

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

**Regular Meeting**  
**February 21, 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 February 12, 2020
6. Consideration of Applications for Economic Development Assistance
  - a) Receive Information and Consider Approval of Application from Crossroads Coop.
  - b) Receive Information and Consider Approval of Application from Together We Grow Workforce Development Group.
7. Reports from Staff, Boards & Commissions
  - a) Presentation Regarding the Open Meetings Act.
  - b) Economic Development Director's Report
8. 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.
9. Adjournment.

**City of Scottsbluff, Nebraska**  
**Friday, February 21, 2020**  
**Regular Meeting**

**Item 1**

**Approval of minutes for meeting of February 12, 2020**

**Staff Contact: Starr Lehl**

**CITY OF SCOTTSBLUFF**  
**ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE**  
**February 12, 2020**

The meeting of the Economic Development Application Review Committee was held on February 12, 2020 at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were committee members Dennis Hadden, Dave Schaff, Nate Merrigan, Jim Trumbull, and Marla Marx. Also in attendance on behalf of the City was Starr Lehl, City Economic Development Director, and Adam Hoesing, Deputy City Attorney.

Chairman Trumbull called the meeting to order at 8:00 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 Hadden that the minutes of the February 7, 2020 committee meeting be approved. Voting yes: Hadden, Schaff, Trumbull, Marx and Merrigan. Voting no: None.

The next item on the agenda was the presentation and discussion from Herb Gibson on behalf of Prime Metals, Inc. Economic Director Starr Lehl indicated that the committee had previously recommended assistance to the Applicant subject to approval of the terms and conditions of the Economic Development Assistance Agreement. Mr. Gibson was asked about whether the Applicant agreed with the draft Agreement that was presented to the committee. He stated that the Applicant did. Mr. Gibson updated the committee regarding the CDBG funding from the State of Nebraska, stating that the State of Nebraska expected 34 jobs to be created in the next 24 months. This update was a six month acceleration of what had previously been expected by the Applicant from the State of Nebraska. Discussion was had regarding location of the business and whether a smaller facility would need or would require shift work in order to accommodate larger numbers in employees. Mr. Gibson stated it would still accommodate the number of employees, and that the facility would not be a problem. Mr. Gibson also stated that a number of jobs would be open to persons with low to median income and that transfers of union journeymen would be kept at a minimum due to efficiency in economic purposes. In other words, Mr. Gibson stated that much of the labor force would be locally hired and trained. Economic Director Starr Lehl also stated she thought the community could provide a labor pool in the number required by the Applicant, and that the labor pool was a good fit for the communities in the area.

Thereafter, motion was made by member Hadden and seconded by member Schaff to enter into executive session for the purpose of discussing the Applicant's financial information and real estate negotiations, which wanted to be discussed in more detail by the committee. Voting yes: Schaff, Merrigan, Marx, Trumbull and Hadden. Voting no: None. The committee then entered executive session at 8:09 a.m.

The committee then exited executive session at 8:16 a.m. Following executive session, motion was made by member Marx and seconded by member Schaff to approve the structure of

the Economic Development Assistance Agreement and recommend approval by the City Council. Voting yes: Marx, Schaff, Merrigan, Trumbull and Hadden. Voting no: None.

The meeting was then adjourned at 8:22 a.m.

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Starr Lehl, Economic Development Director

**City of Scottsbluff, Nebraska**  
**Friday, February 21, 2020**  
**Regular Meeting**

**Item 1**

**Receive Information and Consider Approval of Application from  
Crossroads Coop.**

Staff Contact: Starr Lehl

**City of Scottsbluff**  
**Economic Development Grant Application**

**Crossroads Cooperative Association**  
**PO Box 153, Sidney, NE 69162**

**FEBRUARY 2020**

## **1. Applicant Information –**

Crossroads Cooperative Association  
PO Box 153  
Sidney, NE 69162

Shain Shimic, Regional Manager  
(308) 436-3646 (office)  
Shain.shimic@crossroadscoop.com

## **2. Business Information –**

Cooperative – Organized to serve its members through expert marketing solutions and strategies.

Member owned with a Board of Directors consisting of a President/CEO, CFO, Chairman, Vice Chairman, Secretary, five Director's and three Associate Director's.

Crossroads Cooperative is a grain only cooperative serving producers in the Nebraska Panhandle, southeastern Wyoming and northeastern Colorado providing grain marketing services and strategies. Crossroads Coop is focused on providing expert marketing solutions and strategies to producers that balance time, money and risk.

Provides a grain marketing service which includes the purchasing and marketing of grain, corn and wheat.

Crossroads Cooperative has been serving producers in western Nebraska since 1909. The Gering facility was established in 2001. Its annual handle is around 2 million bushels. The expansion project is expected to yield a 200% increase or 6 million bushels.

