

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

Regular Meeting
August 7, 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 July 24, 2020.
6. Economic Development Agreements
 - a) Review and Consider EDA Agreement with Bluffs Physical Therapy/Hydro Zen.
7. Consideration of Applications for Economic Development Assistance
 - a) Receive Additional Information and Consider Approval of Application from Western Nebraska Pioneers.
 - b) Receive Information and Consider Approval of Application from Reverence Funeral Parlor.
 - c) Receive Information and Consider Approval of Application from VistaBeam.
 - d) Receive Information and Consider Approval of Application from Hampton Inn in regards to the Old West Balloon Fest.
8. Reports from Staff, Boards & Commissions
 - a) Discuss Impact of COVID-19 on LB840 Fund Recipients.
 - b) Review and Discuss 2020-2021 LB840 Fund Availability and Future Guidelines.
 - c) Discuss Committee Membership
9. 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.

10. Adjournment.

City of Scottsbluff, Nebraska
Friday, August 7, 2020
Regular Meeting

Item 1

Approval of minutes for meeting of July 24, 2020.

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF
ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE
July 24, 2020

The meeting of the Economic Development Application Review Committee was held on July 24, 2020 at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were Committee members Nate Merrigan, Jim Trumbull, Dave Schaff and Marla Marx. Also in attendance on behalf of the City was Starr Lehl, City Economic Development Director, Adam Hoelsing, Deputy City Attorney, and Rick Kuckkahn, Interim City Manager.

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.

It was moved by member Marx and seconded by member Merrigan that the minutes of the February 28, 2020 Committee meeting be approved. Voting yes: Merrigan, Trumbull, Schaff, and Marx. Voting no: None.

The next item on the agenda was application funding available through the fiscal year ending September 30, 2020 and for fiscal year 2020-2021. The Interim City Manager Kuckkhan stated that the current fiscal year's budget had been amended for the LB 840 Fund, an information was provided by Economic Development Director Lehl and Deputy City Attorney Hoelsing regarding upcoming pre-committed funds for the remainder of the fiscal year. It was understood that about \$600,000 was remaining in the current fiscal year's budget for the LB 840 Fund. Interim City Manager Kuckkhan also stated that the full amount of the fund was budgeted for fiscal year 2020-2021, although neither City staff nor the Committee expressed the desire to spend all of the funds budgeted. The budget of the full amount of the fund was to enable flexibility to the Committee for the upcoming year without having to engage in the formal budget amendment process if necessary.

Following discussion of funding, the next item on the agenda was consideration of the application of Bluff Physical Therapy LLC. Present on behalf of the applicant was Mike Moravec. Bluff Physical Therapy LLC had been a previous applicant under the program, and had received \$50,000 in assistance from the program, split between a \$20,000 job-credit grant and \$30,000 repayable loan. The original application from Bluffs Physical Therapy LLC was for a stand-alone physical therapy practice with one physical therapist. Since that time, business has expanded, and a parent company has built a new building for the location of the applicant's expanded business. In addition, Mr. Moravec stated that he has started another business, Hydrozen, LLC, which provides sensory deprivation therapy pods. Employees of Bluffs Physical Therapy LLC will be used to staff services provided by Hydrozen LLC, and Hydrozen LLC will be located in the same building as Bluffs Physical Therapy LLC. Following Mr. Moravec's presentation, Deputy City Attorney Hoelsing asked several questions of Mr. Moravec. Through questioning it was determined that the applicant currently has 5 full time employees, those being as follows: one physical therapist, one physical therapist assistant, two full time physical therapist technicians, and one office manager. The applicant also has a part time physical therapist assistant. The applicant intends to hire an additional physical therapist assistant and additional physical therapist

technician. If possible, the applicant likewise desires to hire an additional physical therapist, but it is difficult to hire a qualified physical therapist at the area. All those positions would be hired as of August 1, 2020, following expansion of the business. Additionally, Mr. Moravec stated that the applicant needs roughly \$57,000 for build out of the lease space for the expanded business, and that the partner company, Hydrozen LLC, needs \$31,000 for purchase of the separate sensory deprivation pod and associated software (again, being a build out expense of the leased space). Mr. Moravec also stated that the equipment of the applicant as well as that of Hydrozen LLC should be free and clear of liens, as a collateral for the underlying bank financing was the new building owned by the parent company. Mr. Moravec stated that the \$56,000 to the applicant and the \$31,000 to Hydrozen LLC would both be needed for the build out capital asset purchase and for working capital associated with those purchases. Finally, Mr. Moravec stated that both the applicant and Hydrozen LLC engage in business and interstate commerce, as both entities have customers or patients throughout the Nebraska Panhandle as well as Eastern Wyoming, Southwestern South Dakota, and Colorado.

Following Mr. Moravec presentation and questions of the Committee and Deputy City Attorney Hoesing, direction was given to Deputy City Attorney Hoesing to propose an assistance package that would refinance the current Economic Development Assistance Agreement with the applicant and would award additional principle of a \$87,000 between the applicant and Hydrozen LLC.

Next on the agenda was the application of HF Baseball LLC. Present on behalf of the applicant was Chuck Heeman, the owner of HF Baseball LLC. HF Baseball LLC is the owner and operator of the Western Nebraska Pioneers, which is an amateur summer bat league for amateur athletes. Due to the economic downturn associated with the COVID-19 Pandemic, Mr. Heeman presented a significant loss of income associated with loss of ticket revenue, loss of concession revenue, loss of season ticket sales for subsequent years that I have been pushed from this year to the next year, and the general consistency of expenses and cost notwithstanding the pandemic. Currently, Mr. Heeman stated that the applicant has one full time position, and up to 22 seasonal positions employed. The applicant did state that the City of Gering's Economic Development Program has recently provided \$50,000 as working capital to make-up for the lost revenue in the Spring of 2020, structured as a 50% loan and 50% grant and centered around the seasonal and full time employment figures.

Following Mr. Heeman's presentation, Chairman Trumbull stated that the Committee should exercise caution when getting into a tourism related qualifying business. There are, in Chairman Trumbull's opinion, many different business that could qualify as being tourism related, and the Committee needs to be aware that assistance to one applicant of this nature may put pressure on the Committee to provide assistance to many other applicants that would have not otherwise been funded, particularly given the impact of the COVID-19 Pandemic on the tourism industry. Deputy City Attorney Hoesing stated that the applicant could be considered a qualifying business by the Committee, as more than 50% of applicant's income has traditionally been received from ticket sales, concessions, and merchandise, which can all be seen by the Committee and their discretion as being income from tourism-related activities. The Committee did not disagree but felt that caution needed to be used on an applicant that was unsure of its future given the current business environment.

