

City of Scottsbluff, Nebraska

Monday, May 5, 2014

Regular Meeting

Item Reports6

Council to consider approval of the contract for Economic Development Consultant Thomas P. Miller and Associates, and authorize the Mayor to execute the contract.

Staff Contact: Rick Kuckkahn, City Manager



Thomas P. Miller and Associates

Thomas P. Miller & Associates, LLC Professional Services Agreement

This Agreement, entered into by and between The City of Scottsbluff ("Client") located at 2525 Circle Drive, Scottsbluff, NE 69361, and Thomas P. Miller and Associates, LLC ("Contractor"), located at 1630 N. Meridian St., Suite 430, Indianapolis, Indiana 46202.

WITNESSETH THAT:

WHEREAS, Client has the need and desire to obtain the services of a contractor; and

WHEREAS, Contractor desires to perform said services detailed in the attached 'Scope of Work' for Client and is able to do so in a professional manner; and

WHEREAS, Client has selected Contractor to perform these services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. TERM. The term of this Agreement shall be April 4, 2014 to September 30, 2014.
2. SERVICES TO BE RENDERED: Scope of Work as outlined in Attachment A: General Scope of Services.
3. COMPENSATION. Client shall pay Contractor \$124,750.00 inclusive of expenses during the term of this Agreement for the satisfactory completion of the services to be rendered.
4. PAYMENT TERMS. Invoices will be submitted to Client monthly:

April 30, 2014:	\$41,583.33
May 31, 2014:	\$16,633.33
June 30, 2014:	\$16,633.33
July 31, 2014:	\$16,633.33
August 31, 2014	\$16,633.33
September 30, 2014	\$16,633.35
5. CLIENT'S OBLIGATIONS. Client shall provide Contractor, at no charge, all existing information, data, and documents, available and necessary for the carrying out of services under this agreement. Client shall cooperate with Contractor in every way possible in carrying out the scope of this agreement.

Agreement: The City of Scottsbluff and
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6. **TERMINATION.** In the event that the services of Contractor are unsatisfactory or that support rendered by Client is inadequate, either party shall have seven (7) business days after delivery of written notice of such unsatisfactory or inadequate services to rectify or correct the problem. If either party fails to correct the problem, either may terminate this Agreement with 30 days notice in writing, delivered to the business address of the other party. Contractor shall be compensated for services provided to the date such termination becomes effective.

7. **INDEMNIFICATION.** Both parties shall indemnify and hold harmless each other, their respective officers, employees, and agents from any and all loss, liability, claims, judgments, and liens, including costs and expenses, arising out of any negligent act or omission of Client or Contractor or any of their officers, agents, employees, or subcontractors in the performance of this Agreement.

8. **CONFIDENTIALITY** Contractor's work product generated during the performance of this Agreement is confidential to Contractor. Failure to comply with this section shall constitute a material breach of this Agreement.

9. **NOTICE.** Any notice, invoice, order or other correspondence required to be sent under this Agreement shall be sent to the addresses outlined in the first paragraph of this Agreement.

10. **APPLICABLE LAWS.** This Agreement shall be governed by the laws of State of Nebraska, as the same shall be in force and effect upon the date this Agreement is executed.

11. **NON-DISCRIMINATION.** Contractor and its subcontractors shall not discriminate against any employee or applicant for employment to be employed in the performance of this Agreement, with respect to firing, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment because of race, religion, color, sex, age, handicap, disability, national origin, ancestry, disabled veteran status, or Vietnam-era veteran status. Breach of this section shall constitute a material breach of this Agreement.

12. **NECESSARY DOCUMENTATION.** Contractor certifies that it will furnish Client, if requested, any and all documentation, certification, authorization, license, permit or registration required by the laws or rules and regulations of units of local, state, and federal government. Contractor further certifies that it is now in and will maintain its good standing with governmental agencies and will maintain its license, permit, registration, authorization, or certification in force during the term of this Agreement. Failure of Contractor to comply with this paragraph constitutes a material breach of this Agreement.

13. **WAIVER.** Client's delay or inaction in pursuing its remedies as set forth in this Agreement, or available by law, shall not operate as a waiver of any of Client's rights or remedies contained herein or available by law.

