

CITY OF SCOTTSDLUFF
Scottsbluff City Hall Council Chambers
2525 Circle Drive, Scottsbluff, NE 69361
LB 840 Application Review Committee

Regular Meeting
January 3, 2020
8:00 AM

1. Roll Call
2. **For public information, a copy of the Nebraska Open Meetings Act is posted in the back of the room on the north wall.**
3. Notice of changes in the agenda by the city manager (Additions may not be made to this agenda less than 24 hours before the beginning of the meeting unless added under Item 4 of this agenda.)
4. Citizens with business not scheduled on the agenda (As required by state law, no matter may be considered under this item unless the committee determines that the matter requires emergency action.)
5. Approval of Minutes
 - a) Approval of minutes for meeting of December 13, 2019
6. Consideration of Applications for Economic Development Assistance
 - a) Receive Information and Consider Application for Gardner Technologies.
7. Economic Development Agreements
 - a) Discuss and make recommendations to amend Economic Development Agreement with EagleMed.
 - b) Discuss and make recommendations to amend Economic Development Agreement with Skiles Industries.
 - c) Discuss and make recommendations to amend Economic Development Agreement with Fusion Ranch.
 - d) Discuss and make recommendations to amend Economic Development Agreement with Flyover Brewery.
8. Spreadsheet Review
 - a) Review 03/31/19 Spreadsheet
 - b) Review 06/30/19 Spreadsheet
 - c) Review 09/30/19 Spreadsheet
9. Reports from Staff, Boards & Commissions
 - a) Economic Development Director's Report.
10. Closed Session (to consider any of the above matters, where an Executive Session is appropriate).

- a) Following passage of motion to enter into executive session, presiding officer must state purpose of executive session.
- 11. Adjournment.

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

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item 1

Receive Information and Consider Application for Gardner Technologies.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name:

Address:

Applicant Contact:

Business Phone:

E-mail address:

2. Business Information:

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

Ownership breakdown (include percentages for each Owner):

General Description of Business:

Products/Services: Low voltage contractor, Computer sales/repair, analog phone sales/repair

Number of years in Business (or if a new Business, describe Owners experience in this type of business):

Proposed Location Address:

Current Zoning Classification:

3. Employment:

Base (current) number of full-time positions:

Full-time positions to be created:

Salary/Wage Range:

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

4. Financial Need:

Total project cost estimate:

Breakdown of use of funds:

Date funds are needed:

Investment to be made by Applicant (Amount & Source:

Loan(s) to be obtained (Amount & Bank Name):

LB840 financial assistance amount requested for the Project:

****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.):

5. Security Available:

Guarantor(s):

Real Estate:

Existing Liens:

Personal Property:

Existing Liens:

Stock / LLC Interests:

Other:

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. Construction and rehabilitation of housing
- i. Retail trade where the principal source of income is from retail sales of products manufactured on the premises.
- j. Film production (Nebraska Film Office Activity Registration Form is also required).

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

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

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.
- 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.
- 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.
- 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.
- 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):

- _____ 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:

Signed: _____
Title: _____

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item Amend1

Discuss and make recommendations to amend Economic Development Agreement with EagleMed.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item Amend2

Discuss and make recommendations to amend Economic Development Agreement with Skiles Industries.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item Amend3

Discuss and make recommendations to amend Economic Development Agreement with Fusion Ranch.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item Amend4

Discuss and make recommendations to amend Economic Development Agreement with Flyover Brewery.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

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Item Spread She1

Review 03/31/19 Spreadsheet

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

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Item Spread She2

Review 06/30/19 Spreadsheet

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

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Item Spread She3

Review 09/30/19 Spreadsheet

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item Reports1

Economic Development Director's Report.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, January 3, 2020

Regular Meeting

Item 1

**Following passage of motion to enter into executive session,
presiding officer must state purpose of executive session.**

Staff Contact: