoelsing.

Chairman Trumbull called the meeting to order and stated that a copy of the Nebraska Open Meetings Act was located on the south wall of the Council Chamber. There were no changes to the agenda. One citizen, Nate Merrigan, attended the meeting but was not scheduled on the agenda.

It was moved by Vice Chair Hadden, and seconded by member Kosman that the minutes of the November 9, 2018 committee meeting be approved. Voting yes: Trumbull, Hadden and Kosman. Voting no: None.

Member Glenn then entered the meeting at 8:04 a.m.

An Application for assistance from Great Plains Distillery, LLC was presented. Starr Lehl introduced the applicant, and Philip Mitchell appeared on behalf of the applicant. Applicant had previously received assistance, but did not close on the assistance package. The applicant stated that the business was locating to a renovated building at 1716 Broadway, Scottsbluff, Nebraska. As part of that renovation, the applicant had expenses for building acquisition, improvements to the interior building, and distillery equipment. One unexpected expense of the applicant was a fire sprinkler system. The applicant stated that they were currently licensed to manufacture distilled spirits, and had been producing and distributing both vodka and whiskey during the 2018 calendar year. All products are currently being sold in Wyoming, in the local markets, and into the central Nebraska markets. The applicant stated that upon moving to 1716 Broadway, they intend to increase production of vodka and whiskey, and also intend to branch into the production and manufacture of rum. Applicant had not presented complete financials for the 2018 calendar year, and only presented financials up to July 10, 2018. A more updated personal financial statement was needed to complete the Application, and a more accurate picture of expected income and expenses was needed as well. The committee instructed Starr Lehl to contact Philip Mitchell in order to provide updated financials for the 2018 calendar year, and to discuss general industry outlook with other distillers.

An Application for assistance from Croell, Inc. was presented. Economic Development Director Starr Lehl introduced Brian Marchant on behalf of the applicant. The applicant is a regional concrete manufacturer, with locations in Iowa, Wisconsin, Minnesota, Nebraska, South Dakota, Wyoming, and Montana. The applicant has a current site located near Scottsbluff, Nebraska, which was purchased in the spring 2018 from the City of Scottsbluff. The applicant desires to construct and maintain a regional headquarters at that site, and has expenses related to the real estate acquisition,

land improvements, construction of buildings and equipment, and extension of utilities. For expansion, the regional headquarters would provide 11 full-time jobs above the current 6 full-time jobs of the applicant's concrete plant. Of those jobs created, one would be regional manager with a salary range of \$70,000-\$90,000, one would be a financial comptroller with a salary range of \$60,000-\$80,000, two would be mechanics serving all equipment of Croell, Inc. in the region, two would be equipment operators, two would be plant drivers, one would be a pump operator, and one would be an administrative clerk. For the Application, the lowest wage range would be \$19-\$20 an hour, and high salary range would be at or near \$90,000. Moved by member Kosman and seconded by member Glenn, that the following assistance be provided with details to be determined by City Staff and City Attorney: A \$750,000/grant, amortized over 10 years. Voting yes: Trumbull, Hadden, Kosman and Glenn. Voting no: None. The applicant would be able to earn job credits against the outstanding balance of the loan/grant, and the Committee instructed City Staff and City Attorney to highly emphasize the job credits available. Following the finalization of details of the loan/grant, the Committee instructed City Staff to inform them of the details and the Committee would individually respond with any questions or concerns they may have.

Discussion was then had regarding the location and development of a manufacturing plant for Prime Metals, Inc. There was some concern as to the location of the project as previously presented to the Committee. Committee members discussed the possibility of reaching out to local area land developers to see if communications could be made as to the acquisition and development of land for Prime Metals, Inc. There was an "opportunity zone" designated in an area east of Scottsbluff city limits along Highway 26. Committee members discussed the potential for that area for land acquisition and development by future applicants.

The meeting was then adjourned at 9:11 a.m.

Starr Lehl, Economic Director