

City of Scottsbluff, Nebraska

Monday, September 16, 2013

Regular Meeting

Item Reports2

Council to consider an Economic Development request for LB840 grant funding from Bovidr Laboratories.

Staff Contact: Rick Kuckkahn, City Manager

**City of Scottsbluff
Economic Development Grant Application**

1. Applicant Information:

Business Name: Bovidr Laboratories

Address: 1620 East Overland, Scottsbluff, NE 69361

Applicant Contact: Karyn Turner

Business Phone: (308) 635-4913 Cell Phone: (303) 905-7553 Fax: (308) 635-1134

E-mail address: karyn@bovidr.com

2. Business Information:

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

Ownership breakdown (include percentages for each Owner):

Karyn Turner – 33%

Beth Barrett – 33%

Michael Turner – 33%

General Description of Business:

Bovidr Laboratories is the agri-business manufacturer of Nutri-Drench and Nutri-Drops animal dietary supplements. Backed by 20 years of research, field trials, and 2 U.S. Patents, Nutri-Drench is a liquid supplement precisely formulated for the special needs of large animals off feed, specifically during times of significant stress in their life cycle. Mirroring the benefits of Nutri-Drench, Bovidr's Nutri-Drops is applied to smaller animals and household pets during similar periods of stress.

Bovidr Laboratories manufactures and bottles both Nutri-Drench and Nutri-Drops in Scottsbluff working in conjunction with LASS Inc., and also located in the Sugar Valley of Nebraska. Depending on demand for the Bovidr product, LASS will utilize its patented processing system to manufacture Bovidr's custom nutritional blend at the LASS manufacturing facility located at Airport Park. Tanks of product are then delivered to the Bovidr East Overland warehouse facility where it is bottled, and made ready for distribution.

Bovidr Laboratories approaches each customer equitably in regards to the size and quantity of the orders they are filling. They may send a single bottle of Nutri-Drops to someone raising a small litter or flock of animals, or they will fill significant orders to one of the many large distributors/retailers currently selling their product such as Tractor Supply and Animal Health International (AHI). Bovidr Laboratories prides itself on serving each customer in the same fashion as the next.

Bovidr's success, and what continues to drive the significant demand for both Nutri-Drench and Nutri-Drops in retail markets, is its uniqueness in the animal supplement industry. Bovidr's products are different in that they completely bypass an animal's digestive system making it similar to an "Oral I.V." More importantly, they offer increased potency in the treatment of the animal during periods of increased stress which increases the animal's chance of success and survival. Because of this singularity in the marketplace, Bovidr laboratories have been profitable 23 out-of-its 24 years of operation.

Beginning in 2010, Bovidr attracted Milk Products, Inc., a subsidiary of Land O' Lakes Inc., who was interested in purchasing the company, and initiated negotiations to do so. As purchasing negotiations commenced, Milk Products Inc. began buying large quantities of Bovidr Inventory in preparation to take over principal sales responsibilities after the sale was concluded. In turn, Karyn Turner began assisting her existing staff in starting their own companies and finding different positions throughout the region. After doing so, negotiations between the two parties broke down, and Bovidr was forced to purchase their inventory back from Milk Products Inc. The collapse of the sale, as well as the subsequent repurchase of inventory produced the loss during the 2011 tax year.

Following the non-sale to Milk Products, Inc., Karyn Turner was the sole-remaining staff person for Bovidr Laboratories, and has continued to keep the business running at an extremely high level. She has done so by continuing to meet the demand of her existing clientele by working extraordinarily long hours, and paying an outside firm to bottle the company's product for her.

During this period, the overall demand for Bovidr's products has increased significantly both in domestic and international sales. In order to meet this increased demand, Bovidr laboratories must increase its workforce primarily in management positions.

Specifically, a position managing the day-to-day operations of the business as a whole is needed, and the company is looking to add a warehouse manager to oversee the bottling and packaging operation as well. An LB840 grant for each position is seen as the vehicle to "kick start" the staffing needs in order to meet the increased demand that has presented itself in the past two years. In doing so, Karyn Turner can re-devote herself to promoting the company and its products with the hope of increasing the company's sales volume and creating new jobs in the process.

Products/Services:

American Products:

Nutri-Drench
Nutri-Drops
Poultry Nutri-Drench
Dairy & Beef Nutri-Drench
Sheep Nutri-Drench
Alpaca & Lamb Nutri-Drench
Rabbit Nutri-Drops
Equine Nutri-Drench

Exported Products:

Equine Charger (General Export)
Swine Vitamin Premix (Canada)
Vacuno Nutri-Drench (Mexico/Cattle)
Cabra Nutri-Drench (Mexico/Goats)
Porcino Nutri-Drench (Mexico/Swine)
Borego Nutri-Drench (Mexico/Sheep)

Goat Nutri-Drench
Equine Nutri-Drench
Swine Nutri-Drench
Pigeon Nutri-Drops

Number of years in Business (or if a new Business, describe Owners experience in this type of business): 24 Years

Proposed Location Address:

Current Zoning Classification:

3. Employment:

Base (current) number of full-time positions: 1

Full-time positions to be created: 2

Salary/Wage Range:

General Manager: \$30,000 per annum
Warehouse Supervisor: \$15.00 per hour

Benefits provided to employees (include any contribution required by Employees):

4. Financial Need:

Total project cost estimate: \$10,000

Breakdown of use of funds: \$5000 per new employee

Date funds are needed: As soon as grant is approved

Investment to be made by Applicant (Amount & Source): N/A

Loan(s) to be obtained (Amount & Bank Name): N/A

LB840 financial assistance amount requested for the Project: \$10,000

****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): Karyn Turner

Real Estate: Home

Existing Liens: None

Personal Property: 1991 Ford F-150; 1989 Falcon E-350 Motor Home;
1991 Mercedes Benz 500SL; 1949 Willys Jeepster

Existing Liens: None

Stock / LLC Interests:

Other: Certificates of Deposit – Platte Valley Bank. Credit Union of the Rockies

6. Eligibility:

Principal Source of Income from (circle one):

a. Manufacturing

Statement of how project is consistent with the goals of the Scottsbluff Economic Development Program:

Specifically, Bovidr Laboratories is creating jobs in the community that will require a great deal of training after the positions are filled. Further, with the creation of these positions, coupled with the aforementioned increased production and sales demand, more jobs could be created in the future to grow the business into the future.

Describe any pending legal action(s), to include the amount at risk and a summary of how ownership is reacting to the action(s):

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.

Karyn Turner has provided her Personal Tax Returns and a 5 Year Certificate of Deposit to cover the release of her partners Personal Financial Statements

- 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 Gering area

- f. References, to include name, position, address and phone number:

Jerry Green
LASS Inc.
955 East Country Club Road
Gering, NE 69341
(308) 631-0741

Kevin Bennett
MWI Veterinary Supply
P.O. Box 5217
3041 West Pasadena Drive
Boise, ID 83705
(800) 824-3703

Phil Mitchell
University of Nebraska Extension
240580 Lake Minatare Road
Scottsbluff, NE 69361
(308) 672-3007

- 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.

N/A

- 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 Gering for Background and Credit Check.

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 Gering to contact references, conduct one or more credit checks, criminal background checks, and to verify the information contained in this Application.

Dated:

By: _____

Title: _____

KARYN TURNER

karyn@bovidrlaboratories.com
1620 East Overland, Scottsbluff, NE 69361
(308) 635-4913
www.bovidr.com

OBJECTIVES

To secure LB840 employment grants for two positions which are being created by Bovidr Laboratories

EXPERIENCE

Bovidr Laboratories

President 1990 – Present

- Manages a \$600,000 annual sales volume
- Conducts all domestic and international marketing for Nutri-Drench, Nutri-Drops, and international labels representing 6 countries in North America and Asia
- Represents Bovidr Laboratories at regional, national, and international trade shows and expositions
- Chief domestic sales representative
- Manages and oversees all administrative duties including packaging, accounting, and shipping

International Sports Kickboxing Association (ISKA)

Commissioner 1985 – 1990

- First female commissioner of any American professional sport
- Unified the major kickboxing promoters from around the United States to strengthen the validity of the ISKA's title bouts
- Secured all ISKA sponsors including the sports first major sponsor in Coors Brewing Company
- Initiated the first "World Championship Belts" for the sport's weight divisions
- Organized "Kick-Start," the first amateur series complete with regulations and ratings for amateur kickboxing athletes
- Published and rated the first "Top 10" in the sport's history
- Named the "Most Outstanding Woman in the History of the Martial Arts" by Black Belt Magazine
- First woman ever nominated to Karate's "Black Belt Hall of Fame"

Superfights, Inc.