Discussion was then had regarding the amount the Committee would be willing to provide to the applicant. Consensus was made that if any assistance were to be provided, there would be a maximum of \$50,000, payable in two installments of \$25,000. Discussion was had regarding whether to consider a Job Retention Based Grant, rather than a loan, as the Committee would be awarding funds to the applicant in order to retain jobs that have already been created and to keep the business running. The Committee gave direction to Economic development Director Lehl and Deputy City Attorney Hoelsing to request employment figures to further assess the qualifications and propriety of the applicant for a job retention-based grant.

Discussion was then had on a previous application from Crossroads Cooperative. Previously, the Committee had not taken action on any applications from Crossroads Cooperative for an expansion on a grain facility in Gering, Nebraska. Deputy City Attorney Hoelsing informed the Committee that at the time of the previous application, there were many questions unanswered regarding the ownership of public improvements, city utility main extensions, and benefit provided by the City of Gering Economic Development funds. At this time, both Committee and city staff felt like those questions remained unanswered and therefore would not be appropriate to award assistance under the current application. Motion was therefore made by member Schaff and seconded by member Merrigan to not recommend the application for approval, and instead to invite the applicant to reapply if finances are clear and ownership of the improvements are better understood. Voting yes: Trumbull, Merrigan, Schaff and Marx. Voting no: None.

Discussion was then had regarding finalization of COVID-19 accommodations to LB 840 fund recipients. Deputy City Attorney Hoelsing stated that he would provide an outline of the accommodations that could be provided to the current fund portfolio, and that at the next Committee meeting the Committee could review the accommodations per fund recipient, and state their support or questions of any approach toward COVID-19 accommodations.

Discussion was then had regarding taking time for a subsequent meeting of the Committee, at which time Chairman Trumbull would desire a discussion review of the Open Meetings Act as it applies to the Committee, a discussion to review of the Committee member's conflicts of interests as well as the expansion on the Committee members or replacement of Committee members, and general approach of the Committee regarding its purpose and desires for use of Economic Development funds.

Following that discussion, Economic Development Director Starr gave her report regarding upcoming applications. Several applications were in the works, one being associated with a current fund recipient another being a new business looking to expand on current unleased property at the Uptown Mall.

Following that discussion, the Committee meeting was adjourned at 9:45 a.m.

Starr Lehl, Economic Development Director

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item Amend1

Review and Consider EDA Agreement with Bluffs Physical Therapy/Hydro Zen.

Staff Contact: Starr Lehl

ECONOMIC DEVELOPMENT ASSISTANCE AGREEMENT

This Agreement is made on August ____, 2020, between the City of Scottsbluff, Nebraska (the “City”), Bluffs Physical Therapy, LLC (the “Bluffs PT”), and Hydrozen, LLC (“Hydrozen”).

Recitals:

a. The City has adopted an Economic Development Plan pursuant to the Nebraska Local Option Municipal Economic Development Act (the “Plan”). Pursuant to the Plan, the City has implemented an Economic Development Program (the “Program”).

b. Bluffs PT has made application for assistance from the Program (the “2018 Application”) and has entered into an Economic Development Assistance Agreement dated May 11, 2018 (the “Bluffs PT Agreement”), under which Bluffs PT received a loan and grant from the City.

c. Bluffs PT and Hydrozen have made a subsequent application for assistance from the Program (the “Application”);

c. The Administrator of the Program (the “Administrator”) and the City Economic Development Application Review Committee (the “Committee”) have reviewed the Application and recommended to the City Council (the “Council”) that a grant (the “Grant”) and a loan (the “Loan”) be made to Bluffs PT and Hydrozen, respectively, from the City of Scottsbluff Economic Development Fund (the “Fund”) as provided for in this Agreement. The City Council has approved the Committee’s recommendation.

d. The parties now desire to enter into this Agreement for the purpose of setting out the terms and conditions of the Grant and the Loan.

Agreement:

1. Purpose of Assistance:

Bluffs PT and Hydrozen are expanding a physical therapy clinic in Scottsbluff (the “Clinic”), to include a sensory deprivation therapy center. The proceeds of the Grant and the Loan shall be used to make improvements to the Clinic space rented by Bluffs PT and Hydrozen, including the purchase of equipment and tenant improvements.

2. Amount of Grant and Loan:

The Grant and the Loan shall be disbursed from the Fund at the Closing (as provided for below) as follows:

a. The Grant shall be in the amount of \$93,795.82, awardable to Bluffs PT, represented by a promissory note (the “Grant Note”) to be signed at the Closing in the form of the attached “Exhibit A”, and allocated as follows (the “Grant Amount”). The Grant Note shall not carry interest unless a default occurs, at which time the Default Rate (defined below) shall apply.

i. The current outstanding amount of the loan under Bluffs PT Agreement (\$24,985.82) shall be refinanced as part of the Grant Amount in this Agreement;

ii. The current outstanding amount of the grant under Bluffs PT Agreement (\$12,000) shall be refinanced as part of the Grant Amount in this Agreement;

iii. An additional \$57,000 shall be awarded to Bluffs PT as party of the Grant Amount in this Agreement.

b. The Loan shall be in the amount of \$30,000 (the “Loan Amount”), awardable to Hydrozen and represented by a promissory note (the “Loan Note”) to be signed at the Closing in the form of the attached “Exhibit B”. The Loan Note carry interest from September 1, 2020 (the “Loan Note Interest Date”) until paid in full, at which time the Note shall carry interest at the Applicable Federal Mid-Term rate for the month of the Closing and shall be repaid over 5 equal annual payments of principal and interest. The first payment shall be due on July 1, 2021, with each additional payment due on the same day of each subsequent Year until the Note is paid in full.

3. Closing:

As soon as Bluffs PT and Hydrozen have satisfied the conditions to Closing (as provided for below), the Grant Amount and the Loan Amount shall be scheduled as a claim at a City Council meeting. The “Closing” shall then occur within 10 business days after the Council meeting where the claim is approved.

4. Possible Grant Repayment:

The Grant Amount shall be subject to repayment (the “Repayment”) to the City if Bluffs PT does not fully earn the Job Credits (as provided for below). In connection with the calculation of the Job Credits:

a. The effective date of this Agreement for Job Credit calculation purposes shall be July 1, 2020 (the “Job Credit Effective Date”).

b. The term of this Agreement for Job Credit calculation purposes shall begin on the Job Credit Effective Date and shall continue for 5 years from the Job Credit Effective Date (the “Term”).

c. A “Year” shall mean the 12-month period ending as of the day prior to each annual anniversary of the Job Credit Effective Date.

5. Employee Definitions:

a. “Full Time Employee” shall mean a bona fide employee of Bluffs PT who (1) is classified by Bluffs PT as full time; and (2) subject to normal and reasonable waiting periods, is eligible for the employer’s normal fringe benefit package. The normal fringe benefit package must, at the least, include a health insurance plan which provides for employee coverage substantially paid for by Bluffs PT.

b. “Eligible Full Time Employee” shall mean a Full Time Employee who: (1) primarily works in the City, and (2) resides within 60 miles of the corporate limits of the City; provided, however any Full Time Employee who does not reside within 60 miles of the corporate limits of the City at the time that the Full Time Employee is hired by Bluffs PT, shall nevertheless be considered an Eligible Full Time Employee if the Full Time Employee moves to a residence within the required geographic area within 6 months of the hiring of the Eligible Full Time Employee.

c. “Full Time Equivalent” Employees (the “FTE’s”) shall be the total of (i) the number of Eligible Full Time Employees which are paid based on a salary, plus (ii) with respect to hourly Eligible Full Time Employees, the number arrived at by dividing the total hours paid by Bluffs PT to its hourly Eligible Full Time Employees during a Year divided by 2080 hours, and then rounded down to the nearest tenth; provided, however, the maximum hours paid that can be counted for any one hourly Eligible Full Time Employee shall not exceed 2080 hours.

6. Job Credits:

“Job Credits” shall be calculated as follows:

a. Bluffs PT shall receive a “Base Annual Job Credit” during the Term equal to the FTE’s multiplied by \$2000.

b. If at the end of a Year, (1) the Annual Report (as provided for below) indicates that Bluffs PT has any FTE’s that have average earnings for the Year of at least (i) \$14 per hour in the case of hourly employees, or (ii) \$29,120 in the case of salaried employees, and (2) such employees are eligible for Bluffs PT’s fringe benefit plan, then Bluffs PT may earn additional job credits (the “Additional Annual Credits”) as calculated on a per employee basis based on the following table:

<u>Additional Credit</u>	<u>Hourly Rate (Based on 2080 hours)</u>	<u>Annual Salary</u>
\$400	\$14.00 to \$17.99	\$29,120 to \$37,439

\$800	\$18.00 to \$21.99	\$37,440 to \$45,759
\$1,200	\$22.00 to \$25.99	\$45,760 to \$54,079
\$1,600	\$26.00 to \$29.99	\$54,080 to \$62,399
\$2,000	\$30.00 and above	\$62,400 and above

In calculating the hourly rate or salary rate for purposes of the above table, Bluffs PT is entitled to add the hourly equivalent or annual cost of the following fringe benefits provided to the applicable employee by Bluffs PT: 401k Plan, profit sharing, pension or equivalent retirement benefits, health insurance, and life and disability insurance.

c. The amount of the Annual Job Credit may not exceed \$20,000 per Year (the “Maximum Annual Credit”). If, during any Year, Bluffs PT does not earn greater than \$15,000 in Annual Credits, Bluffs PT shall repay to the City the difference between the Annual Credit earned and \$15,000 within 30 days’ demand of the City. The failure of Bluffs PT to make such payment shall be considered a default.

d. In the event that Bluffs PT earns credits in excess of the Maximum Annual Credit in any one Year, the excess credits may be carried back to one or more prior Years where the Maximum Annual Credit was not earned, as long as the Maximum Annual Credit is not exceeded for any one Year. Excess credits may not be carried forward.

7. Representations and Warranties of Bluffs PT and Hydrozen:

Bluffs PT and Hydrozen represent and warrant the following, all of which shall survive the Closing:

a. Bluffs PT and Hydrozen are limited liability companies organized, existing, and in good standing under the laws of Nebraska. Bluffs PT and Hydrozen have the full power and authority to enter into this Agreement and carry out the transactions contemplated by this Agreement. Bluffs PT and Hydrozen’s execution, delivery and performance of this Agreement have been authorized by all necessary action on the part of Bluffs PT and Hydrozen. This Agreement, and each agreement and instrument delivered by Bluffs PT and Hydrozen pursuant to it, is the legal and binding obligation of Bluffs PT and Hydrozen, enforceable against Bluffs PT and Hydrozen in accordance with its terms.

b. No representation or warranty made by Bluffs PT and Hydrozen in this Agreement contains or will contain any untrue statement of any material fact, or omits or will fail to state any material fact known to Bluffs PT and Hydrozen that are required to make the statements not misleading.

c. The execution and performance of this Agreement will not violate any provision of law, or conflict with or result in any breach of any of the terms or conditions of, or constitute a

default under any indenture, mortgage, agreement or other instrument to which Bluffs PT or Hydrozen are a party or by which they are bound.

d. Both Bluffs PT and Hydrozen derive their principal sources of revenue from the sales of services in interstate commerce.

e. All representations and warranties made by Bluffs PT and Hydrozen shall survive the Closing.

8. Representations and Warranties of the City:

The City represents and warrants the following, all of which shall survive the Closing:

a. The City is a municipal corporation organized and existing under the laws of Nebraska, and has full power and authority to enter into this Agreement and carry out the transactions contemplated by this Agreement. The City's execution, delivery and performance of this Agreement has been authorized by all necessary action on the part of the City. This Agreement, and each agreement and instrument delivered by the City pursuant to it, is the legal and binding obligation of the City, enforceable against the City in accordance with its terms.

b. No representation or warranty made by the City in this Agreement contains or will contain any untrue statement of any material fact, or omits or will fail to state any material fact known to the City that is required to make the statements not misleading.

9. Certification of Bluffs PT and Hydrozen:

Bluffs PT and Hydrozen certify to the City that they have not filed nor do they intend to file an application with the Department of Revenue to receive tax incentives under the Nebraska Advantage Act for the Business, or its successor legislation or program. In the event that either Bluffs PT and Hydrozen files such an application, it shall advise the City in writing, and the City shall have the option to review the status of the assistance, to include determining that the balance of the Grant Amount or Loan Amount is due and payable if Bluffs PT or Hydrozen is awarded incentives under the Nebraska Advantage Act, or its successor legislation or program

10. Conditions to Closing:

The City's obligation to proceed with the Closing is subject to Bluffs PT and Hydrozen's fulfillment of each of the following conditions at or prior to the Closing:

a. All representations and warranties of Bluffs PT and Hydrozen shall be true as of the Closing.

b. Bluffs PT and Hydrozen shall have delivered to the City:

(1) Evidence of Good Standing of Bluffs PT and Hydrozen from the Nebraska Secretary of State.

(2) A copy of the current and correct Certificate of Organization and Operating Agreement Bluffs PT and Hydrozen. certified by the members (the “Members”) to be correct;

(3) Certified resolutions of the Members of each entity authorizing this Agreement and providing for signature authority.

c. In order to secure the Assistance and the repayment, Bluffs PT and Hydrozen shall have delivered to the City the following:

(1) A guaranty (the “Guaranty”) of the Michael Morevec and Lisa Moravec. The Guaranty shall be in the form of the attached “Exhibit C”.

(2) A Security Agreement covering Bluffs PT and Hydrozen’s equipment, inventory, accounts, and general intangibles. The Security Agreement shall be in the form of the attached “Exhibit D”.

d. Bluffs PT and Hydrozen shall in all material respects have performed their obligations, agreements, and covenants contained in this Agreement to be performed by them, on, or before the Closing.

e. There shall have been no material adverse change in the operation or financial status of Bluffs PT or Hydrozen and the Closing shall constitute Bluffs PT and Hydrozen’s representations that there has been no such material adverse change.

f. In requesting the disbursement of the assistance, Bluffs PT and Hydrozen are considered to have represented that the above conditions have been satisfied and are continuing to be satisfied.

11. Annual Reports:

In order to obtain Job Credits, Bluffs PT shall annually, within 60 days of the end of each Year, provide to the Administrator a report in form and substance acceptable to the Administrator which calculates the Annual Job Credit for the Year (the “Annual Report”). The Administrator shall have the right at any time to (i) require that the Annual Reports be reviewed at Bluffs PT’s expense by a Certified Public Accountant reasonably acceptable to the Administrator, or (ii) hire, at the Administrator’s own expense, an independent Certified Public Accountant or other Practice or financial expert, to review the books and records of Bluffs PT pertaining to the Annual Report and any other terms and conditions as provided for in this Agreement. If after a review or audit of Bluffs PT’s records it is discovered that the Annual Job Credit claimed on the Annual Job Credit Report exceeds 10% of the Annual Job Credit as

determined by the Administrator, then the Administrator may require Bluffs PT to reimburse the Fund for the actual cost of the audit.

12. Default:

Bluffs PT and Hydrozen shall be in default in this Agreement and the Note if any of the following happen:

- a. Failure to comply with any of the terms of this Agreement, the Grant Note, the Loan Note, the Security Agreement or the Guaranty to include an assignment not permitted under this Agreement.
- b. Any warranty, representation or statement made or given to the City by Bluffs PT or Hydrozen proves to have been false in any material respect when made or given.
- c. Dissolution or liquidation of any of Bluffs PT or Hydrozen, the termination of existence, insolvency, business failure, appointment of a receiver, assignment for the benefit of creditors, or bankruptcy of Bluffs PT or Hydrozen.
- d. Bluffs PT or Hydrozen ceases to conduct the business or moves the business outside of the City.

13. Assignability:

The Administrator may assign his interest in this Agreement to any successor administrator designated by the City Council. Neither Bluffs PT or Hydrozen may not assign or transfer its interest in this Agreement without the consent of the Administrator. Assignment shall include a transfer of ownership of Bluffs PT or Hydrozen which results in the Members owning less than 51% of the ownership interests of Bluffs PT or Hydrozen.

14. Confidentiality:

It is agreed that this Agreement and its terms are public record and are not confidential. However, the City agrees to take reasonable steps to insure that any financial and proprietary information provided in connection with this Agreement by Bluffs PT and Hydrozen shall remain confidential and shall not be revealed or disclosed to outside sources unless the information is public knowledge, is independently developed, or is required to be disclosed by law or legal process.

15. Notices:

Any notices or other communications between the parties shall be personally delivered, sent by certified or registered mail, return receipt requested, by Federal Express or similar service that records delivery, to the addresses set out below, or to such other address as a party may designate, from time to time, by written notice to the other. A notice shall be deemed effective upon receipt.

- a. If to the City:

City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69361
Attention: City Manager

- b. If to Bluffs PT or Hydrozen:

Bluffs Physical Therapy, LLC, or
Hydrozen, LLC
3510 Avenue B
Scottsbluff, NE 69361
Attention: Michael Moravec

16. Miscellaneous:

a. This Agreement constitutes the entire agreement of the parties with respect to its subject matter, and may only be modified by a writing signed by both of the parties.

b. The City's waiver of any one default shall not be a waiver of the same or any other default in the future. In addition, the City's failure to exercise any right given to it by this Agreement shall not be a waiver of any later exercise of that right.

c. The provisions of this Agreement are severable and if any provision is held to be invalid, the remainder of the Agreement shall remain in effect.

d. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute a single instrument.

e. This Agreement shall be governed by the laws of Nebraska.

f. This Agreement shall be binding on the successors and assigns of the parties.

[Signature page to follow]

**Signature Page to Economic Development Assistance Agreement between
the City of Scottsbluff, Nebraska, Bluffs Physical Therapy, LLC, and Hydrozen, LLC**

City of Scottsbluff, Nebraska

Bluffs Physical Therapy, LLC

By: _____
Economic Development
Program Administrator

By: _____
Michael Moravec, Member

Hydrozen, LLC

By: _____
Michael Moravec, Member

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item 1

**Receive Additional Information and Consider Approval of
Application from Western Nebraska Pioneers.**

Staff Contact: Starr Lehl

Here's what I put together, hope it makes sense! 🙏

Pioneers yearly part time/seasonal staff pay overview:

Coaches: Our coach salary "pool" is \$15,000 per summer. With this the head coach brings in assistant coaches to help, he determines how much they are paid but the head coach has this pool to pay them from. For instance, it could be \$9,000 for the Head Coach and \$3,000 for each of two assistants, totaling the \$15,000 pool. They also receive benefits including host family housing and a \$250 (each) travel stipend to get to Gering and go home after the season. So the total is \$16,500 cash and about \$1,500 value in housing.

Interns: We have 11 interns this summer, they make \$200 a month each and also receive free housing through host families. This summer we are at 2.5 months per intern, so a total of \$5,500 cash, plus approximately \$8,750 in housing value. This is about the same every year but will of course go up proportionally as we get back to a full schedule and they are in town for 3.5 each instead of the 2.5 months this year.

Radio broadcasters: We have two this year, they receive \$500 per month plus free host family housing. So we allot \$2,500 in salary and approximately \$1,500 in housing value.

Game day staff hourly: On a regular game day we employ approximately 20 workers, an average of 4.5 hours a night, so roughly 90 hours a game at \$10.00 per hour. Obviously this fluctuates depending on our home schedule. Normally we play 32 home games, this year we have 26 due to the shortened season. Going with 26 home games we are looking at \$23,400 in salary for hourly labor. This includes pre-season training. Two of our concessions managers make slightly more per hour but not enough to skew this average much.