14. PERSONAL LIABILITY. Nothing in this Agreement shall be construed as creating any personal liability on the part of any officer, director, agency, or employee of Client or any public body, which may be a party to this Agreement.

15. SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the provision shall be stricken, and all other provisions of this Agreement, which can operate independently of such stricken provision, shall continue in full force and effect.

16. CONFLICT OF INTEREST. Contractor certifies and warrants to Client that neither it nor any of its agents, representatives, or employees who will participate in performance of any services required by this Agreement have or will have any conflict of interest, directly or indirectly with Client.

17. AMENDMENTS. This Agreement may be amended, modified, renewed, or supplemented only by a written instrument signed by each of the parties hereto, and any such amendment may pertain to one or more of the provisions of this Agreement without affecting the other provisions of this Agreement.

18. INTEGRATION. This Agreement represents the entire understanding between Client and the Contractor and supercedes all prior negotiations, representations, and/or contracts, either written or oral.

19. TAXES. Contractor agrees that it is an independent contractor as that term is commonly used and is not an employee of Client. As such, the Contractor is solely responsible for all taxes and none shall be withheld from the sums paid to the Contractor. The Contractor acknowledges that it is not insured by Client in any manner for any loss of any kind whatsoever. The Contractor is covered by public and general liability insurance in the amount of \$1,000,000. The Contractor has no authority, express or implied, to bind or obligate Client in any way.

IN WITNESS WHEREOF, Client and Contractor, by their respective officers hereunto duly authorized, have executed this Agreement on the dates shown below.

Thomas P. Miller & Associates, LLC

Name of Organization

By: Tom Miller
Thomas P. Miller
President & CEO

By: _____

Date: April 4, 2014

Date: _____

**ATTACHMENT A
GENERAL SCOPE OF SERVICES**

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ATTACHMENT A

GENERAL SCOPE OF SERVICES

Scope of Work

Task I: Project Launch and Preliminary Research

A: On-site Framing Session

The Project Team will hold an on-site framing session with reviewing staff and representatives from Twin City Development, LB840 Committee, and other economic development interests as determined by project leadership to refine and finalize the following scope of work to ensure that it meets the needs of the City of Scottsbluff. We will present a timeline and work plan for the project, and will propose a plan for communication to foster close collaboration throughout the lifetime of the project.

The main goal of this meeting will be to set the stage for the project, and to begin gathering initial information about the City's current economic development initiatives and priorities. The Project Team will facilitate a discussion to understand and establish a project vision and obtain all relevant existing documents, plans, and data. At this time, we will also identify an initial list of stakeholders to potentially be interviewed to provide insight into the planning process, including key businesses and local leaders.

Timeline: April 2014 (*Travel to Scottsbluff*)

B: Review of Relevant Documents and Plans

The Project Team will conduct a review of relevant reports related to economic development efforts affecting the City and the region. These documents will be reviewed to provide the team with an understanding of issues, trends, and efforts recently completed or underway that pertain to future economic growth in the City and region. Examples of documents to be reviewed include the City's previous comprehensive economic development plan, and the target industry study that has been completed. This will also provide us with insight into the goals and objectives for current economic development programs and activities along with previously identified strengths, weaknesses, opportunities, and threats. Completion of this task will help to ensure that the resulting recommendations from this project are consistent and in alignment with other efforts and those of partners and stakeholders. For this task we will work with City representatives to identify a listing of and access to relevant reports and documents.

Timeline: April-May 2014

DELIVERABLE: Economic Development Agency and Process Review Memo

We will provide a memo highlighting a review of economic development-related agency relationships and recommendations to improve delivery of services to enhance or improve the community's efforts. The review will also highlight processes and relationships which appear to be working as they currently exist.

Task II: Information Gathering and Community Assessment (Target Match Analysis)

The first step in refining your target industries is to better determine their viability in the Scottsbluff Area. No community is perfectly matched to any target, yet some targets are going to work better based on the community's assets. Just like we would for an actual prospect, we will travel to your area in order to carry out careful site selection due diligence. The goal here is to determine how Scottsbluff matches the needs of each target.