President 1981 – 1990

- Successfully promoted Professional Kickboxing's only Pay-Per-View
- Established the "Coors Battle of Champions," 52 one-hour programs on the Score Television Network
- Successfully negotiated the sport's official rules with state athletic commissions in order to promote individual events
- Promoted and broadcast professional kickboxing programming on the ESPN Television Network
- Coordinated television coverage and on-air talent for television broadcasts
- Wrote and drafted all copy used by on-air television talent for television broadcasts
- Managed an independent stable of top professional kickboxing talent
- Established ticket outlets for individual events by utilizing promoters in local markets
- Coordinated travel arrangements, venues, and made matches for individual events

TYPE PERSONAL NAME

Bovidr Laboratories Immediate - Medium Term Strategic Plan

Task	Description	Responsibility	Completion Date
Obtain an LB840 Grant for two positions	Bovidr Laboratories is needing to hire at least two employees to man separate and distinct positions within the home office in Scottsbluff, NE. The two positions should consist of a general office manager, and a warehouse supervisor	Application Preparation: John Stinner Advertising and Interviewing for the Position: Karyn Turner and John Stinner	
Hire a General Office Manager	Office Manager should be able to perform order processing, shipping responsibilities, answer customer contacts and questions, placing advertisements, banking responsibilities, light warehouse duties, and ordering products and equipment	Advertising and Interviewing for the Position: Karyn Turner and John Stinner	
Hire a Warehouse Supervisor	Warehouse Foreman should be able to manage inventory, prepare shipments, transport product, maintain equipment, label products, and light clerical work	Advertising and Interviewing for the Position: Karyn Turner and John Stinner	
Rearrange existing space	The existing space needs to be rearranged for increased inventory and logistical concerns related to bottling, packaging, and shipping efforts	Planning: Karyn Turner and John Stinner Execution: Warehouse Manager	
Increase Inventory to meet specific demands	Currently, inventory is being made to meet specific order demands. This method needs to be changed to have inventory on hand to meet the demands of higher sales volumes more efficiently	Inventory Completion: Warehouse Manager Increasing Demand: Karyn Turner and John Stinner Efficiently Shipping Product: General Office Manager	
Increasing National and International Marketing Presence	Bovidr Laboratories needs to update their current website to better reflect the quality of their product. Additionally, they need to	Marketing Efforts: Karyn Turner, John Stinner, and Lora dePlante	

	establish a social media presence to continually update their customer base about product information, new retail options, etc. Bovidr Laboratories is also going to double down their efforts at trade and livestock shows to build brand awareness. Finally, the brand is going to downsize the numbers of lines of product to Nutri-Drench and Nutri-Drops in order to tighten the customer knowledge of brand		
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The Nutri-Drench™ family of nutritional supplements are the perfect compliment to veterinary care.

WHAT IS NUTRI-DRENCH?

Backed by 20 years of research, field trials, and 2 U.S. patents, *Nutri-Drench™* is a liquid supplement precisely formulated for the special needs of livestock off feed.

ALL SUPPLEMENTS ARE NOT CREATED EQUAL

Feed and supplements normally require 10 to 16 hours for digestion. *Nutri-Drench* does not require digestion. For the first time, an oral supplement links essential nutrients to an energy base that passes through the stomach wall *directly to the bloodstream*.

Now Available New! Alpaca & Llama Nutri-Drench



Each Nutri-Drench product is precisely formulated for the individual special needs of livestock off feed.

Nutri-Drench shunts
Glucose (Energy), Vitamins
Minerals, Amino Acids (Protein)...

In The Bloodstream In Minutes!



*Increases in blood glucose are measurable in minutes.
99% Utilization*

SAVING TIME IS SAVING MONEY

Fast response has a big impact on bottom line profit. Livestock off feed results in costly treatment or death loss. Nothing is more important than getting back on feed *fast* by correcting nutritional balance.

Ketosis • Pneumonia • Shipping Stress • Weak Newborns
Scours • Mastitis • Grain Overload
• Exposure to Extreme Weather
Vaccine/Antibiotic Failure • Milk Fever • Disease
Pregnancy Toxemia • Lactation • Reproduction
All benefit from supplemental nutrition.

THE SOLUTION IS SIMPLE

Rx

- ☒ Livestock Off Feed ☐
- ☒ Weak Newborns
- Oral Administration ☐
- 1 oz./100 lbs. body wt.
- ☒ Repeat as needed ☐

For Emergency Care or as a Regular Nutritional Supplement.

Nutri-Drench contains only natural nutritional ingredients.

No withholding.

Available in a variety of convenient bottle sizes. No refrigeration required.