Game day staff per game: We employ three people on a per-game basis; our PA voice, our video livestream operator and our athletic trainer.

- PA voice: 26 games @ \$40 per game, plus two training sessions = \$1,120 for the summer
- Livestream: 26 games @ \$25 per game, plus two training sessions = \$700 for the summer
- Trainer: 26 games @ \$100 per game, plus 10 training days (this year) = \$3,600

Full time: Currently only one draws a salary, she makes \$35,000 per year plus 12 percent commission on direct sales. We are still always selling so I would estimate she will receive approximately \$42,500 this year. Again, Mayra and I are considered "full time" employees for insurance purposes but we don't draw a salary. We also have one employee still on layoff that we would like to bring back but just can't afford to at this time, so myself, Mayra and interns are picking up that person's duties. As mentioned in the meeting, I would really like to add one more full-time person who is more of a Sports Management career individual than what we have on staff at this time. I think if we are able to do this we can take the Pioneers to even higher levels in attendance and efficiency of operation.

For insurance purposes the players are considered "volunteers" as they don't receive a salary but still need to be covered by our liability insurance. In most years some players and all coaches would receive a small stipend for conducting youth camps but this year COVID has prevented us from conducting those camps. We are limited by the college governing bodies on how much a player can receive as a cash "income" and they all have a housing value from host families that we chart and report each year.

If I'm adding correctly, all of that adds up to \$95,820 in cash and \$11,750 in housing value for the 2020 calendar year. Based on our P&L from 2019 our total cash salaries paid was \$104,549.97 and in 2018 it was \$102,520.30. So with fewer games the \$95,820 for 2020 looks about on target.

I hope this helps! Please let me know what else the committee needs from us, we're very happy with their recommendation and obviously would like to keep this moving forward.



Chuck Heeman, Owner/Operator
Western Nebraska Pioneers Baseball Club
308.633.BALL // chuck@wnpioneers.com
www.wnpioneers.com
P.O. Box 23, Gering, NE 69341

2018 Expedition League Champions – 49-17 overall record

- 2019 attendance: 33,070, 1,140 per game, 45th nationally of more than 500 teams (per Baseball Digest rankings)
- 15 sellouts in 29 openings during the 2019 season
- More than \$12,000 raised for local charities in 2019
- Expedition League runners-up, 2019 season – 49-16 overall record

www.wnpioneers.com

From: Starr Lehl <slehl@scottsbuff.org>

Sent: Monday, July 27, 2020 11:38 AM

To: Chuck Heeman <chuck@wnpioneers.com>

Subject: RE: Staff numbers

Chuck – what the committee is looking for is a list and breakdown of employee duties, hourly rate and hours worked for example:

5 Coaches @ \$XX.XX per hour X XX hours per week

9 Grounds Keepers @ \$XX.XX per hour X XX hours per week

Thank you.

Starr Lehl
Economic Development Director
City of Scottsbluff, Nebraska
2525 Circle Drive
Scottsbluff, NE 69361
(308) 630-6213 – Office
(308) 672-2803 – Cell
slehl@scottsbuff.org
www.scottsbuff.org





From: Chuck Heeman [<mailto:chuck@wnpioneers.com>]
Sent: Sunday, July 26, 2020 1:16 PM
To: Starr Lehl
Subject: Staff numbers

[EXTERNAL]: Caution: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Starr,

So here's how we list our people as it pertains to our insurance, as these are the people we have to cover with that insurance, so that's kind of what I go by when I list our employee roster:

Full time: Four (right now one is laid off, I'd like to bring her back). As I said in the meeting, I'd love to add one more here. We were required to list Mayra and I in here even though at this point we don't draw a salary. Surely hope to one day.

Part time seasonal: We have a roster of about 90

I hope this helps!

Thanks for your guidance on this,



Chuck Heeman, Owner/Operator
Western Nebraska Pioneers Baseball Club
308.633.BALL // chuck@wnpioneers.com
www.wnpioneers.com
P.O. Box 23, Gering, NE 69341

2018 Expedition League Champions – 49-17 overall record

- 2019 attendance: 33,070, 1,140 per game, 45th nationally of more than 500 teams (per Baseball Digest rankings)
- 15 sellouts in 29 openings during the 2019 season
- More than \$12,000 raised for local charities in 2019
- Expedition League runners-up, 2019 season – 49-16 overall record

www.wnpioneers.com

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item 2

**Receive Information and Consider Approval of Application from
Reverence Funeral Parlor.**

Staff Contact: Starr Lehl

City of Scottsbluff
Economic Development Grant Application

1.Applicant Information:

Business Name: Reverence Funeral Parlor

Address: Temporary address is our residence: 770 J St, Gering, NE 69341

Applicant Contact: Stefanie Gonzalez

Business Phone: (308) 293-6230 cell

E-mail address: sawyer_88@hotmail.com

2.Business Information:

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

Ownership breakdown (include percentages for each Owner): 50/50 Stefanie & Oscar Gonzalez

General Description of Business:

Reverence Funeral Parlor, LLC was developed with the intent to provide superior, affordable, mortuary care service to the western Nebraska community and beyond. The desire to own and operate a respectable funeral home was born after owner, Stefanie Gonzalez, worked at both existing funeral homes in the area. She saw a heavy need for a third funeral home with lower cost options for families. Stefanie along with her husband and co-owner, Oscar Gonzalez, developed a business plan together. Their main goal in establishing Reverence Funeral Parlor, LLC was to present families the least expensive prices paired with the greatest level of customer service and unmatched reverence for their treasured loved ones.

Products/Services:

The services offered by Reverence Funeral Parlor include all aspects of final disposition. Services include removal and transportation from the place of death, embalming, cremation, funeral and memorial services, death certificates, obituaries, pre-arranged funeral planning, graveside ceremonies, etc. Products offered by Reverence Funeral Parlor, LLC include caskets, urns, outer burial containers, cremation jewelry, register books, memorial folders, laminations, crucifixes, candles, flower albums, etc. We will offer a wide variety of casket, outer burial container and urn options giving the purchaser the ability to select something within their budget.

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

Reverence Funeral Parlor is a new business. However, owner Stefanie Gonzalez has been a licensed funeral director and embalmer for ten years and involved in the death care industry for over fifteen years.

Proposed Location Address:

2002 Char Avenue Scottsbluff, NE 69361 (under contract and pending financing)

Current Zoning Classification: Office and Professional

3.Employment:

Base (current) number of full-time positions:

We have planned to start the business with one full-time employee and three part-time employees for the first few months. The secretary position would become full-time as soon as business allows. We expect to have a minimum of three full-time employees and at least five part-time employees by year five.