The Project Team will assess economic development characteristics in the Scottsbluff Area necessary to compete for new jobs, capital investment, and new tax base with the targets in mind. We will use past reports, our internal data, and select fieldwork interviews to complete this assessment and analysis. We will also hold a public forum to incorporate feedback from community members and stakeholders.

Timeline: May 2014 (*Travel to Scottsbluff*)

A: Fieldwork Interviews

With your assistance in setting appointments, we will interview corporate, education, economic development, and government officials. We will conduct this fieldwork much like we would do for an actual corporate site seeker.

We will seek information on workforce cost/availability, labor/management relations, entrepreneurship, training needs, transportation and utility issues, commercial/industrial sites/buildings, land use issues, historic resources, and other business costs and conditions. We will focus select corporate interviews on target-type companies, as possible.

Timeline: May 2014

B: Public Forums

The Project Team will facilitate two (2) community forums. To provide flexibility for participation from City residents, we will hold one forum from 9AM-11AM and one from 5-7PM. In our experience, we find that this allows economic development stakeholders/service providers to attend during morning work hours and citizens to attend after work hours. We can be flexible in terms of times and will work with the client to develop a schedule that best matches with community needs.

We will facilitate an interactive discussion to understand economic development priorities and identify collaborative actions that can be taken to promote economic growth in Scottsbluff.

Timeline: May 2014

C: Benchmarking and Competitive Assessment

We will identify four (4) competitor and/or "source"¹ cities and benchmark Scottsbluff against these cities in select factors.

¹ Cities where there are a large number of target-type decision-makers.

After analyzing all information, we will rate each key component as a strength, or a weakness (or a neutral), based on the Scottsbluff Area's situation. These ratings and related analysis will be presented in report and *matrix* formats. The analysis will focus on the following categories:

Wages

Wages are the most important component of any new project, comprising up to 80% of the annual operating costs. We will conduct a unique wage analysis from a site selector's perspective, focusing on the most important and most sought-after target industry positions. We will derive local information from the local fieldwork and from our national wage database². We will include the following items:

- Current local wages
- Wages versus the competitor and/or source cities (4).

Finally, we will develop a list of key points, conclusions and recommendations associated with wage rates in the area.

Workforce Availability & Quality

The availability of good quality workers within your labor shed region is essential to a project's success. We will carry out a labor availability and quality characteristics assessment, much the way we do for corporate clients seeking new locations. FCG has developed a unique index designed to compare availability and quality issues on an "apples-to-apples" basis across the country (see sample below).



The *FCG Index* measures key characteristics on a 1 ("very poor") to 10 ("excellent") scale (5 is "average"). We will measure the following characteristics industry-wide and by key industry segments:

² Economic Research Institute (ERI), 2014.

- Skills availability
- Turnover & absenteeism
- Attitudes – on-the-job
- Trainability – employees response to training
- Basic skills – math, English, grammar, etc. of new hires
- Communications – Employer/employee and employer/employee on-the-job
- Alcohol/drugs – Perceived situation
- Productivity – Employer’s measure.

We will include a *FCG Index* on labor availability and characteristics. Finally, we will develop a list of key points, conclusions and recommendations associated with availability/quality in the area.

Sites & Buildings

Locations cannot happen unless quality sites/buildings are available at fair prices. One of the hottest trends in site selection today is the identification of “certified or shovel ready” sites and buildings. Certified or shovel ready means that the site/building has passed a rigorous professional site selector inspection and analysis and is deemed “ready to go.” Certified sites/buildings are the best available or the “cream of the crop” and often are the first products requested/shown in a site selection. Criteria may include:

- Acreage (minimum levels)
- All utilities at the site or a formal plan to extend to the site
- Asking price from a willing seller
- Certification by a professional site selection firm
- Minimized risk factors for development
- No environmental liabilities
- Outside known flood-prone areas
- Permitting process, timeline, and fees
- Property boundary survey and topographic maps completed
- Report of comprehensive site information from a site selector’s viewpoint
- Truck quality road access
- Zoning in place or an expedited rezoning plan.