The Gering facility is located at 220435 U Street, Gering, NE 69341. The proposed project site is located within the Gering Industrial Park at 13030 21<sup>st</sup> Ave., Gering and currently zoned for industrial use.

### **3. Employment –**

The Gering facility currently has four full time employees. With the proposed expansion project, it is the expectation to increase the full-time positions available at the Gering Facility by 100% for 8 total full-time employees. The salaries will range from \$14-\$35 per hour depending upon the position.

All coop employees receive the opportunity to participate in a full health insurance plan (excluding dental) with Crossroads contributing 82% of the employee health insurance cost while the employee pays 18%. Additional benefits include Dental, EyeMed plan, health equity savings account and an optional flex plan is also available.

Employees are enrolled in the Coop Retirement Plan. Each employee contributes 4% of gross wages and Crossroads contributes 7.85% to the plan. Employees are provided a life insurance of \$50,000 plus 1 ½ yearly salary. Additional options provided each employee is a 401K contribution plan, short term disability and long-term disability policies with Crossroads covering half of the premium and AFLAC insurance.

### **4. Financial Need –**

This project is estimated at \$11.2 million. The funds are needed during the second quarter of the year 2020. Crossroads Cooperative will invest \$2,000,000 of equity with an additional \$5,000,000 provided through our financial institution.

Crossroads has been awarded \$100,000 in Economic Opportunity funds from the State of Nebraska. \$500,000 in LB840 funds has preliminarily been approved from the City of Gering with \$50,000 for job creation and \$450,000 towards Public Works and Rail Infrastructure development. City of Gering is pledging 1,000,000 toward Public Works infrastructures. We are requesting \$1,000,000 in LB840



funds from the City of Scottsbluff for Rail Infrastructure and Improvements. We are also applying for \$1.6 million in TIF funds.

With all other grants and financing approved, and if we are awarded the funds from Scottsbluff, this project is set to commence immediately upon Crossroads Coops board approval. The board needs to have complete funding and expense data for this project before a final approval will be granted.

## **5. Security Available –**

Crossroads Cooperative Association will be the guarantor through \$1 million in real estate located at 220435 U Street, Gering, NE.

There are currently no existing liens on this property. There will be no personal property, stock interests or any other equity used as security in this request.

## **6. Eligibility –**

Principal Source of Income is from the purchasing, selling and warehousing of commodities in interstate commerce.

The intent of this project is job creation and to enhance the investment opportunities in the Gering Industrial Park. Crossroads Cooperative Association is working to expand the facility located at 220435 U Street, Gering, which is adjacent to the Gering Industrial Park and includes an existing rail switch and small spur line. This project would involve extension of the existing spur line to the industrial park and provide the ability to add rail services to the remainder of the industrial park. Crossroads will increase employment opportunities at that facility by 100% and expand grain marketing globally for the producers in the region.

Crossroads Cooperative Association is not involved in any pending legal actions.

## **7. Additional Information –**

Michael Rowan, President/CEO, graduated from Chadron State College with a degree in Agribusiness. He began his career in the cash grain market with a small country grain elevator owner/operator. Since then, he has had several different grain management and leadership positions and in May of 2018, Mike became President and CEO of Crossroads Coop. He is a native to the region and resides in Gurley, Nebraska.

Tim Damewood, CFO, has 28 years of finance and accounting experience and has previously held positions in the grain and cattle feeding industries. Tim is a CPA and holds Masters and Bachelors of Science degrees from the University of Kansas. Tim and his family reside in Sidney, Nebraska.

Shain Shimid, Regional Manager, has been involved in the grain industry for 16 years. He has owned and/or managed grain elevators in the Nebraska Panhandle for 15 years. He holds a Bachelor of Science Degree in Agricultural Business Management from the University of Wyoming. For the past fourteen years, he and his family have resided in Gering, Nebraska.

Crossroads anticipates using many local contractors and vendors in the development of the infrastructures in the Gering Industrial Park. At this point in time, bids have not been requested therefore, specific businesses have not been identified.

### **References:**

Wheat Belt Public Power District  
Carolyn Hostetler, CFO  
11306 Road 32  
Sidney, NE 69162  
308-254-587  
800-261-7114

DP Electronics  
Dave Porter  
3100 Silverberg Dr., Ste B  
Sidney, NE 69162  
308-254-5326

**Any other info:**

With respect to the Coop, any person owning 25% or more and any officers, indicate any past or pending litigation which either has resulted in or could result in a judgement against the Coop or any such person... None

Applicant agrees to sign a waiver form provided by the City of Scottsbluff for background and credit checks... Yes.

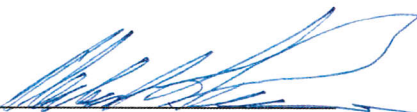
**8. Nebraska Advantage Act: –**

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: 2-19-20

Signed: 

Michael Rowan  
President-Chief Executive Officer  
Crossroads Cooperative Assoc.

Dated: 2-19-20

Signed: 

Shain Shimic  
Regional Manager  
Crossroads Cooperative Assoc.

# **City of Scottsbluff, Nebraska**

**Friday, February 21, 2020**

**Regular Meeting**

## **Item 2**

**Receive Information and Consider Approval of Application from  
Together We Grow Workforce Development Group.**

**Staff Contact: Starr Lehl**

**City of Scottsbluff  
Economic Development Grant Application**

**1. Applicant Information:**

Business Name: **Together We Grow Workforce Development Initiative**

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:

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: **\$500,000**

Breakdown of use of funds: **Funds will be used by local qualifying businesses to hire, train and retain employees by using LB840 to pay for wages, training, certifications or other pre-approved workforce activities**

Date funds are needed: **We are asking for the funds to be set aside and used as needed as qualifying businesses apply for the funds**

Investment to be made by Applicant (Amount & Source): **We plan to seek out additional funding sources through grants and possibly the state legislature using LB840 as our matching funds.**

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

LB840 financial assistance amount requested for the Project: **\$500,000**

**\*\*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.):

#### **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: **02/19/2020**

Signed: **Together We Grow Steering Committee**  
Title: \_\_\_\_\_

# Together We Grow

## LB840 Application for Utilization of Funds

### Employer Information and Verification

#### **Applicant Information:**

Business Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

#### **Business Information:**

Structure of Business (proprietorship, partnership, LLC, corporation, etc.) \_\_\_\_\_

Ownership Breakdown (include percentages for each owner) \_\_\_\_\_

General Description of Business: \_\_\_\_\_

Products/Services: \_\_\_\_\_

Number of years in business: \_\_\_\_\_

#### **Employment:**

Base (current number of full-time positions) \_\_\_\_\_

Number of full-time positions funds are to be used for: \_\_\_\_\_

Salary/Wage Range: \_\_\_\_\_

Benefits provided, including any contribution required by employees: \_\_\_\_\_

#### **Financial Request:**

Amount Requested: \_\_\_\_\_

Rationale for amount requested:

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Funds will be utilized for: (circle all that apply)

- Wages
- Training
- Certification
- Other: \_\_\_\_\_

## **LB840 Business Eligibility:**

Business' Principal Source of Income (circle all that apply)

- Manufacturing
- Research & Development
- Processing, storage, transport or sale of goods or commodities in interstate commerce
- Sale of Services in interstate commerce
- Headquarter facilities relating to eligible activities
- Telecommunications activities
- Tourism related activities
- Construction and rehabilitation of housing
- Retail trade where the principal source of income is from retail sales of products manufactured on premises
- Film production (Nebraska Film Office Activity Registration Form is required)

## **LB840 Eligible Activities**

- Direct loans or grants to Qualifying Businesses for fixed assets or working capital or both
- Loan guarantees for Qualifying Businesses
- Grants or loans for job training
- The purchase of real estate, options for real estate purchases and the renewal or extension of such options
- Issuing bonds as provided for in the Act
- Paying salaries and support of City staff to implement the Program or paying expenses on contracting the administration of the Program to an outside entity
- Providing Technical assistance to Qualifying Businesses, such as marketing assistance, management counseling, preparing financial packages, engineering assistance, etc.
- Expenses for locating a Qualifying Business to the local area
- Equity investment in a Qualifying Business
- Grants or loans for the construction or rehabilitation for sale or lease of housing as part of a Workforce Housing Plan, as provided for below

## **Additional Information to be submitted:**

- Job Description of position being filled
- Wage Range
- Benefits Offered, if any
- Desired outcome by employer and employee
- Employee must enroll as a student at WNCC for tracking purposes

I understand the following terms:

- Employee must be employed with applicant (business) for a minimum of five years (see employer/employee contract)
- Funds will be disbursed on an annual basis, the first being after application approval and annually thereafter to accommodate training and wages.

Employer Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**City of Scottsbluff, Nebraska**  
**Friday, February 21, 2020**  
**Regular Meeting**

**Item Reports1**

**Presentation Regarding the Open Meetings Act.**

**Staff Contact: Starr Lehl**

# **City of Scottsbluff, Nebraska**

**Friday, February 21, 2020**

**Regular Meeting**

## **Item Reports2**

### **Economic Development Director's Report**

**Staff Contact: Starr Lehl**

**City of Scottsbluff, Nebraska**  
**Friday, February 21, 2020**  
**Regular Meeting**

**Item 1**

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

**Staff Contact: Starr Lehl**