Full-time positions to be created: Three to five

Salary/Wage Range: \$30,000-\$60,000 DOE

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

We would like to provide health insurance along with a 401k plan

4.Financial Need:

Total project cost estimate: \$400,000

Breakdown of use of funds: Funds will be used for the commercial property purchase, renovations, general equipment, inventory and working capital.

Date funds are needed: We are in need of the funds as soon as possible so we may proceed with closing on the potential business property.

Investment to be made by Applicant (Amount & Source): The owner equity of \$40,000 consists of 401k funds and cash. The remainder of \$360,000 would need to be covered by SBA financing and local economic development funding such as LB840 and PADD.

Loan(s) to be obtained (Amount & Bank Name): We have been working with our lender, John Marshall of Platte Valley Bank. John presented our total loan request of \$400,000 to the PVB loan committee on July 2, 2020. The committee asked that we attempt to secure additional funding as we were short on equity for the loan.

We have also applied with PADD.

LB840 financial assistance amount requested for the Project: \$50,000

****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.): None at this time

5.Security Available:

Guarantor(s): Stefanie and Oscar Gonzalez

Real Estate: Residence at 770 J St Gering, NE 69341

Existing Liens: US Bank \$109,000

Personal Property: Chevy Suburban, Jeep Wrangler, Chevy Silverado 1500, Damon Motorhome

Existing Liens: UniWyo three vehicle loans totaling \$50,000

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:

Our business project is consistent with the goals of the Scottsbluff Economic Development program because it will provide new job opportunities with living wages and benefits. It will also enhance existing commercial property within Scottsbluff. Our business will

support other community-based businesses therefore, providing growth to surrounding business owners as well.

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

We have no pending legal actions

7.Additional Information to be submitted:

a.Resumes of Owners, Management & Key Employees (include experience, training, credentials & work history).

Attached to email

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.

Owner, Stefanie, was an eighth-grader when she felt the calling to become a funeral director. Personal experiences and the fulfilling feeling of helping others sparked her interest. Stefanie was offered a position at a funeral home in Scottsbluff and moved to the area in October of 2009. Stefanie officially became a licensed funeral director and embalmer for the state of Nebraska in 2010. She has had the opportunity to serve hundreds of families throughout her nearly ten years of licensure in the Scottsbluff area. Stefanie has become the “family funeral director” for many families who she has had the honor of assisting. Her husband, Oscar, grew up in the Scottsbluff community as a migrant worker. He joined the Army serving for twelve years before returning to Scottsbluff. Oscar works at Scottsbluff High School and is in the process of earning his Bachelors in Education. Together, Oscar and Stefanie are parents to six children: Maryah, Oscar Jr., Diego, Tucker, Chantilly and Hunter. They attend Scottsbluff Public Schools.

Our goal is not to be the most profitable funeral home. Our goal is to be the most valued. We wish to be the funeral home that has the reputation as the place where a loved one and their family members will be treated with the upmost respect. Relatives and friends can be comforted knowing their loved one is in the caring hands of a family who regards death with supreme reverence. We know our community interactions and relationships will allow our patrons to be assured they are calling a trusted friend at the time a need arises for our services.

We believe in five years we will have doubled our staff from four to at least eight. The creation of two full-time positions for licensed funeral directors and embalmers alone puts nearly \$100,000 of salaries into our community. A new crematory will also be a huge addition to our growing business by year five. This provides the opportunity for another full-time position for a crematory operator.

Our affordable services will be appealing to our community. We will be supporting other local businesses through our inexpensive prices. This is because customers will have funds that they otherwise may have not had for things like purchasing a cemetery space, floral arrangements, food for receptions and printed materials. Our low prices make funds available to be used at other businesses within our 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.

Attached to email

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.

New business, no past business tax statements available

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:

1. Davey Laucomer, Owner/Operator FX Ranch and Corporal Cattle Co., PO Box 166
Scottsbluff, NE 69361 (308) 637-4406 cell

2. Bev Overman, Former Executive Director of Oregon Trail Community Foundation 3602
Skyline Dr. Scottsbluff, NE 69361 (308) 631-2169 cell

3. Chris Wolf, WNCC Veterans Upward Bound Assistant Director, 1601 East 27th St Scottsbluff,
NE 69361 (308) 641-3779 cell

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.

Yes

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: **02/19/2020**

Signed:

Title: _____

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item 3

Receive Information and Consider Approval of Application from VistaBeam.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: **Inventive Wireless of Nebraska, LLC dba Vistabeam**

Address: **1225 Sage Street, Gering, NE 69341**

Applicant Contact: **Matt Larsen, CEO**

Business Phone: **308-635-9434**

E-mail address: **mlarsen@vistabeam.com**

2. Business Information:

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

Ownership breakdown (include percentages for each Owner):

Matt Larsen	80%
Larsen Family Trust	10%
Lance Lewis	5%
Dave Giles	5%

General Description of Business: **Vistabeam is a broadband provider serving a 45,000 square mile area of Western Nebraska, Eastern Wyoming and Northeastern Colorado**

Products/Services: **Fixed wireless broadband, fiber broadband, cable broadband, VOIP telephone service, managed router, wireless infrastructure solutions and ISP management consulting and software.**

Number of years in Business (or if a new Business, describe Owners experience in this type of business): **16 years**

Proposed Location Address: **1925 East 15th Street, Scottsbluff, NE 69361**

Current Zoning Classification: **Industrial**

3. Employment:

Base (current) number of full-time positions: **26**

Full-time positions to be created: **5**

Salary/Wage Range: **\$12 to \$28/hour**

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

Free Vistabeam Internet, Health Insurance (approx. 35% of premium employee contribution), Dental/Vision group plan available (employee contribution 100% of premium), Cell phone stipend of \$25/month, 15 days/year PTO, 3% IRA Match, Paid holidays

4. Financial Need:

Total project cost estimate: **\$428,000**

Breakdown of use of funds: **Funds will be used to cover building maintenance, upgrades, signage, marketing and moving costs as well as outfitting additional employees for our new Scottsbluff location.**

Date funds are needed: **09/01/2020**

Investment to be made by Applicant (Amount & Source): **Vistabeam is covering labor costs, building loan payments and utilities of new location.**

Loan(s) to be obtained (Amount & Bank Name): **\$278,000 through Platte Valley National Bank for building purchase**

LB840 financial assistance amount requested for the Project: **\$150,000 (\$50,000 grant for five jobs created, \$100,000 low-interest loan)**

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

Other Loans/Grants (CDBG, TIF, Re-Use, etc.): **No other loans or grants in place for this project**

5. Security Available:

Guarantor(s): **Inventive Wireless of Nebraska, LLC**

Real Estate: **Building at 1925 East 15th Street, Scottsbluff**

Existing Liens: **Platte Valley National Bank**

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. Retail sales

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

This project will provide a Vistabeam presence within the city of Scottsbluff as well as offer high quality jobs with benefits and opportunity for advancement in a fast growing, local company. This location expansion will enable Vistabeam to continue to upgrade its existing network and offer higher capacity broadband services across its core footprint in Scotts Bluff, Goshen County and other areas. The addition of this building will allow us to provide 5 or more jobs to the community.

Describe any pending legal action(s), to include the amount at risk and a summary of how ownership is reacting to the action(s): **none**

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: _____

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item 4

Receive Information and Consider Approval of Application from Hampton Inn in regards to the Old West Balloon Fest.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: **Hampton Inn & Suites**

Address: 301 West Highway 26 Scottsbluff Ne 69361

Applicant Contact: Bekah Gorsuch

Business Phone: 308-635-5200

E-mail address: Bekah.gorsuch@hilton.com

2. Business Information:

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

Ownership breakdown (include percentages for each Owner): Western Hospitality LLC

General Description of Business: Hotel /conference center

Products/Services: Provide lodging for guests coming to our area for business or pleasure.

Number of years in Business (or if a new Business, describe Owners experience in this type of business): 19 Years

Proposed Location Address: 301 West Hwy 26

Current Zoning Classification: Commercial

3. Employment:

Base (current) number of full-time positions: 6 full time employees

Full-time positions to be created: 0

Salary/Wage Range: \$12.00 an hour to \$19.00 an hour

Benefits provided to employees (include any contribution required by Employees): No benefits provided.

4. Financial Need:

Total project cost estimate: **\$103,000**

Breakdown of use of funds: **23 pilots for 4 nights X \$129 per room = \$11,868**

Date funds are needed: **ASAP**

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

Loan(s) to be obtained (Amount & Bank Name): No loan is being obtained.

LB840 financial assistance amount requested for the Project: **\$11,868**

****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: No stocks, LLC is Western Hospitality

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): **No legal action is being taken.**

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. **The Hampton Inn and Suites has been in business for 19 years at our current location. We have brought several meetings and conferences to Scottsbluff and work to grow our occupancy percent and the number of days a year our conference rooms are used. Being located between Denver and the Black Hills of South Dakota we have found it is a perfect overnight for travelers who enjoy a little extra history.**
- 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. **Western Hospitality is the LLC making up the ownership group.**
- 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: **08/04/2020**

Signed: Bekah Gorsuch

Title: General Manager

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item Reports1

Discuss Impact of COVID-19 on LB840 Fund Recipients.

Staff Contact: Starr Lehl

Below is the suggested approach to finalizing COVID-19 Accommodations for the City's Economic Development Program portfolio. To the extent possible—unless other and more concrete information is known for an applicant—the Accommodations included (where applicable): (1) waiver of interest from April 1 to June 30; (2) proration of job credits so that a full-time employee received credit during the Year for working 1,560 hours rather than 2,080 hours (assuming hours were decreased for 25% of the Year); and (3) forbearance of monthly payments until October 1, 2020.

These principals are attempted to be applied as uniformly as possible, while also understanding that flexibility is needed in order to preserve the structure of the existing agreement as best as possible.

COVID-19 LB 840 Approach City of Scottsbluff

Aulick Industries

We have an expired jobs-based grant with Aulick Industries.

The grant needs to be formally extended for another five years, beginning retroactively January 1, 2020 in order to continue to earn credits against grant for continued employment.

All FTEs during the Year of January 1 2020 to December 31 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Aulick for hours in which employees may not have been able to work.

Fusion Ranch/KYS

We have an expired jobs-based grant with Fusion Ranch/KYS. The applicant was not able to earn all of the credits anticipated in the last extension/application. We also have an outstanding loan/payable monthly. Last payment received was the March payment.

The grant needs to be formally extended, beginning retroactively January 1, 2020 for most of the job creation, in order to continue to earn credits against grant for continued employment.

All FTEs during the Year of January 1 2020 to December 31 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Fusion Ranch/KYS for hours in which employees may not have been able to work.

We will waive interest accrual on the loan from April 1 through June 30. Interest will begin to accrue July 1. This will require an amortization of the loan. We also forbear loan payments until October 1, when the first payment on the new amortization schedule would begin.

Skiles Industries

We have an expired jobs-based grant with Skiles Industries. The applicant was not able to earn all of the credits anticipated in the last extension/application.

The grant needs to be formally extended, beginning retroactively to October 1, 2018, in order to continue to earn credits against grant for continued employment.

All FTEs during the Year of January 1 2020 to December 31 2020 of the extended grant shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Skiles Industries for hours in which employees may not have been able to work.

Eagle Med

Default occurred on this grant before COVID-19 Accommodations became necessary. Applicant sold and transferred the business before the end of the term. Applicant's guarantor still exists, and effort need to be made by legal counsel to begin collection on delinquent balance or transfer remaining amounts owed to performance by the buyer/transferee.

SWBC

We have an expiring jobs-based grant with SWBC that will run at the end of the Year. There will be additional credits that need to be applied to the balance of the grant after the Year ending July 1, 2020.

SWBC is closed, so the remaining balance must be determined. All FTEs during the Year of July 1, 2019 to June 30, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate SWBC for hours in which employees may not have been able to work due to COVID-19.

RWMC

We have a jobs-based grant with RWMC that is payable retroactively, after job creation.

All FTEs during the Year of January 1, 2020 to December 31, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate RWMC for hours in which employees may not have been able to work due to COVID-19. Payment following this Year shall be adjusted accordingly.

Dave's Welding

We have a monthly-amortized loan with Dave's Welding that is eligible for job credits to be earned against it. Dave's Welding has declined any COVID-19 Accommodations and have continued to make payments.

Webb Ortho and Jason Webb OB, PC

We have a monthly-amortized loan in process for both Agreements, with Year ending June 30, 2020 for both. Applicants are able to apply job credits to the balance of the loan. For Year ending June 30, 2020, Webb Ortho and Webb OB have agreed to a six-week proration of job credits, meaning that all FTEs are divided by 1,472 hours (rather than the agreed-upon 1,664).

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. Payments on the loan are forboreed until October 1, 2020, when the first payment on the re-amortized loan is due.

Open Door Counseling

Applicant has been in default for some time. Not eligible for COVID-19 Accommodations. Will continue collection efforts.

