

City of Scottsbluff, Nebraska

Friday, July 24, 2020

Regular Meeting

Item 1

Receive Information and Consider Approval of Application from Bluffs Physical Therapy.

Staff Contact: Starr Lehl

City of Scottsbluff
Economic Development Grant Application

1. Applicant Information:

Business Name: Infinity Enterprises

Address: 190098 Tamara Dr, Scottsbluff, NE 69361

Applicant Contact: Michael Moravec

Business Phone: 402-677-9169

E-mail address: paintorture1@gmail.com

2. Business Information:

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

LLP

Ownership breakdown (include percentages for each Owner):

50% Michael Moravec

50% Lisa Moravec

General Description of Business:

Infinity Enterprises is a real estate holding company that currently owns 2 lots at 3510 Avenue B in Scottsbluff, and will be developing those lots into medical profession buildings to house a currently successful business of Bluffs Physical Therapy LLC and a new business geared toward improving the health and wellness of people in the Western Nebraska, Eastern Wyoming and Northeast Colorado regions.

Bluffs Physical Therapy LLC is a physical therapy clinic that markets full service offerings of the health professional skill of physical therapy to the entire Scottsbluff/Gering valley which includes surrounding areas. This includes, but not be limited to, an area from Torrington to LaGrange, Fort Collins to Fort Morgan, Pine Bluffs to Sidney and Bridgeport to Chadron. The clinic obtains referrals from Colorado, Wyoming, and Nebraska. It offers the services of restoration of good health and balance to achieve one main goal which is for patients to lead a pain free and full functional life to the best of their abilities.

HydroZen is the name for the other business to be housed in the professional building. It will occupy about 1/5th of the space and will provide sensory deprivation therapy via the use of float pods (2). There is a detailed explanation of the nature of this business in the Hydrozen business plan, but the important factor in this business in regards to this application is that it is the only business of its kind in the region. It has the potential for bringing in clientele from neighboring states, and the benefits of this business for its clients is improved health and wellness for people ages 5 to 95.

Products/Services:

Bluffs Physical Therapy provides specialized services known as trigger point dry needling which helps to treat and relieve many different problems. It helps to alleviate back pain, sciatica, headaches, shoulder and neck pain to name a few. When this treatment is paired with the regular services of physical therapy that address imbalances of the musculoskeletal system benefits can be seen long term, or even permanently.

Bluffs Physical Therapy also provides a treatment called Graston for release of tight soft tissue such as scar tissue and muscle tightness related to muscle injury or even surgery. This helps to decrease pain, increase range of motion and allow for more strengthening to occur.

This clinic also specializes in the use of cupping therapy that provides the ability to decrease pain, increase blood flow and improve the mobility of soft tissue that is restricting tissue movement. With improved movement, pain is allowed to dissipate much easier.

Bluffs Physical Therapy will provide services that will allow for improvement of function that may be limited by pain, movement dysfunction, strength and weakness balance, vertigo, and several other dysfunctions related to impairments found in the body.

HydroZen provides a unique service to the area that has not been introduced to the area at this point. This particular form of therapy is spreading throughout the country and the world, and is very affordable.

The health benefits provided by sensory deprivation are many. From relief of back pain, neck pain, knee pain and hip pain, to relief of headaches to plantar fasciitis, there are many ailments that sensory deprivation can help with. For the greatest benefit, regular floats done monthly to even weekly will provide the greatest results for maintenance of a healthy lifestyle both of body and mind.

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

Bluffs Physical Therapy LLC is owned and operated by Dr. Michael Moravec PT, DPT, OCS. It has now been in operation for 1 year and 6 months. In its short history, it surpassed the planned annual amount of business activity it would produce within 1 month of its opening. It has maintained a steady clientele since its doors opened including fostering many new professional and business relationships since its opening.

Mike has been a resident of the panhandle since 2004, and he started practicing physical therapy in the valley in 2009. He is board certified in orthopedics and has special training in advanced skills such as functional dry needling, instrument assisted soft tissue mobilization and treatments of myofascial pain throughout the whole body.

