



**CITY OF SCOTTSBLUFF
Scottsbluff City Hall
2525 Circle Drive
LB 840 Application Review Committee**

**Regular Meeting
August 14, 2023
10:00 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 south 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) Approve Meeting Minutes for 3/10/23 Meeting
6. **Economic Development Assistance Application Funding**
 - a) Committee to review Papa Moon LB840 Application
7. **Consideration of Applications for Economic Development Assistance**
 - a) Consider Papa Moon Application- Q&A with Ryan Massey
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. **Reports from Staff, Boards & Commissions**
 - a) Reports from Staff
10. **Adjournment.**

City of Scottsbluff, Nebraska
Monday, August 14, 2023
Regular Meeting

Item 1

Approve Meeting Minutes for 3/10/23 Meeting

Staff Contact:

CITY OF SCOTTSBLUFF
ECONOMIC DEVELOPMENT APPLICATION REVIEW COMMITTEE
March 10, 2023

A meeting of the Economic Development Application Review Committee was advertised for March 10, 2023 at 9:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, Nebraska. A quorum of the Committee was available.

Present at the meeting were Committee members Nate Merrigan, Dave Schaff, Marla Marx, and Jim Trumbull. Also present were Adam Hoelsing, Deputy City Attorney, Sharaya Toof, Economic Development Director for the City, Zach Glaubius, Planning Administrator for the City, Kevin Spencer, City Manager, and Elizabeth Loutzenhiser, City Treasurer. Chairman Nate Merrigan presided over the meeting.

The meeting was called to order at 9:00. Roll call was completed. Committee Member Merrigan pointed out the Open Meetings Act poster on the west wall of the meeting room.

There were no changes to the agenda.

There were no citizens with business other than what was on the agenda.

The next order of business was the approval of the minutes for the November 8, 2023 meeting. It was moved by Committee member Marx and seconded by Committee member Schaff to approve the minutes. Voting yes: Merrigan, Schaff, Marx, and Trumbull Voting no: none.

The next order of business was to discuss and consider an economic development application from Twin Cities Development Association, Inc. for rural workforce housing matching funds. Present on behalf of the applicant was Jordan Diedrich, Executive Director. The applicant had previously received \$350,000 from the City's program for a previous rural workforce housing match fund. The applicant presented the projects development in the City with that funding, including approximately \$1,400,000 of state and local funds contributed to housing rehabilitation or construction projects in the City. The applicant seeks to make another application to the rural workforce housing fund for \$200,000, on a two-to-one state-to-local match ratio and to manage the additional funding (if approved) in accordance with the rural workforce housing fund guidelines and the applicant's investment plan for the rural workforce housing fund, which was included in the application materials.

Members of the committee discussed the recent projects and status of the current fund with the applicant. Members of the committee also discussed the lack of any definitive goal or termination point for the rural workforce housing fund. The applicant presented that the investment plan is intended to be perpetual, with reuse of the funds be to used perpetually if possible. Members of the committee then discussed some concern regarding the ability of the applicant to amend its investment plan upon state approval, or without state approval if the time-frame of the rural workforce housing grant had passed. The committee members felt that the funds contributed (even if reuse status) should continue to be used for the intended purpose of the

application, which was for housing rehabilitation or construction projects of local contractors in the City

After discussion with the applicant and deputy city council, it was moved by committee member Trumbull and seconded by committee member Marx as follows:

Recommend to Council local match funding from the program for the applicant's second rural workforce housing application in an amount of \$200,000, subject to an agreement being reached that is acceptable to the City along the same or similar terms of the current agreement for the \$350,000 matching funds, subject to the applicant further defining the long-term goals and intent of the rural workforce housing fund investment plan to ensure compliance with the City's intended use of the funds, including if necessary a five-year term or return of the local funding unless extended, and subject to return of the funding if a recapture of the rural workforce housing funds occurs from the State of Nebraska.

There were no other items of business and the meeting was adjourned at 10:00 a.m.

Sharaya Toof, Economic Development Director

City of Scottsbluff, Nebraska
Monday, August 14, 2023
Regular Meeting

Item 1

Committee to review Papa Moon LB840 Application

Staff Contact:

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: Papa Moon Vineyards & Winery LLC

Address: 230975 CR J, Scottsbluff, NE 69361

Applicant Contact: Ryan Massey

Business Phone: (308) 631-8380

E-mail address: ryan@papamoonvineyards.com

2. Business Information:

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

Ownership breakdown (include percentages for each Owner):

- Trevor Massey- 33.33%
- Ryan Massey- 33.33%
- Jim Massey- 33.34%

General Description of Business: Cultivation and manufacturing operation of high-quality craft beverages. Local grapes, honey and apples are the main growing source for raw materials. Wines are sold through a local distributor as well as direct to consumers with tap room experience that can also be utilized as an event venue.

Products/Services: Variety of high-quality craft beverages including hard ciders, wines and meads as well as several non-alcoholic ciders, canned coffees and teas. The expansion will also bring in a dining room with a full kitchen and allow for the first location to be solely for event space.

Number of years in Business (or if a new Business, describe Owners experience in this type of business): 11 Years

Proposed Location Address: 3109 Avenue B, Scottsbluff, NE 69361

Current Zoning Classification: Commercial

3. Employment:

Base (current) number of full-time positions: 5

Full-time positions to be created: Year 1- 11, Year 2- 4, Year 3- 4

Salary/Wage Range: \$10.50/hr (plus tips) to \$60,000/yr depending on position.

Benefits provided to employees (include any contribution required by Employees): 20 days PTO for managers, sales reps.

4. Financial Need:

Total project cost estimate: \$2,587,995

Breakdown of use of funds:

- Building- \$1,395,000
- Renovation- \$607,650
- Equipment- \$409,425
- Furniture/Fixtures- \$75,920
- Working Capital- \$100,000

Date funds are needed: 7/1/2023

Investment to be made by Applicant (Amount & Source): \$880,371 Cash/equipment investment

Loan(s) to be obtained (Amount & Bank Name): Platte Valley Bank- \$973,000

LB840 financial assistance amount requested for the Project: Grant- \$55,000 ; Loan- \$679,624

**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.): N/A

5. Security Available:

Guarantor(s): Trevor Massey; Ryan Massey; Jim Massey

Real Estate: 3109 Ave B

Existing Liens: PVB

Personal Property: Manufacturing Equipment

Existing Liens: N/A

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).
- k. Retail

Statement of how the project is consistent with the goals of the Scottsbluff Economic Development Program: This development will increase the production and manufacture capacity of quality craft beverages that are sold locally and outside of the market area and state. This will lead towards greater interstate commerce through being able to supply a larger distribution network. Increased production means job creation, sales tax increases and horizontal supply chain benefits with local producers having the opportunity to supply more. An increased capacity for events in which we support over 20 small local crafters & businesses.

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.
- k. Small Business Assistance: loans cannot exceed \$10,000 or 50% of the project. 10% owner equity is required. (Forms of equity could include cash investment, remodeling expenses, equipment expenses, facade and signage, rent, and or utilities.

8. ImagiNE Nebraska Act:

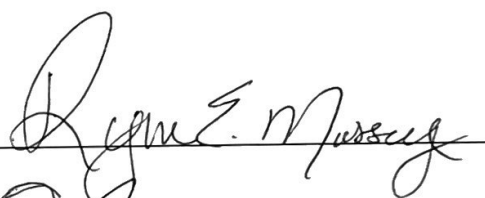
The Applicant certifies to the city as follows (select one):

The Applicant has not filed nor does it intend to file an application with the Nebraska Department of Economic Development to receive tax incentives under the ImagiNE Nebraska Act with respect to this project.

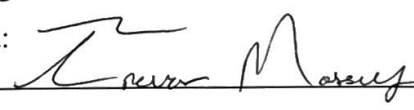
The Applicant has filed or intends to file an application with the Department of Economic Development to receive tax incentives under the ImagiNE Nebraska Act for this project. If so, indicate if such application includes or will include, as one of the tax incentives, a refund of the City's local option sales tax revenue: ____; and whether such application has been approved under the ImagiNE Nebraska 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: 5/30/23

Signed:  CEO
Title: _____

Signed: 
Title: _____

Signed: 
Title: _____

City of Scottsbluff, Nebraska
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Item 1

Consider Papa Moon Application- Q&A with Ryan Massey

Staff Contact:

City of Scottsbluff, Nebraska
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Item 1

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

Staff Contact:

City of Scottsbluff, Nebraska

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Regular Meeting

Item Reports1

Reports from Staff

Staff Contact: