

City of Scottsbluff, Nebraska
Friday, January 3, 2020
Regular Meeting

Item 1

Approval of minutes for meeting of December 13, 2019

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF
ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE
December 13, 2019

The meeting of the Economic Development Application Review Committee was held on December 13, 2019 at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were committee members Jim Trumbull, Lee Glenn, Nate Merrigan, Marla Marx, and Dave Schaff. Also in attendance on behalf of the City was Starr Lehl, City Economic Director, Liz Hilyard, City Finance Director, Adam Hoelsing, Deputy City Attorney, and Nathan Johnson, City Manager. Also in attendance at the meeting were Rwanda Pierce, Becky Horne, Dr. John Harms, Scott James on behalf of Applicant, Factory Crimp Services, Inc., John Marrin, Doug Mader, and Mark Felker.

Chairman Trumbull called the meeting to order at 8:04 a.m. 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.

It was moved by member Schaff, and seconded by member Glenn that the minutes of the November 22, 2019 committee meeting be approved. Voting yes: Trumbull, Glenn, Merrigan, Schaff and Marx. Voting no: None.

The next item was the presentation of Scott James on behalf of Factory Crimp Services, Inc. The Application seeks a forgivable loan as part of a jobs-based grant in the amount of \$75,000. Mr. James presented that he is expanding his line of wholesale products available to Original Equipment Manufacturing, and desires to expand his current location and hire five additional employees. The total cost of the project was \$175,000, for which \$100,000 had been secured through a private lending application. Chairman Trumbull clarified that only one customer was available in the Original Equipment Manufacturing pool at the time, but that potential growth beyond that customer was likely. Scott James also clarified that he may be intending to move the business location to Scottsbluff if he expands beyond the Factory Crimp Services, Inc. expansion. Member Schaff questioned why Factory Crimp Services, Inc. did not simply work within or operate under CS Precision Manufacturing, Inc. since they have a common owner and CS Precision Manufacturing, Inc. is already an applicant under the program. Mr. James responded that there are certain competitors in the industry and he would not like to associate Factory Crimp Services, Inc. with CS Precision Manufacturing, Inc. Member Glenn asked whether there is a separate division of labor, and Mr. James responded that there was both a physical and operational division of labor between the Applicant and CS Precision Manufacturing, Inc. City Deputy Attorney Hoelsing asked whether CS Precision Manufacturing could maintain its current employment, and Mr. James indicated that it could. Deputy City Attorney Hoelsing also asked when the beginning date of employment would be for the Applicant's employees, and Mr. James responded that three would be hired in January 2020 with the other two coming in several months thereafter.

Following the presentation of the Applicant, the next item addressed was the presentation of the "Together We Grow" initiative. Becky Horne presented on behalf of herself and the

interested parties. “Together We Grow” is a local initiative designed after the “Build Dakota” initiative in which there is an emphasis on trade skills and the creation of scholarship funding opportunities for trade skill education, apprenticeship, and internship. Following Ms. Horne’s presentation, Dr. John Harms of West Nebraska Community College presented in support of the initiative. Dr. Harms stated that a focus of WNCC going forward would be on trade skills training, and that separate training programs were being studied and developed currently for that initiative. Rwanda Pierce of Twin Cities Development then spoke in favor of the initiative, stating that a skilled and ready work force is necessary in order to attract and maintain employers in the community. Finally, Vice President John Marrin of WNCC spoke in favor of the initiative, stating the job availability of trade positions in the area, the need for a skilled workforce, and the need to provide assistance for financing during training and education. Following the presentation, Director Starr Lehl and the presenters of Together We Grow initiative requested that the Committee consider setting aside \$500,000 from the program as an “ear mark” for job training and education needed to fill positions of qualifying businesses in the trades area. Chairman Trumbull expressed his desire to see a more concrete guideline and structure of the initiative before moving forward, but was generally in support of the initiative as well as the possible earmarking of funds for that purpose. Member Schaff discussed the need for possibly greater funds in excess of \$500,000 if the initiative should be successful, noting that employers of all sizes should be available to access those funds as needed.

Following the presentation of Together We Grow initiative, a motion was made by member Schaff and seconded by member Marx to award Factory Crimp Services, Inc. a forgivable loan of \$75,000, forgivable over an eight year period of \$2,000 per full-time employee created per year. It was expected the five FTE’s would be created. The forgivable loan would be secured by a security agreement on the assets of the Applicant, as well as a personal guaranty of the owners of the Applicant, Scott and Tina James.

Voting in favor: Merrigan, Trumbull, Marx and Schaff. Voting against: None. Abstaining: Glenn.

The meeting was thereafter adjourned at 9:25 a.m.

Starr Lehl, Economic Development Director