

City of Scottsbluff, Nebraska

Tuesday, September 8, 2020

Regular Meeting

Item 1

Receive Information and Consider Approval of Application from Original Equipment Co., d/b/a Aulick Industries, Inc.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: ORIGINAL EQUIPMENT CO. DBA AULICK INDUSTRIES (A)

Address: PO BOX 259, SCOTTSBLUFF, NE 69361

Applicant Contact: JEANNE MCKERRIGAN

Business Phone: 308-633-4082

E-mail address: JEANNE@AULICK.COM

2. Business Information:

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

Ownership breakdown (include percentages for each Owner): VINC AULICK - 100%

General Description of Business: MANUFACTURER OF TRUCKS/TRAILERS

Products/Services: TRUCKS, TRAILERS, METAL FABRICATION

Number of years in Business (or if a new Business, describe Owners experience in this type of business): 40

Proposed Location Address: 709 SOUTH BELTLINE HWY, SCOTTSBLUFF, NE 69361

Current Zoning Classification: COMMERCIAL

3. Employment:

Base (current) number of full-time positions: 120

Full-time positions to be created: 31

Salary/Wage Range: \$24,000 to \$60,000 (See Attached Listing of employees recently hired)

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

PD. VACATION; 401K PLAN; HEALTH BENEFITS; UNIFORMS

4. Financial Need:

Total project cost estimate: \$6,671,139.05

Breakdown of use of funds: (See attached spreadsheet)

Date funds are needed: 9/1/20

Investment to be made by Applicant (Amount & Source: \$1,500,000 - CASH INVESTMENT

Loan(s) to be obtained (Amount & Bank Name): \$3,918,750 - PLATTE VALLEY BANK

LB840 financial assistance amount requested for the Project: \$750,000

****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.): \$699,200

5. Security Available:

Guarantor(s): VINC AULICK

Real Estate: 709 S BELTLINE, SCOTTSBLUFF, NE 69361 (BOTH PLATTS)

Existing Liens: PLATTE VALLEY BANK

Personal Property: N/A

Existing Liens: N/A

Stock / LLC Interests: N/A

Other: N/A

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): 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):

- 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: Yes; and whether such application has been approved under the Nebraska Advantage Act: Yes.

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: PREST

Request

Request is for a \$750,000 LB840 loan/grant for the expansion of the truck fabrication facility and production. At this time, Aulick Manufacturing (wholly owned subsidiary of Aulick Industries) has an outstanding LB840 loan with the City of Scottsbluff. We would like to have the balance on it rolled into this new request.

Company History

Original Equipment Company (OEC) and wholly owned subsidiary, Aulick Manufacturing, Inc. are owned and operated by Vinc Aulick and are commonly referred to as "Aulick Industries" (see attached resume.) Vinc has worked for the company since 1972 when his father Harry Aulick was the owner and operator. OEC has been operating in the Scottsbluff area since the 1970's and primarily does business in the Nebraska Panhandle. The product line started with the "Aulick Truck Box" designed and built by the family for more than 30 yrs. Over the years, the company has expanded within the US and has locations in Texas, Iowa, Montana, and Washington, which are engaged in manufacturing, renting and selling belt trailers. The belt trailer is used to haul a variety of products, such as carfluff, sawdust, chile peppers, compost, fertilizer and more. The first belt trailer was produced in 1994 and at this time there are only five (5) manufacturers of the trailer and Aulicks is the only company to offer them on a rental basis to the consumer. The company also sells new/used trucks on a custom order basis, in addition to, repair services for both trucks and trailers. Trucks and trailers are purchased and refurbished, including framework, body repair and painting prior to selling. The company also fabricates other steel projects on a custom basis and has the capability to design, build, paint and deliver finished products. Many of these products include generator covers, tanks, and building structures.

Future Plans

- Aulick Industries truck division will be moving from 1201 Avenue I, across from Sinclair Fuel Stop, to the proposed sight at 709 South Beltline. Just north of WTT Truck Stop car wash.
 - Aulick's proposal stems from a need for more production of rebuilt used truck chassis in the valley and most of the Midwest. Lead times now reach upward of 15 weeks and often, sales are missed because of time restrictions. These sales are then made outside of our community thus not supporting local economy.
 - The project proposed will increase the truck division capacity by 50% and the truck part sales capacity by 100% of current gross estimates.

- The new truck shop will be managed by Vinc Aulick's son, Austin, who has been employed by Aulick Industries since 2009. He has been the manager of the existing truck shop facility for approximately 6 yrs.
- Demo of the old condemned facility
 - The proposed site had a 20-year vacancy
 - It had been under Aulick ownership for 10 years
 - The facility had ceilings that were too low for heavy equipment manufacturing & repair
- Property was in a blighted area before this project proposal, showing that the location has been needing a facelift.
 - Storm water retention was an issue on the property since purchase and prior to
 - All storm drains on property were updated to city code.
 - Aulick job projection for the new project shows the truck shop division growing from its current 20 employees, to 50 in 5 years' time.
 - Construction was completed by local companies, including Eric Reichert Construction, Oregon Trail Plumbing, Robinson Electric, just to name a few. The construction budget has been attached.
- New frontage landscaping and display
 - Clean/presentable showcasing along the beltline highway
- The 1201 Avenue I location will be repurposed under Aulick Industries for further production of other products
 - Currently, Aulick's ag body production is in the same area as the trailer division
 - The ag body manufacturing is to relocate from 730 Avenue I and 810 Avenue I
 - Once it is relocated, the Aulick body division will grow to an estimated 12 employees from the current 6 employees.
 - The frontage building located at 1201 Ave. I that was the past State of Nebraska building will be developed into an educational center for the Diesel Tech Programs that WNCC and Scottsbluff High School will be developing. Aulick Industries will be providing the rent/lease of this property to the entities on an in-kind donation basis and will be helping to hire an instructor and develop curriculum.
 - Without the TIF and LB840 financing being available, Aulick Industries would not have had the ability to complete a project of this size or scale. It would

have been a much smaller project that would have resulted in a lesser amount of new employees to the company, as well. With this growth in products, the City of Scottsbluff will see additional sales tax revenues flowing in.

Projected Employee Growth

With the opening of the new truck shop it is anticipated that the growth in employees will be approximately 31 over the next 5 years. Below are the titles of these employees and the anticipated salary ranges. All full-time employees are offered healthcare benefits, vacation and holiday pay, 401K retirement and uniforms.

Job Title	Personnel increase	Salary Range	
HD Frame/Suspension Technicians	2	30-38K	
HD Engine Service Technicians	2	32-45K	
Warehouse Specialists	1	30-35K	
Truck and Body Repair Technicians	2	31-37K	
Department Managers	6	40K-60K	
Marketing Specialists	1	35-40K	
Parts Specialists	1	26-33K	
Office Staff	2	35-45K	
Trailer Paintshop	2	27-37K	
Feed Truck Shop Technicians	2	31-37K	
Box Shop Technicians	2	35-40K	
Tech Support	5	24-35K	
Over the Road Drivers	1	40-50K	
Fabrication Technicians	2	25-34K	
TOTAL	31		
Employee Training			
Diesel Tech Instructor	1	40-60K	
Interns	10	10-12K	(Part-time)
TOTAL			

With the anticipation of the expansion and the opening of the new facility the positions below have been hired or offers that have been made in anticipation of the opening date. Since the start of this project approximately 14 new employees have been hired for it with more to come after opening date. The average wage to date that is being paid is \$17.14/hour.