

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

Regular Meeting
December 1, 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 November 17, 2020.
6. Consideration of Applications for Economic Development Assistance
 - a) Receive Information and Consider Approval of Application from Twin Cities Development to provide matching funds for a Workforce Housing Grant.
7. Reports from Staff, Boards & Commissions
 - a) 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, December 1, 2020
Regular Meeting

Item 1

Approval of minutes for meeting of November 17, 2020.

Staff Contact: Starr Lehl

CITY OF SCOTTSBLUFF
ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE
November 17, 2020

A meeting of the Economic Development Application Review Committee was held on November 17, 2020 at 3:00 p.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present were committee members Nate Merrigan, Dennis Hadden, and Dave Schaff. Also present was Rick Kuckkahn, Interim City Manager, Starr Lehl, Economic Development Director, and Adam Hoelsing, Deputy City Attorney.

Vice Chairman Schaff called the meeting to order at 3:00 p.m. At that time, Vice Chairman Schaff then directed the Committee's attention to Chairman Nate Merrigan. Chairman Merrigan was attending the meeting via Zoom. Economic Director Starr Lehl asked Chairman Merrigan if he had been ordered to quarantine or isolate by the local public health agency due to exposure to COVID-19. Chairman Merrigan indicated that he had, and was therefore participating in the meeting via Zoom under Nebraska Governors Executive Order No. 20-34.

Vice Chairman Schaff then directed the public's attention to the copy of the other Meetings Act on the north wall of the Meeting Room. No changes were made to the Agenda, and no citizens and business not otherwise scheduled on the Agenda.

It was moved by member Hadden and seconded by Chairman Merrigan to approve the Minutes of the September 8, 2020 Application Review Committee Meeting. Voting yes: Hadden, Merrigan, and Schaff. Voting no: None.

The next item on the agenda was consideration of an application from CS Precision Manufacturing, Inc. Present on behalf of the Applicant were Scott James and Jill Weineman. The Applicant stated that the business had started around the year 2000 with 10 or 12 people. Their machine shop manufactures hydraulic components for hoses and bearings, most of which are supplied to another local business, Couplamatics Systems, Inc. Since 2000, the business has grown to 66 employees, and the business is again looking to expand in order to grow due to opportunities presented by the merger and shrink of several national competitors.

The Applicant is looking to grow to a maximum of an additional 30 employees, and should be able to grow at a rate of 6 or 7 employees per year in the coming years. Slower growth of employees is due to the fact that the expansion and purchase of manufacturing machines and components is difficult, with the Applicant having to look for aftermarket machines in order to complete the shop. The Applicant was seeking \$750,000 as part of a grader \$4.7 million project. Other funding sources included a line of credit from Platte Valley Bank, operating capital from the Applicant, a loan from Couplamatics Systems, Inc., and the State of Nebraska CDBG funds. A tax increment financing application was also being submitted to the City of Gering, with the tax increment being unknown at this time.

The Committee had several questions of the Applicant. The Committee discussed the labor pool for the Applicant, and the Applicant stated that with competitive wages, and in-house training, the Applicant has had success hiring out of high school and after high school, for qualified and reliable employees. The Applicant was asked whether the loan from Couplamatics Systems, Inc. would be expected to be secured or collateralized, and that is not the expectation. Strarr Lehl then discussed the terms of the possible CDBG Grant Application through the State of Nebraska, as well as the upcoming Tax Increment Financing Application from the City of Gering.

General thoughts from the Committee were that the business has proven to be a successful business for the area and has provided job growth beyond what was originally expected.

A motion was then made by member Hadden and seconded by Chairman Merrigan to provide assistance to the Applicant as follows: assistance in the amount of \$750,000 to be earned through job credits. Job credits would be provided for \$2,000 per base full time equivalent, as well as additional job credits for “enhanced full time equivalents” for higher paying jobs, which would include benefits provided by the Applicant.

Deputy City Attorney Hoelsing stated that with the structure of the assistance, the Applicant would need to be provided three years in which to ramp-up job creation, at which point the balance of the assistance would be termed-out into a ten year term at 1% per annum, with job credits available to be applied against the amount of the annual payment.