Prior to starting up this current practice in Scottsbluff, he was the supervisor of Monument Physical Therapy from December of 2009 until March 6th of 2018. He built the practice of this clinic from a 2-person practice to a business with as many as 13 employees. He also sought out a building that would suit the company's growth in 2013 to remodel it to its current day location. He designed the new clinic, sought out all the remodeling bids and made all the decisions when changing the inside of the old 7000 square foot restaurant into the present day successful clinic that it is.

He is very involved in the community through his membership in two churches, the school systems, the Carpenter Center (president), the YMCA, the Midwest Theater and currently serves as the Immediate Past Chairman of the board of directors for the United Chamber of Commerce. He is also the president of the newly developed Gering Public Schools Foundation, and maintains the current presidency of the Gering High School Booster Club. In his first year of

business, he has supported over 25 local organizations, and has given upwards of \$20,000+ back to those local organizations due to his love of his community and his desire for involvement.

Proposed Location Address:

3510 Avenue B Scottsbluff, NE 69361

Current Zoning Classification:

Business/professional

3. Employment:

Base (current) number of full-time positions:

Upon opening the doors of the building, there will be 5 full-time positions.

Full-time positions to be created:

By December 2020, there will be a total of 8 full-time positions created in the area and 4 of them will be professionals, 4 will be para-professional positions.

Salary/Wage Range:

Salaries for professionals will range from \$45,000 to \$75,000 (disparity between doctoral degree and bachelor level degree). Wages will range from \$13/hour to \$18 /hour ranging from tech positions to office manager positions.

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

A large part of the benefits for the employees will be fair compensation for the type of work that they take part in. All full time employees are accruing PTO on day one of their employment, and are eligible to receive that PTO starting after their 90 day probation period. We also have a Simple IRA program that was established at the beginning of 2019 .

4. Financial Need:

Total project cost estimate:

\$1,510,717

Breakdown of use of funds:

-Building Construction: \$982,802

-Land: \$275,000

-Equipment (mat tables, bikes, treadmills, etc.): \$56,355

-Working Capital and 20% contingency: \$196,560

-Owner Equity: \$66,500

Date funds are needed:

July 1, 2020

Investment to be made by Applicant (Amount & Source):

\$66,500

Loan(s) to be obtained (Amount & Bank Name):
\$1,300,000 loan from Platte Valley Bank (Building/Land Loan)

LB840 financial assistance amount requested for the Project:
\$124,217 Loan
\$20,000 Grant

**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):

Real Estate:
35% owner of Cambria Group LLC (Ownership of building at 3315 10th Street Gering, NE)
Estimated value \$183000.
Note: Per Cambria Group LLC operating agreement, the other partners will buy out my ownership since I am leaving. As of this date, there has not been a closing date established for this transaction.

Personal Property:
\$338,000 (home)

Existing Liens:
\$190,000

Stock / LLC Interests:
\$10,000 in private stock trading portfolio

Other:
Retirement accounts valued at \$320,000

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:

With the establishment of a physical therapy clinic, under the ownership of Dr. Michael Moravec, the comprehensive list of services that can be provided will be a draw of interstate commerce to the valley. These consumers will greatly benefit the tax base of Scottsbluff and the surrounding areas.

The building of a new medical professional building that provides services that are provide tax income for the area both in the form of property taxes and sales tax alike will be a boost for local economy. The addition of jobs to the area that are high paying and beneficial to the tax base of Scottsbluff and Gering is right in line of what LB840 is in place for.

All the work, the loans, the building plans, engineer work, construction and the materials for the building are provided by businesses that are local. It is important to Infinity Enterprises that the work and supplies all remains local.

Additionally, the valley is developing the career academies not only to “grow our own” employees and keep them here, but also to have a plan to help this economic development flourish. As a member of the Chamber of Commerce Board of Directors over the last 3 years, it is apparent that one of the economic development needs for the area is in healthcare. This plan is in place now in our career academies in schools. Scottsbluff needs business people willing to train upcoming healthcare employees. Michael Moravec was a member of the group of pledged business people that planned to assist with the career academy model. He has already been taking part in this with Scottsbluff Public Schools starting back in 2012. His efforts and contributions in this arena will have a positive effect over the long term on employment prospects for the region.

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):

- ☒ 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:

Signed: _____
Title: _____