Walther Farms

We have a loan with Walther Farms that is payable annually, mostly with job credits, and the next "payment" due January 1, 2021. The current Year for job creation ends September 30, 2020. Walther Farms must also pay interest-only payments every calendar quarter.

The interest-only payment due July 1, 2020 has been paid. To provide similar treatment to Walther Farms as other applicants, interest is waived on the loan from July 1, 2020 to September 30, 2020, which will not require loan re-amortization since the principal amount will not change. All FTEs during the Year of October 1, 2019 to September 30, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Walther Farms for hours in which employees may not have been able to work due to COVID-19. Payment due January 1, 2021 will accommodate with job credit calculation.

Flyover Brewery

We have a monthly-amortized loan in process, with Year ending June 30, 2020. Flyover is able to apply job credits to the balance of the loan. For Year ending June 30, 2020, Flyover shall receive a three-month proration of job credits, meaning that all FTEs are divided by 1,560 hours.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. Payments on the loan are forboreed until October 1, 2020, when the first payment on the re-amortized loan is due.

Inventive Media

We have a monthly-amortized loan and a jobs-based grant with Inventive Media. Inventive Media has continued payments on the loan, and has met or exceed the job creation estimates for year ending June 30, 2020. No COVID-19 Accommodation to be provided.

McKiney Manufacturing

We have a monthly-amortized loan in process, with Year ending December 31, 2020. McKiney is able to apply job credits to the balance of the loan. For Year ending December 31, 2020, McKiney shall receive a three-month proration of job credits, meaning that all FTEs are divided by 1,560 hours.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. Payments on the loan are forboreed until October 1, 2020, when the first payment on the re-amortized loan is due.

Treaty Site Farms

We have a loan with Treaty Site that is payable annually, the next payment due May 31, 2021. Job credits may be earned against the loan. The current Year for job creation ends March 30, 2021.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. All FTEs during the Year of April 1, 2020 to March 30, 2021 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Treaty Site for hours in which employees may not have been able to work due to COVID-19. Payment due May 31, 2021 will accommodate with job credit calculation.

Pioneer Animal

We have a monthly-amortized loan in process, with Year ending June 30, 2020. Pioneer Animal is able to apply job credits to the balance of the loan. For Year ending June 30, 2020, Pioneer Animal shall receive a three-month proration of job credits, meaning that all FTEs are divided by 1,560 hours.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. Payments on the loan are forboreed until October 1, 2020, when the first payment on the re-amortized loan is due.

American Doorstep

One-time grant that was previously disbursed. Assistance not subject to COVID-19 Accommodations.

Candy Barn

We have a loan with Candy Barn that is payable annually, the next payment due January 1, 2021. The current Year for job creation ends December 31, 2020.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. All FTEs during the Year of January 1, 2020 to December 31, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall be divided by 1,560 hours, to accommodate Candy Barn for hours in which employees may not have been able to work due to COVID-19.

Complete Care

We have a loan with Complete Care that is payable annually, the next payment due July 1, 2021. Job credits may be earned against the loan. The current Year for job creation ends June 30, 2021.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. All FTEs unable to work from April to June during the Year of July 1, 2019 to June 30, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall be divided by 1,560 hours, to accommodate Complete Care for hours in which employees may not have been able to work due to COVID-19. Any annual payment due will be adjusted accordingly.

Bluffs Physical Therapy

COVID-19 Accommodation unnecessary. Current application and proposed new agreement will address issues related to business shut-down, if any.

JADS Trucking

We have a monthly-amortized loan with JADS Trucking that is eligible for job credits to be earned against it. JADS Trucking has declined any COVID-19 Accommodations and has continued to make payments.

Elite Health

Default occurred on this grant before COVID-19 Accommodations became necessary. Business is closed, and action will be taken to attempt collection.

Rod Clause d/b/a Der Topher

Small business loan that is forgiven after years of operation. Not eligible for COVID-19 Accommodation.

Mitchell Care Center

Paying monthly for assistance related to area employment. No conditions or repayment requirements. Not eligible for COVID-19 Accommodation.

Bytes

We have a jobs-based grant for Bytes, with year ending December 2020. To the extent that jobs are not salaried, we adjust job credit for 1,560 hours instead of 2,080, to account for the April-June affect in business.

BSquared Farming and Trucking

We have a jobs-based grant BSquared, with year ending December 2020. To the extent that jobs are not salaried, we adjust job credit for 1,560 hours instead of 2,080, to account for the April-June affect in business.

Croell

We have a loan with Croell that is payable annually, with payment due following receipt of jobs report and COVID-19 Accommodations applied to that report. Job credits may be earned against the loan. The last Year for job creation ended June 30, 2020.

Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will require loan re-amortization. All FTEs unable to work from April to June during the Year of July 1, 2019 to June 30, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall divided by 1,560 hours, to accommodate Croell for hours in which employees may not have been able to work due to COVID-19. Any annual payment due will be adjusted accordingly.

Monument Inn/OWBF

One-time only grant with no conditions or requirements. Not eligible for COVID-19 Accommodations.

Western Farms

We have a loan repayable over three annual payments, which loan payments are eligible for job credit applications. Job credits may be earned against the amounts owed, with the first payment due June 1, 2021. The first Year for job credits began January 1, 2020 and ends

December 31, 2020. Interest did not accrue until July 1, 2020, so interest waiver is not applicable.

All FTEs unable to work from April to June during the Year of January 1, 2020 to December 31, 2020 shall be prorated to exclude three months (April, May, and June). This will mean that all FTE hours reported at the end of the Year shall be divided by 1,560 hours, to accommodate Western Farms for hours in which employees may not have been able to work due to COVID-19. Any annual payment due will be adjusted accordingly.

Factory Crimp

We have a jobs-based grant for Factory Crimp, with year ending December 2020. To the extent that jobs are not salaried, we adjust job credit for 1,560 hours instead of 2,080, to account for the April-June affect in business.

Gardner Technologies

We have a loan with Gardner Technologies, payable in one balloon payment on March 1, 2021. Interest accrues on that loan. Interest is waived on the loan from April 1, 2020 to June 30, 2020, which will adjust the amount due on the balloon date.

Gardner Technologies has not yet satisfied the conditions for its jobs-based grant, so the remaining portion of the Agreement is not eligible for COVID-19 Accommodations.

Prime Metal Products

Applicant did not close on the loan until July 2020 and business is still starting. Not eligible for COVID-19 Accommodations, as assistance approach was not affected by COVID-19 at this time.

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item Reports2

Review and Discuss 2020-2021 LB840 Fund Availability and Future Guidelines.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item Reports3

Discuss Committee Membership

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Friday, August 7, 2020

Regular Meeting

Item 1

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

Staff Contact: