

City of Scottsbluff, Nebraska

Tuesday, September 3, 2013

Regular Meeting

Item Pub. Hear.7

Council to conduct a Public Hearing at 6:05 p.m. for the purpose of considering the report of the Economic Development Citizen's Advisory Committee.

Staff Contact: Rick Kuckkahn, City Manager

City of Scottsbluff
Economic Development Program
Report of Citizen's Advisory Committee Meeting
August 1, 2013

The Economic Development Citizen's Advisory Committee met on August 1, 2013, and issues this report to the City Council based on action taken by the Committee at that meeting. All reports received between the last Committee meeting and March 31, 2013 were reviewed.

As of March 31, 2013, the City had awarded 36 grants to businesses since the beginning of the Program. 11 are active with the rest having previously been terminated, earned, repaid, or settled. Annual Reports were reviewed and accepted for the following businesses for the periods ended March 31, 2013:

Western Pathology Consultants
Western Sugar Cooperative
Panhandle Mental Health Center
Vertex
CST Mechanical
Aulick Manufacturing
Klein Family Trucking

Each of the Committee Members and the Council Members have been provided with Job Report Summaries as of March 31, 2013. The information concerning actual employee numbers for each business are, however, confidential and cannot be released as to specifics without the permission of the individual businesses. The following general information can, however, be provided in summary form:

1. Job creation grants netting almost \$6.8 million (after repayment of amounts granted and repaid) have been awarded to businesses since the beginning of the program (1/1/96). The City has loaned \$250,000 to KYS Foods in connection with their new facility, and invested in two water extension projects benefitting the areas near the airport which include KYS Foods (not completed as of yet) and the EagleMed Hanger (completed). In addition, the City's program has made a significant contribution to job training in this area through assistance to Western Nebraska Community College.
2. Out of the businesses that continue to be in operation or have been sold to entities who have maintained the business, over 1200 jobs have been created or retained through the assistance of the City's program. Additional jobs were created for a period of time by businesses that have since been closed.

3. Out of the funds that have been awarded to businesses for job creation, the amount lost from businesses that did not survive as of the last reporting period is just over \$500,000. Almost half of this amount is from the Performark Grant which was settled by transferring the equipment remaining in their building to the City. That facility is now occupied by an HHS Call Center, for which incentives were provided by Twin Cities Development. Many of the businesses that have benefited from our program have produced jobs well in excess of their job commitment to the City. If these additional jobs were factored in, the impact of the net loss from failed businesses is much less.

4. During the last reporting period, the City was able to collect balances owed by Aurora Loan Services and Chicory USA. In addition, the community benefitted significantly from the use by the Scottsbluff and Gering School Districts of the former Aurora Loan Services buildings, and those buildings have now been sold with the net proceeds deposited in the Economic Development Fund. More importantly, they are back on the property tax rolls.

5. City Staff and the Citizen's Review Committee are satisfied with the information provided by the businesses reviewed at the Review Committee meeting. All businesses with active grants are current in their reporting. However, the job credit earning period for Grants made to Panhandle Mental Health Center and Vertex have expired. They will be notified of their obligation to either repay the amount owed or to reapply for assistance from the program. In addition, notification will be given to Aulick Manufacturing concerning its status with the program.

CITIZEN'S ADVISORY COMMITTEE MINUTES
August 1, 2013
Scottsbluff City Hall

A meeting of the City of Scottsbluff Economic Development Citizen's Advisory Committee was held on August 1, 2013, at Noon, at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Committee members in attendance were Mark Harris, Sam Mark, Diane Vandenberg and Marci Meyer. Also in attendance were Rick Kuckkahn (City Manager/Program Administrator) and Rick Ediger (Deputy City Attorney). Scott Phillips was unable to attend.

Vice Chairman Harris opened the meeting. It was noted that a copy of the Nebraska Open Meetings Act is posted on the west wall of the meeting room. There were no changes in the agenda or citizens with unscheduled business.

The first order of business was an election of a Chairman of the Committee due to a vacancy. It was moved by Vandenberg and seconded by Mark that Harris be elected as the Chairman. There were no other nominations. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None.

Nominations were then opened for the office of Vice Chairman. Vandenberg moved the nomination of Mark. The motion was seconded by Meyer. There were no other nominations. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None.

Due to the fact that confidential information would be presented, it was necessary for the Committee to go into executive session for the purpose of reviewing Job Credit Reports from grant recipients. It was moved by Mark and seconded by Vandenberg that the Committee go into executive session and include all persons present at the meeting. Voting yes: Harris, Mark Vandenberg, Meyer; Voting no: None.

At the conclusion of the executive session, the meeting was reconvened in open session. The first action item was the approval of the minutes of the October 18, 2012 Meeting. It was moved by Mark and seconded by Vandenberg that those minutes be approved. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None.

The Chairman indicated the Committee had received substantial information concerning various program recipients during the executive session, but no action had been taken during the executive session. The Committee reviewed reports and a summary

from the various program recipients during the executive session. Reports were received from the following representing job credits as of March 31, 2013:

Western Pathology Consultants
Western Sugar Cooperative
Panhandle Mental Health Center
Vertex
CST Mechanical
Aulick Manufacturing
Klein Family Trucking

It was moved by Mark and seconded by Vandenberg that the Job Credit Reports from the above businesses be accepted. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None. Notification of this action by the Committee will be given to all of the above businesses.

It was pointed out by Attorney Ediger that: (1) that the term of the Grants to Panhandle Mental Health Center and Vertex had expired and that they will be notified to either repay the balance due or to apply for an extension of time to earn Job Credits; (2) Aulick Manufacturing was not meeting its expected employee growth; (3) the water extension project to the EagleMed Hangar had been completed, but the airport road water extension had not been completed as of yet; and (4) the City had, in fact, collected the entire balance owed by Aurora Loan Services, as well as the entire balance owed by Chicory USA.

It was moved by Meyer and seconded by Mark that a report of the actions of the Committee be prepared and submitted to the City Council, to include the matters referred to above. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None

There being no further business, it was moved by Mark and seconded by Vandenberg to adjourn the meeting. Voting yes: Harris, Mark, Vandenberg, Meyer; Voting no: None. The meeting was adjourned at 12:45 p.m.

Rick Kuckkahn, Program Administrator