

**City of Scottsbluff, Nebraska**  
**Tuesday, October 11, 2022**  
**Regular Meeting**

**Item 1**

**for meeting of July 25, 2022**

**Staff Contact: Starr Lehl**

**CITY OF SCOTTSBLUFF**  
**ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE**  
**July 25, 2022**

A meeting of the Economic Development Application Review Committee was held on July 25, 2022 at 10:30 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska.

Present at 10:30 were Committee members Hod Kosman, Dave Schaff, and Marla Marx. Also present were Adam Hoesing, Deputy City Attorney, Starr Lehl, City Economic Development Director, Sharaya Toof, Small Business Outreach/Public Relations Coordinator for the City, and the assistance manager for Fusion Ranch, Inc.

The meeting was called to order by Vice-Chairman Schaff at 10:30 a.m.

Vice-Chairman Schaff then announced a copy of Nebraska Open Meetings Act was posted on the back wall of the meeting room.

It was moved by Member Marx and seconded by Member Kosman to approve the Minutes of the July 14, 2022 Application Review Committee Meeting. Voting yes: Marx, Schaff, and Kosman. Voting no: None.

The next item on the agenda was a presentation by Fusion Ranch, Inc. as an applicant for assistance from the Program. The applicant produces jerky, ham, Asian meat snacks in Scotts Bluff County, Nebraska, and the applicant employs 45 employees. As part of its operation, the Applicant manufactures and sources its own branded products, as well as products for other private label retailers. The Applicant desires to expand production through the purchase of two automated vertical packing machines, and the Applicant is requesting assistance for the purchase of the second packing machine in the amount of \$826,802.00. The Applicant states that an additional 10 employees will be employed over the next five years to meet the increased production, and the Applicant believes that the market for orders and retailers is available to meet the Applicant's desired production expansion. Additionally, the Applicant desires to introduce a fava bean product to grow sales, and the Applicant anticipates that sales will double in the next few years.

The Committee asked whether the equipment for the purchase was available, and the Applicant stated that the equipment can be ordered with a delivery period of seven to eight months. The Committee asked whether the Applicant will expand square footage of its facility, and the Applicant will not do so at the moment but is planning with an engineer/architect for expansion in the near future to meet the increased production demands. Upon questioning, the Applicant has not seen a large issue with supply chain of raw material or finished inventory and the Applicant has not seen a large issue with available workforce to expand, as workforce retention has been the greater problem.

After presentation from the Applicant, it was moved by Committee Member Marx and seconded by Committee Member Kosman for the Committee to enter closed session for the purpose of protecting the public interest of discussing the Applicant's financial documents and

tax returns and keeping the Applicant's financial information confidential. Voting yes: Marx, Schaff, and Kosman. Voting no: None.. Closed session was entered at 11:03 A.M.

The Committee exited closed session at 11:15 A.M. After entering open session, the Committee discussed its desires for recommended assistance, and discussed a job creation component that could qualify for only \$300,000 as a forgivable loan over 10 years. After discussion, it was moved by member Kosman and seconded by Member Marx to offer the following assistance to the Applicant:

\$300,000 as a forgivable loan with a job credit component, and \$200,000 as a loan, repayable with monthly payments over ten years. The \$300,000 grant would have a job credit effective dated October 1, 2022, and the Applicant would receive \$2,000 per fulltime employment position per year, for all employees over the base 45 full-time employees at the current time, plus additional credit for higher paid employees. The assistance would be secured by a deed of trust, a security agreement, and supported by a guaranty of the Applicant's owner. Voting in favor: Schaff, Marx, and Kosman. Voting no: None.

Thereafter, the Committee reviewed materials regarding adding retail the Program, and the Committee believes the material is ready for review by the Citizen Advisory Review Committee. The Meeting was adjourned at approximately 11:30 A.M.

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Starr Lehl, Economic Development Director