

City of Scottsbluff, Nebraska

Friday, November 15, 2019

Regular Meeting

Item McKiney1

Receive Information and Consider Application for McKiney Manufacturing.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: McKiney Manufacturing & Sales

Address: 1202 12th Street, Mitchell, NE 69357

Applicant Contact: Roger McKiney

Business Phone: 308-623-1555

E-mail address: roger@mckineymfg.com

2. Business Information:

Structure of Business (proprietorship, partnership, LLC, corporation, etc): S Corporation

Ownership breakdown (include percentages for each Owner): 100% Roger McKiney

General Description of Business: Manufacturing

Products/Services: Tool & Die Manufacturing and CNC Tube Bending

Number of years in Business (or if a new Business, describe Owners experience in this type of business): 4 1/2 years, March 2015

Proposed Location Address: 1202 12th Street, Mitchell, NE 69357

Current Zoning Classification: Heavy industrial

3. Employment:

Base (current) number of full-time positions: 5

Full-time positions to be created: 2 within first year, and additional employees as demand increases the following years

Salary/Wage Range: \$15-24/HR

Benefits provided to employees (include any contribution required by Employees):

- Health insurance
- Paid Vacation
- Holiday Pay
- Simple IRA with up to 3% matching by our company

4. Financial Need:

Total project cost estimate: \$260,000

Breakdown of use of funds: \$179,000 to purchase MAXIEM 1530 JetMachining® Center, \$2,000 water installation, \$3,000 for electrical installation, \$11,000 sewer, \$52,000 raw material, \$2,500 shipping of equipment and \$10,500 portable forklift dock.

Date funds are needed: 12-1-2019

Investment to be made by Applicant (Amount & Source): \$20,000

Loan(s) to be obtained (Amount & Bank Name): \$139,000 from Platte Valley Bank, City of Mitchell LB840 \$11,000 (requested)

LB840 financial assistance amount requested for the Project: \$90,000

**The committee reserves the right to make part of the funds Grant (forgivable loan) and part of the funds Loan, which in non-forgivable and has repayment terms.

Other Loans/Grants (CDBG, TIF, Re-Use, etc.): N/A

5. Security Available:

Guarantor(s): Platte Valley Bank

Real Estate: Platte Valley Bank

Existing Liens: \$542,000

Personal Property: Platte Valley Bank

Existing Liens: part of previously noted loan

Stock / LLC Interests: N/A

Other: N/A

6. Eligibility:

Principal Source of Income from (circle one):

- a. Manufacturing
- b. Research & development
- c. Processing, storage, transport or sale of goods or commodities in interstate Commerce
- d. Sale of Services in interstate commerce
- e. Headquarters facilities relating to eligible activities
- f. Telecommunications activities
- g. Tourism-related activities
- h. Retail sales

Statement of how project is consistent with the goals of the Scottsbluff Economic Development Program:

Our primary goal is to continue to expand and grow our company while increasing our profits and providing additional jobs in the community. Since we added the new 4" CNC tube bending machine last year, with the assistance of the LB840, along with the launch of our new company website, we have been able to diversify and almost double our sales. With the addition of this new MAXIEM 1530 JetMachining® Center we will be able to continue to target new markets, increase our sales and hire new employees.

Describe any pending legal action(s), to include the amount at risk and a summary of how ownership is reacting to the action(s): N/A

7. Additional Information to be submitted:

- a. Resumes of Owners, Management & Key Employees (include experience, training, credentials & work history).
- b. Brief history of your business and where you see your business going in the next 5 years, with emphasis on the impact to the City of Scottsbluff.

Bare Manufacturing, Inc. was established in 1974 as a tool and die manufacturing company. Bare Manufacturing's primary customer base was the hydraulic hose manufacturing industry, with Parker Hannifin facilities in Alliance and McCook, NE; Manhattan, KS as well as Reading, PA and Red Oak, IA. Bare Mfg. built or refurbished equipment used to manufacture hydraulic hose. In March 2015, I purchased the company and continue to service the same industry. Over the next 5 years, we plan to continue our expansion into the tube bending business along with gaining new market place with the purchase of the MAXIEM 1530 JetMachining® Center. Our projected sales increase is \$1,400,000 with a continual growth by a projected 5% each additional year. This growth will include providing higher paying manufacturing jobs, which will increase spending in the community.

- c. Personal Financial Statement of Guarantors and anyone owning 25% or more of the business. Note: documentation verifying assets and liabilities shall be made available upon request.
- d. Income statement covering the past 2 years of business operations, if in business for that long. Copies of filed tax returns are acceptable and the most recent year's return must be included.
- e. Business Plan, to include:
 - Total project costs to include itemized use of funds
 - Lender Commitments
 - Investor Commitments
 - Financial projections for the next 3 years.
 - Employment projections for the next 3 years
 - Identification of jobs to be created by description, number, average wage, benefits, etc.
 - Information as to suppliers, and in particular, those in the Scottsbluff area
- f. References, to include name, position, address and phone number:
- g. Any other information that you feel will assist the City in evaluating your Application. Please include any marketing or sales brochures. **N/A**
- h. With respect to the Business, or any persons owning 25% or more of the business and any officers, indicate if there is any past or pending litigation which either has resulted in or could result in a judgment against the Business or any such person. List the nature of the judgment or pending action, and whether any portion remains unpaid as of this date. **N/A**
- i. With respect to any persons owning 25% or more of the business and any officers, indicate any who have been convicted of or plead guilty to any criminal charge or violation of law, excepting minor traffic offenses. List the nature of the charge, where the charge occurred and the year and month of the conviction or plea. **N/A**
- j. Applicant agrees to sign waiver form provided by the City of Scottsbluff for Background and Credit Check.

8. Nebraska Advantage Act:

The Applicant certifies to the city as follows (select one):

☒ **X** The Applicant has not filed nor does it intend to file an application with the Nebraska Department of Revenue to receive tax incentives under the Nebraska Advantage Act with respect to this project.

☐ The Applicant has filed or intends to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act for this project. If so, indicate if such application includes or will include, as one of the tax incentives, a refund

of the City's local option sales tax revenue: ____; and whether such application has been approved under the Nebraska Advantage Act: ____.

I certify that the information presented in connection with this Application for Economic Development Assistance is true and correct. Consent is given to the City of Scottsbluff to contact references, conduct one or more credit checks, criminal background checks, and to verify the information contained in this Application.

Dated: 9/30/2019

Signed: Roger McKinney
Title: President/Owner