

City of Scottsbluff, Nebraska

Monday, May 20, 2019

Regular Meeting

Item Reports1

**Council to consider approval of the request to modify the
Economic Development Assistance Agreement for Elite Urgent
Care and Family Health, LLC.**

Staff Contact: Nathan Johnson, City Manager

**AMENDMENT TO
ECONOMIC DEVELOPMENT ASSISTANCE AGREEMENT**

This “Amendment” is made this ____ day of May, 2019 by and between the City of Scottsbluff, Nebraska (the “City”) and Elite Urgent Care and Family Health, LLC (the “Applicant”).

Recitals:

a. The City has adopted an Economic Development Plan pursuant to the Nebraska Local Option Municipal Economic Development Act (the “Plan”). Pursuant to the Plan, the City has implemented an Economic Development Program (the “Program”).

b. The Applicant has made application for assistance from the Program (the “Application”) and the Application was approved for recommendation by the City Economic Development Application Review Committee (the “Committee”).

c. The City Council (the “Council”) followed the Committee’s recommendation and approved an “Economic Development Assistance Agreement” (the “Agreement”) between the City and the Applicant, dated July 25, 2018.

d. The Applicant’s build-out and construction was delayed in December of 2018, and the Applicant was not able to begin business operations until February of 2019. The Agreement contemplated beginning operations by January 1, 2019.

e. The Applicant applied to the Committee for an amendment to the Agreement in order to address construction and business delay. The Committee approved for recommendation to the Council an amendment to the Agreement.

f. Wherefore, the parties enter into this Agreement for the purposes of setting forth the terms and condition of the Amendment to the Agreement.

Amendment:

1. Paragraph 2 of the Agreement is hereby amended as follows:

“2. Terms of Loan:

The Loan shall be in the amount of \$75,000 and shall be represented by a promissory note (the “Note”) to be signed at the Closing in the form of the attached “Exhibit A”. The Note shall be interest free until March 1, 2019 (the “Note Interest Date”), at which time the Note shall carry interest at the Applicable Federal Mid-Term rate for the month of the Closing and shall be repaid over 5 equal annual payments of principal and interest. The first payment shall be due on

April 1, 2020, with each additional payment due on the same day of each subsequent Year until the Note is paid in full.”

2. Paragraph 4 of the Agreement is hereby amended as follows:

“4. Job Credits and Time of Annual Payment:

As long as the Applicant is not in default of the Note, this Agreement, or any other document entered into pursuant to this Agreement, the Applicant shall be eligible for credit against the balance due under the Note for Job Credits earned during a Year. A “Year” shall mean the 12-month period ending on each March 31, with the first Year beginning April 1, 2019. “Annual Job Credits” shall be calculated and applied as follows:

- a. The effective date of this Agreement for Job Credit calculation purposes shall be April 1, 2019 (the “Job Credit Effective Date”). The term of this Agreement for Job Credit calculation purposes shall begin on the Job Credit Effective Date and shall continue for 5 years from the Job Credit Effective Date (the “Term”).

- b. In order to receive Annual Job Credits, the Applicant must file an Annual Report as provided for below. Upon receipt of an Annual Report, the City will make a preliminary review based on the Annual Job Credits claimed. The City shall notify the Applicant as to the difference between the Annual Payment and the Annual Job Credit. The difference shall be paid to the City on or before the following July 1.”

3. In consideration of this Amendment, the Applicant agrees to execute:

- a. An Amended and Restated Promissory Note, the form of which is attached to this Amendment as “Exhibit A.”

- b. An Amendment to Guaranty, the form of which is attached to this Amendment as “Exhibit B.”

4. Except as modified in this Amendment, all terms and conditions of the Agreement remain in full force and effect, and shall not be amended by this Amendment.

5. This Amendment may be executed in one or more counterparts, each of which shall be considered an original, but which together shall constitute a single instrument.

6. The provisions of this Amendment are severable and if any provision is held to be invalid, the remainder of the Amendment shall remain in effect.

[Signature Page Follows]

**Signature Page to Amendment to Economic Development Assistance Agreement between
the City of Scottsbluff, Nebraska and Elite Urgent Care and Family Health, LLC**

City of Scottsbluff, Nebraska

Elite Urgent Care and Family Health, LLC

Economic Development
Program Administrator

Alicia Gonzales-Longoria,
Sole Member