The assistance would be collateralized by a Deed of Trust on the Applicant’s real estate, as well as a security interest in all of Applicant’s inventory, receivables, goods, and other intangibles. Both the lien of the Deed of Trust as the well the security interest would be second to the interests of Platte Valley Bank as the primary lender. Voting yes: Hadden, Merrigan, and Schaff. Voting no: None.

Economic Director Starr Lehl then provided general discussion to the Committee as to upcoming and anticipated uses of the Economic Development Fund. Director Lehl stated that another round of rural workforce housing grant opportunities had been provided, and Twin City Development was seeking to submit an application on behalf of the region. Discussion was had regarding the Committee’s willingness to consider that type of application, and was agreed to schedule a meeting at a further date to discuss in more detail that type of applications for a grant match.

The final item on the agenda was a discussion of further committee membership changes. At this time, it was felt that no members of the Committee were looking to actively exit the Committee, and that staff directed committee members to keep them informed if that changed.

Following that discussion, the Committee Meeting was adjourned at 3:45 p.m.

Starr Lehl, Economic Development Director

City of Scottsbluff, Nebraska

Tuesday, December 1, 2020

Regular Meeting

Item 1

Receive Information and Consider Approval of Application from Twin Cities Development to provide matching funds for a Workforce Housing Grant.

Staff Contact: Starr Lehl

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: Twin Cities Development

Address: 1620 Broadway, Scottsbluff NE 69361

Applicant Contact: Rawnda Pierce, Michelle Coolidge

Business Phone: 308-632-2833

E-mail address: director@tcdne.org

2. Business Information:

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

Ownership breakdown (include percentages for each Owner): 501(c)4

General Description of Business: Economic Development Organization

Products/Services: Business Assistance to other businesses

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

Proposed Location Address: 1620 Broadway, Scottsbluff NE 69361

Current Zoning Classification:

3. Employment:

Base (current) number of full-time positions: 0

Full-time positions to be created: Construction jobs

Salary/Wage Range: \$12-\$22 per hour

Benefits provided to employees (include any contribution required by Employees): Employees will be hired by the individual contractors that will apply to the RWFH Fund administered by TCD

4. Financial Need:

Total project cost estimate: \$1,455,000 - \$2,000,000

Breakdown of use of funds: \$250,000 NIFA funds, \$100,000 - \$150,000 other city LB840 funds

Date funds are needed: Commitment needed by Dec 15, 2020. Funds needed prior to release of grant funds

Investment to be made by Applicant (Amount & Source): TCD will administer the revolving loan fund

Loan(s) to be obtained (Amount & Bank Name): No loans will be obtained – all funds must be donations/cash match per the grant requirement

LB840 financial assistance amount requested for the Project: \$350,000 City of Scottsbluff
LB840

**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): N/A – must be donation – match is 1:1 up to maximum \$1 million state funds

Real Estate:

Existing Liens:

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. 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: Revolving loan fund for Rural Workforce Housing – it will be a continually revolving loan fund

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). **See summary and key employees**
- 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. **N/A**
- 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. **See Financial compilation 9/30/19 and 9/30/18**
- 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.
NONE
- 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. **N/A**
- 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):

XX 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: 11/19/2020

Signed: 

Title: Executive Director

Rural Workforce Housing Revolving Loan Funds – Western NE

The Western NE Rural Workforce Housing Grant Fund is a revolving loan fund that would encompass Scotts Bluff, Morrill and Kimball Counties in Western Nebraska. This is the same coverage area in the housing study completed by Hanna Keelan Associates in October 2016.

Panhandle Area Development District applied for the first round of RWFH funds in 2018, but the grant was not funded. Because TCD has extensive experience in housing, PADD and TCD decided TCD should be the applicant for the 2020 RWFH funds.

The fund would be applied for and administered by Twin Cities Development staff. Primarily Rawnda Pierce and Michelle Coolidge would be the key employees working on the project.

Housing projects would be bid and funds awarded to local contractors, eligible housing groups and others to build affordable workforce housing for the community. The fund would be a revolving loan fund and any loan proceeds would be repaid and revolved for additional housing projects in the community. Liens would be placed on properties and upon sale, the loan proceeds would be repaid to the TCD RWFH loan fund.

Rawnda Pierce has been involved in housing and construction projects with TCD and Western Nebraska Housing Opportunities since 2004. She has written and administered numerous grants with the State of Nebraska through the Dept. of Economic Development. She has a proven track record in housing and will be able to utilize those skills for the revolving loan fund and keeping contractors and projects on schedule and budget. She has worked with sub-contractors on several major housing projects and is familiar with bidding, award and management of construction projects. Her past experience as a CPA will allow her to manage the loan fund and keep proper records for the fund. These funds may require a Single Audit due to the amount exceeding \$500,000 from the State funds.

Michelle Coolidge has over 14 years of experience running large construction and facility projects from her previous experience at Western Nebraska Community College. She has worked with large and small contractors and sub-contractors for many years.

The Rural Workforce Housing Fund (RWHF) provides matching grants to non-profit development organizations administering workforce housing investment funds through a competitive process. The funds are invested in eligible projects to increase supply and reduce the cost of workforce housing in Nebraska's rural communities.

Workforce housing is housing that meets the needs of working families and is attractive to new residents locating in a rural community.

Housing Projects Eligible for RWHF Grants Include:

- New owner-occupied housing costing no more than \$275,000.
- New rental housing units costing no more than \$200,000.
- Owner-occupied or rental housing units for which the cost to substantially rehabilitate exceeds 50% of a unit's assessed value.
- Upper-story housing.
- Rehabilitation/conversion of an existing building into housing.
- And in all cases, housing that does not receive federal or state low-income housing tax credits, Community Development Block Grants, HOME funds, National Housing Trust Fund, or funds from the Affordable Housing Trust Fund.

Eligible Areas

Communities in a county with a population of less than 100,000 as determined by the most recent federal decennial census.

Presently, this excludes communities in Douglas, Lancaster, and Sarpy Counties.

Eligible Grantees

Grantees must be non-profit development organizations, approved by the DED director, that invest or intend to invest in workforce housing eligible activities, and have an active board of directors with expertise in development, construction, and finance.

Grants

Grants shall be awarded on a competitive basis until grant funds are no longer available. The initial competitive application cycle took place in 2017-18. A new allocation of funds allows for a 2020 application cycle. The 2020 application cycle is now open. A required Letter of Intent is due December 15, 2020. Applications are due January 28, 2021.

No more than \$1,000,000 may be awarded to any one non-profit development organization over a two-year period, with no more than \$2,000,000 cumulative for any single grantee through fiscal year 2020-21.

RWHF grants require a minimum one-to-one in matching funds.

Matching funds can be dollars contributed by individuals, businesses, foundations, local and regional political subdivisions, or other non-profit organizations into a single investment fund, administered by the eligible nonprofit development organization.

Awards

Competitive awards from the RWHF are evaluated on demonstrations of:

- Ongoing workforce housing needs as identified by a recent housing study.
- Difficulties filling employment positions or attracting workers in communities or regions with a low unemployment rate.
- A community's or region's commitment to growing its housing stock.
- A project's likelihood of occupancy in a period of 24 months.
- The ability to grow and manage an investment fund for rural workforce housing.

Rural Workforce Housing Funds - Example of Potential Loan Fund

						MAXIMUM
NIFA funds	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00
City of Scottsbluff LB840 Funds	300,000.00	350,000.00	400,000.00	400,000.00	475,000.00	475,000.00
City of Gering LB840 funds	50,000.00	75,000.00	100,000.00	100,000.00	150,000.00	150,000.00
City of Bayard	20,000.00	20,000.00	25,000.00	25,000.00	25,000.00	25,000.00
City of Kimball /other cities	25,000.00	25,000.00	25,000.00	25,000.00	40,000.00	40,000.00
Western NE Housing Opportunities	35,000.00	35,000.00	35,000.00	35,000.00	45,000.00	45,000.00
Twin Cities Development	10,000.00	10,000.00	10,000.00	10,000.00	15,000.00	15,000.00
	690,000.00	765,000.00	845,000.00	845,000.00	1,000,000.00	1,000,000.00
DED Funds 1: 1 Match	765,000.00	765,000.00	845,000.00	845,000.00	1,000,000.00	1,000,000.00
Total RWFH revolving funds	1,455,000.00	1,530,000.00	1,690,000.00	1,690,000.00	2,000,000.00	2,000,000.00

City of Scottsbluff, Nebraska

Tuesday, December 1, 2020

Regular Meeting

Item Reports1

Discuss Committee Membership.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska
Tuesday, December 1, 2020
Regular Meeting

Item 1

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

Staff Contact: