

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

Regular Meeting
September 8, 2020
3:30 PM

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 August 18, 2020.
6. Consideration of Applications for Economic Development Assistance
 - a) Receive Information and Consider Approval of Application from Original Equipment Co., d/b/a Aulick Industries, Inc.
7. Reports from Staff, Boards & Commissions
 - a) Discuss Job Credits for Flyover Brewing Company.
 - b) Discuss Committee Membership.
8. Closed Session (to consider any of the above matters, where an Executive Session is appropriate).
 - a) Following passage of motion to enter into executive session, presiding officer must state purpose of executive session.
9. Adjournment.

City of Scottsbluff, Nebraska
Tuesday, September 8, 2020
Regular Meeting

Item 1

Approval of minutes for meeting of August 18, 2020.

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF
ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE
August 18, 2020

A meeting of the Economic Development Application Review Committee was held on August 18, 2020 at 3:30 p.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were committee members Dennis Hadden, Nate Merrigan, Jim Trumbull, Marla Marx, and Lee Glenn. Also, in attendance on behalf of the City was Starr Lehl, Economic Development Director, Adam A. Hoelsing, Deputy City Attorney, Rick Kuckkahn, Interim City Manager, and Elizabeth Hilyard, Finance Director for the City.

Chairman Trumbull called the meeting to order at 3:30 p.m. and stated that a copy of the Nebraska Open Meetings Act was located on the south wall of the Council Chamber.

The first item on the agenda was to approve the minutes of the August 7, 2020 committee meeting. It was moved by member Glenn and seconded by member Merrigan the minutes of the August 7, 2020 committee meeting be approved. Voting yes: Hadden, Merrigan, Trumbull, Marx, and Glenn. Voting no: None.

The next item on the agenda was a presentation by Deputy City Attorney Hoelsing regarding the Nebraska Open Meetings Act as it relates to the committee. Deputy City Attorney Hoelsing presented on the confidentiality requirements of the City's Economic Development Program, and how those confidentiality requirements lend the meeting of the committee towards a closed session under the Open Meetings Act. Deputy City Attorney Hoelsing also discussed specific examples and desired procedures in which the Committee would likely be able to enter into closed session to discuss applications and consider funding of applications for the Economic Development Program. Several members engaged in a discussion and dialogue with Deputy City Attorney Hoelsing as a follow-up to Deputy City Attorney Hoelsing's presentation. No action was taken.

Next item on the agenda was a presentation by Deputy City Attorney Hoelsing regarding conflicts of interest for the committee members. Deputy City Attorney Hoelsing discussed the standard for statutory conflicts of interest as they relate to the Nebraska Accountability and Disclosure Act. Deputy City Attorney Hoelsing also discussed general practice and procedure of the committee as to certain conflicts of committee members, which may call into question the

propriety of a member voting on the application but would not otherwise be considered a statutory conflict under the Accountability and Disclosure Act. Again, several members of the committee engaged in dialogue and discussion with Deputy City Attorney Hoelsing following Attorney Hoelsing's presentation. No action was taken.

Next item on the agenda was a review and discussion of Economic and Development Program funding for the 2020-2021 fiscal year of the City. Finance Director Hilyard presented the committee with the plan of action to budget the full amount of the Economic Development Fund for the 2020-2021 fiscal year, with the goal towards avoiding a budget amendment should enough applications be awarded during that fiscal year. Discussion was had amongst the committee members, Interim City Manager Kuckkahn, Economic Development Director Lehl, and City Finance Director Hilyard regarding expected ability to fund applications as well as desired level of the Economic Development Fund regardless of expenditures budgeted in order to avoid a budget amendment. No action was taken.

Next item on the agenda was a discussion amongst the committee regarding goals and intent of the program. Several committee members as well as Interim City Manager Kuckkahn expressed a desire that the committee narrow its focus of desired applications towards those that create jobs. Historically, the committee has reviewed and awarded those applications that presented job creation. In recent years, the committee has reviewed and awarded other applications on merits that were not necessarily on job creation. There was a discussion amongst the committee members and Economic Development Director Lehl regarding the desires of the committee for applications to be presented by Economic Development Director Lehl. Deputy City Attorney Hoelsing suggested that the committee consider a guideline approach (rather than a blanket subject matter approach) towards desired applications, those guidelines focusing upon credits per full time equivalent jobs created, equity of the applicant, percentage of the project to be funded, particular uses and desires of the funds applied for, the longevity of the applicant, and the proposed job creation. Chairman Trumbull discussed whether guideline, of that nature could be provided in writing and relied upon by the committee. For future reference, the committee will consider reviewing and adopting guideline, that set forth the perimeters of desired applications, and also directed staff to consider amending the Economic Development Program application in order to set forth the information relevant to those guideline topics.

The next item in the agenda was a discussion of committee membership. Several new members had been proposed to the committee, as several members of the current committee had expressed a desire to resign. In particular, committee member Glenn stated his desire to resign from the committee at the end of August 2020. No other member at that time expressed an immediate desire to resign from the committee, although Chairman Trumbull did state that he would reach out to members of the committee which were not present in order to gauge their interest or desire towards the committee. Following resignations from the committee, Chairman

Trumbull expressed the desire to have interested committee member applicants attend one or two committee meetings in order to introduce themselves and understand the nature of the committee and its role in the Economic Development Program. Direction to staff was therefore provided to reach out to prospective interested committee members and invite them to the upcoming committee meetings.

Following that discussion, the meeting was then adjourned at 4:35 p.m.

Starr Lehl, Economic Development Director

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.

City of Scottsbluff, Nebraska

Tuesday, September 8, 2020

Regular Meeting

Item Reports1

Discuss Job Credits for Flyover Brewing Company.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska

Tuesday, September 8, 2020

Regular Meeting

Item Reports2

Discuss Committee Membership.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska
Tuesday, September 8, 2020
Regular Meeting

Item 1

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

Staff Contact: