



**CITY OF SCOTTSBUFF  
Scottsbluff City Hall Council Chambers  
2525 Circle Drive, Scottsbluff, NE 69361  
LB 840 Citizen Review Committee**

**Regular Meeting  
May 3, 2022  
11:00 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 Program Administrator** (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 September 28, 2021.
6. **Review Items**
  - a) Review 06/30/2021 Spreadsheet - Fusion Ranch, Candy Barn Express, Bytes Computer Solutions, Aulicks, CS Precision.
  - b) Review 09/30/2021 Spreadsheet - Skiles Industries
  - c) Review 12/31/2021 Spreadsheet - Prime Metals
7. **Information Items/Action Items**
  - a) Review and Approve Recommendation to City Council Regarding Modification of Loan Terms with Western Farms, LLC Following Business Closure.
8. **Reports from Staff, Boards and Commissions**
  - a) (Informational Only):
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**  
**Tuesday, May 3, 2022**  
**Regular Meeting**

**Item 1**

**Approval of minutes for meeting of September 28, 2021.**

**Staff Contact: Starr Lehl Economic Development Director**

**CITY OF SCOTTSBLUFF**  
**CITIZENS ADVISORY REVIEW COMMITTEE MINUTES**  
**September 28, 2021**

The meeting of the City of Scottsbluff Economic Development Program Citizens Review Committee was held on September 28, 2021 at 12:00 noon, at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Committee members in attendance were Diane Vandenberg, Sam Mark, and Mark Harris. Also in attendance were Dustin Rief (City Manager/Program Administrator), Adam Hoelsing (Deputy City Attorney), Liz Loutzenhiser, (City Finance Director), and Starr Lehl (City Economic Development Director).

Chairman Harris presided over the meeting. It was noted that a copy of the Nebraska Open Meetings Act was located on the south wall of the Council Chamber. There were no changes to the agenda and no citizens were present with business not scheduled on the agenda.

First item of business was to approve the minutes of the September 26, 2020 meeting. It was moved by member Mark and seconded by member Vandenberg to approve the minutes of the September 16, 2020 meeting. Voting yes: Vandenberg, Mark, and Harris. Voting no: None.

The next item on the agenda was a review of the annual reports received by the Committee for year ending September 30, 2020, December 31, 2020, March 31, 2021, and June 30, 2021. All business reports except two (discussed below) were in compliance assistance agreements under the Program.

Following the reports provided by Finance Director Loutzenhiser, it was moved by member Mark and seconded by member Vandenberg to approve the annual reports. Voting yes: Vandenberg, Harris, and Mark. Voting no: None.

The next item on the agenda was a discussion regarding default or delinquent loans for EagleMed and Elite Urgent Care. Both matters were the same as previously discussed, and no motion was needed on their collection efforts. Staff was directed to continue activities on previous motions.

The next item on the agenda was discussion regarding addition of retail to the City of Scottsbluff Economic Development Plan. The City Council can expand retail as a qualifying business upon a positive recommendation of the Committee. Presented to the Committee was an amendment to the Plan that expanded retail as a qualifying business for business not greater than 20 employees. Discussion was had regarding parameters and guidelines of the Application Review Committee, as well as potential applicants, as the Committee was concerned that opening to a greater number of qualifying business with a higher failure rate would divert a large amount of the Program funding away from the more-desired manufacturing and processing applicants. The Committee was presented with possible avenues for assistance that other communities utilized, in order to provide a framework for such assistance. Following discussion, it was moved by member

Mark and seconded by member Harris to recommend approval of the proposed amendment to the Plan for businesses that drive their principal source of income from retail so long as the business does not have greater than 20 employees, subject to a review and consideration by the Committee of parameters and guidelines that reasonably limited and defined the scope of assistance to the new qualifying businesses. Voting yes: Vandenberg, Harris, and Mark. Voting no: None.

No further discussion occurred. The meeting was then adjourned at approximately 1:10 p.m.



Starr Lehl, Economic Development Director

# **City of Scottsbluff, Nebraska**

**Tuesday, May 3, 2022**

**Regular Meeting**

## **Item 1**

**Review 06/30/2021 Spreadsheet - Fusion Ranch, Candy Barn Express, Bytes Computer Solutions, Aulicks, CS Precision.**

**Staff Contact: Starr Lehl Economic Development Director**

**City of Scottsbluff, Nebraska**  
**Tuesday, May 3, 2022**  
**Regular Meeting**

**Item 2**

**Review 09/30/2021 Spreadsheet - Skiles Industries**

**Staff Contact: Starr Lehl Economic Development Director**

**City of Scottsbluff, Nebraska**  
**Tuesday, May 3, 2022**  
**Regular Meeting**

**Item 3**

**Review 12/31/2021 Spreadsheet - Prime Metals**

**Staff Contact: Starr Lehl Economic Development Director**

# **City of Scottsbluff, Nebraska**

**Tuesday, May 3, 2022**

**Regular Meeting**

## **Item 1**

**Review and Approve Recommendation to City Council Regarding Modification of Loan Terms with Western Farms, LLC Following Business Closure.**

**Staff Contact: Starr Lehl Economic Development Director**



### Western Farms, LLC Loan Modification

Western Farms, LLC was originally extended Program assistance of \$434,000.00, per the terms of an EDA Agreement with the City, repayable in three annual payments, the first being due June 1, 2021. Job credits were available and could be applied to the annual payment amounts. Following the application of job credits after the 2020 calendar year, the annual payment was made by Western Farms by June 1, 2021, leaving a balance of \$289,875.61 as of June 1, 2021.

The terms of the EDA Agreement require a 30-day notice of default and an opportunity to cure. In November of 2021, through discussions with various parties, the City believed that Western Farms was no longer operating a business (as is required under the EDA Agreement) and it notified Western Farms of the default, providing a 30-day notice to cure.

Western Farms then corresponded with City staff and the City attorney's office, disputing the default and suggesting that Western Farms continued its efforts to market seed and seedling inventory for the 2022 growing season.

In response, City staff and the City attorney's office reviewed and inspected the Western Farms facility in early February 2022. At that time, Western Farms was reporting 2 employees; one a business manager and another a front-desk staff position for CBD retail products. During the inspection, it appeared that all collateral of the City remained intact and that the Western Farms facility was generally operational.

As a follow-up, the City again requested an inspection of the Western Farms facility in April of 2022, to determine if seedling inventory was being grown for sale and transplanting in the 2022 growing season. Additionally, the City demanded Western Farms' jobs report for the Year 2021, which was due at the end of February 2022 but at that time the City had not received.

In response to this additional request, Western Farms has offered the following loan modification terms in order to settle any dispute or ongoing default of the EDA Agreement:

1. Payment of the June 2022 installment as scheduled (in the amount of \$145,916.87) after application of the 2021 job credits, which the City as determined to be \$5,400.
2. Payment of all remaining amounts owed under the EDA Agreement (approximately \$145,000.00) no later than December 15, 2022.
3. The current interest rate (0.45%) under the EDA Agreement will remain the same until December 15, 2022, and the City will not apply the 7.0% default rate.

City staff is agreeable to these terms, and is requesting that the Committee recommend the same to the City Council. The City attorney's office is preparing a loan modification agreement to be reviewed and approved by both parties and presented to City Council for the May 16, 2022 council meeting.

The City will continue to maintain its first-position lien on all personal property collateral of Western Farms, LLC and Western Farms Seed, LLC, and the City will continue to maintain its second-position deed of trust the real estate involved. The City will likewise continue to hold the guarantees of all five original members of Western Farms, LLC.

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**Item 1**

**(Informational Only):**

**Staff Contact: Starr Lehl Economic Development Director**

# **City of Scottsbluff, Nebraska**

**Tuesday, May 3, 2022**

**Regular Meeting**

## **Item 1**

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

**Staff Contact:**