

City of Scottsbluff, Nebraska

Monday, August 31, 2020

Regular Meeting

Item Reports3

Council to discuss and consider action on the amendment to the Economic Development Agreement for McKinney Manufacturing and Sales, LLC for COVID accommodations.

Staff Contact: Rick Kuckkahn, Interim City Manager

Amendment to Economic Development Assistance Agreement

This Amendment to the Economic Development Assistance Agreement (the “Amendment”) is made Effective April 1, 2020, and is by and between the City of Scottsbluff, Nebraska (the “City”) and McKiney Manufacturing and Sales, LLC., a Nebraska limited liability company (the “Applicant”).

RECITALS:

a. The City and the Applicant are parties to an Economic Development Assistance Agreement dated December 2, 2019 (the “Agreement”). The Agreement was made under the Economic Development Program of the City (the “Program”), pursuant to the Nebraska Local Option Municipal Act.

b. The Applicant has received assistance from the Program pursuant to the Agreement, and for several reasons the parties now desire to enter into this Amendment for the purposes of amending the Agreement as set forth below.

AMENDMENT:

1. Assistance Modification. The “Assistance” obligations as defined in the Agreement, and the terms of paragraph 2.d of the Agreement, are hereby amended as follows:

a. The balance of the Note owed on April 1, 2020 shall become payable in 118 equal monthly payments of principal and interest, payable under an Amended and Restated Note, carrying interest at the rate set forth in the Note. Interest on the original Note shall be waived from April 1, 2020 to June 30, 2020. The first monthly payment due under the Amended and Restated Note shall be due and payable on October 1, 2020, and each monthly payment shall be due on the first of each month thereafter. Job credits will continue to be applied to the Amended and Restated Note.

2. Modified Non-Forgivable Note. The terms, conditions, and obligations of the “Note” executed as of December 5, 2019 shall be incorporated into and Amended and Restated Note executed by the Applicant, in the form of the attached Exhibit A, the terms of which are incorporated herein by reference.

3. FTE Employees. Paragraph 5.c of the Agreement is hereby amended in total as follows:

“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 the Applicant to its hourly Eligible Full Time Employees during a Year divided by 2,080 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 2,080 hours. For the “Year” ending December 31,

2020, the term “FTE’s” shall be the number arrived at by dividing the total hours paid by the Applicant to the Eligible Full-Time Employees during that Year divided by 1,560 hours and then round it down to the nearest hundredth. For such Year ending December 31, 2020, the maximum hours paid that can be counted for any Eligible FTE shall continue and shall not exceed 1,560 hours. Salaried employees meeting the definition of an FTE during the Year ending December 31, 2020 shall be presumed to have been paid 1,560 hours. The modification of hours for FTE credits shall only apply to the Year beginning January 1, 2020 and ending December 31, 2020.”

4. This Amendment is being entered into pursuant to adjustments made to the assistance provided to the Applicant by the Program Administration under the Program Administrator’s responsibilities and authorities under of the Program. The Amendment, and those adjustments made, is intended to address business difficulties and the economic down-turn related to the COVID-19 pandemic.

5. All other terms and conditions of the Agreement shall continue in full force and effect, and shall be amended only as set forth in this Amendment.

6. This Amendment can be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute one single instrument. This Amendment shall be covered by the laws of Nebraska. This Amendment shall be binding upon all successors and assigns of the parties.

City of Scottsbluff, Nebraska

McKinney Manufacturing and Sales, LLC

By: _____
Economic Development
Program Administrator

By: _____
Roger McKinney, Member