The Project Team will tour and assess major existing commercial/industrial development sites and existing buildings in the Scottsbluff Area and carry out a certified site/building “type” analysis from a site selector’s viewpoint. Although this will not be an official certification, we will provide a strengths and weaknesses review of your sites/buildings and provide a checklist of what needs to be done in the future to get these properties professionally certified.

We will also provide an analysis as to whether you have enough site/building products for the future and how much may be needed. This analysis will be tied to the site/building needs of your targets and may focus on the need for “spec” buildings. We will recommend steps for improving your inventory situation based on our site selection expertise.

We will compare prices versus the competitor and/or source cities. Finally, we will develop a list of key points, conclusions and recommendations.

Training & Education

Existing students are the area's future labor force. FCG is an expert in assessing training and education capabilities from a site selection/relocation perspective. During our fieldwork we will interview the following types of providers:

- Colleges (e.g. Western Nebraska Community College, UNMC College of Nursing)
- Public training/placement (e.g. Greater Nebraska Workforce Investment Board, Scottsbluff Career Center)
- Private employment agencies
- Secondary education (K-12) with emphasis on technical/computer capabilities (e.g. Scottsbluff Public Schools)

We will focus on collecting important information such as:

- Work placement data
- Training/retraining opportunities – particularly with the targets in mind
- Cooperation between providers and with the business community.

Finally, we will develop a list of key points, conclusions and recommendations associated with education/training in the area. These results will also be incorporated into the quality of life assessment below.

Area Business Climate & Infrastructure

Through information derived during the corporate interviews, we will assess the local business climate. We will ask employers to rate such items as municipal services, permitting, and select infrastructure such as transportation infrastructure, sewer, water, telecommunications, and electric power. We will also incorporate the results of our sites/building analysis in our evaluation.

We will compare electric power prices versus the competitor and/or source cities. Finally, we will develop a list of key points, conclusions and recommendations regarding utility infrastructure needs and costs.

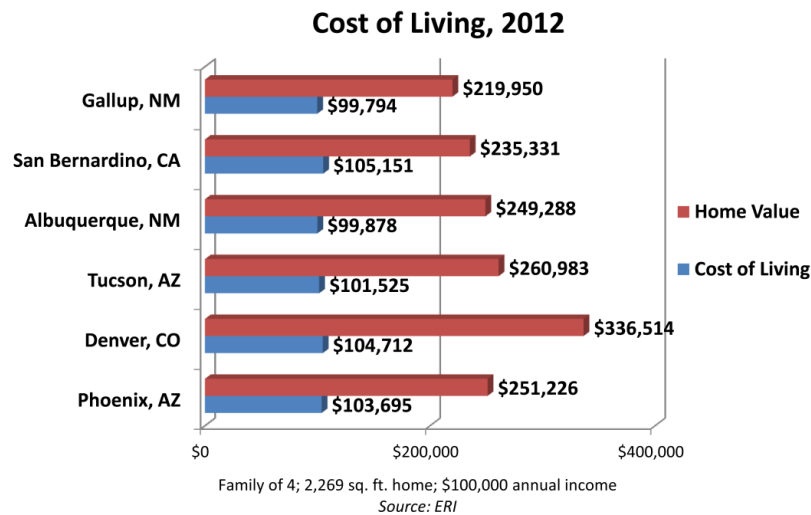
Incentives

Incentives are the "icing on the cake" for every deal and could make the difference whether you win or lose a project when everything else is equal. We will assess incentives in the Scottsbluff Area and compare your incentives versus the competitor and/or source cities. Finally, we will develop a list of key points, conclusions and recommendations.

Housing /Cost of Living/Quality of Life

From our relocation database, we will compare housing and cost of living data in the Scottsbluff Area versus the competitor and/or source cities (see sample below). We will tour select neighborhoods, interview real estate professionals regarding the housing inventory situation and

relocation issues and generally assess the quality of life. As before, we will develop a list of key points, conclusions and recommendations for improving the housing and quality of life situations.



Timeline: May-July 2014

DELIVERABLE: Existing Conditions Analysis & Asset Map

A detailed list of the assets present in the region, how they can be accessed and what enterprises can make the best use of these assets, including city/regional services (infrastructure, sewer, water, parks, recreation related) geographic location, wage rates, workforce quality, education, the airport, infrastructure, fiber, rail access, quality of life, agriculture and others. The analysis will also include a review of previous studies and analyses.

Task III: Target Industry Analysis

The goal of the Target Industry Analysis is to determine which existing targets work best for the Scottsbluff area, based on the analysis conducted in Phase II.

A. Identification of Best Targets

The Project Team will first identify the key site selection criteria for each of your existing targets (see sample below). After analyzing the results of the just completed Community Assessment, we will rate the Scottsbluff Area against the site selection criteria of each of the targets. These ratings will be presented in a matrix format. Based on these ratings, we will identify the best targets for the area.

SAMPLE: Key Site Selection Needs (by priority) for a Farm Implement Parts Supplier:

1. Access to main plant/transportation costs/Just In Time (JIT) service
2. Available labor • Key positions: Engine/Machine Assembler; and Machine Operator, Machinist, Welder and Maintenance Mechanic • 43% skilled
3. Labor costs
4. Interstate highway access
5. Electric power (reliability & costs)
6. Improved sites and/or existing buildings (minimum of 20,000 square feet)
7. Rail service
8. Incentives • Equipment tax exemptions (large capital investment) • Infrastructure • Training
9. Good access to suppliers
10. Good labor/management relations.

Timeline: June 2014

B. Draft of Target Industry and Community Assessment Findings

Upon identifying the best targets for Scottsbluff, the Project Team will present them along with a summary of all findings from Phase II into a written report for review by City staff.

Timeline: July-August 2014 ***(Travel to Scottsbluff; in conjunction with Task IV: A - Strategic Planning Session)***

DELIVERABLE: Site Review & Target Industry Findings and Recommendations

Based on identified assets we will create a list of enterprises best suited to and most likely to locate in the region. The recommendations will include specific subsectors and example business within each sector recommended. The recommendations will also include a list of enterprises already located in the region and strategies to grow or expand the services they provide (diversification) as well as ways to attract and recruit new businesses. This report will also identify “ideal” physical locations in the region best suited for the target industries identified. This may include in-fill opportunities, redevelopment sites as well as identification of new green field sites. We will identify best practices for “ownership” or control of the candidate parcels. This may include options to buy, purchase or land or a combination of public/private partnership. Recommendations will also address possible changes to the community’s comprehensive plan, including land use and zoning.

Task IV: Economic Development Action and Implementation Plan

After the information gathering and analysis phases are complete, the Project Team will work with City staff to create a proactive economic development plan designed to attract new jobs and investment using this research.

A: Strategic Planning Session

The Project Team will facilitate a strategic planning session designed to help your Committee/Board understand all completed research, to set economic development priorities, and to begin mapping marketing direction.

We will begin the session by providing an overview of our findings from the first three phases of the project. We will use these to facilitate a discussion about appropriate goals and strategies for the City of Scottsbluff. This discussion will lead to the creation of goals and strategic actions to be incorporated in the final Action and Implementation Plan.

Timeline: July-August 2014 *(Travel to Scottsbluff; in conjunction with Task III: B - Target Industry and Community Assessment Findings)*

B: Draft Economic Development Action and Implementation Plan

Based on the discussion that takes place at the Strategic Planning Session, we will prepare an Economic Development Action and Implementation Plan. The Plan will be a multi-year blueprint for economic development activities. The plan will include an implementation strategy with goals, objectives, and priorities.

The objectives will be translated into an Action Matrix and include implementation steps for achieving each objective, along with a timeline for completion and budget elements. Information will be included on such items as:

- Business retention – how to make more effective corporate HQ visits
- How to identify high value-added prospects
- Successful target industry prospecting – direct e-mail, telemarketing, and prospect follow-up
- Trade Shows – which to attend to meet target prospects
- How to best package labor/skills data for presentation to prospects
- Better use of incentives
- How to enhance your Web site to generate more success.

The Project Team will submit a draft of this plan for review by City staff. Upon review, we will gather staff feedback and make revisions or additions as necessary.

Timeline: By August 31, 2014

DELIVERABLE: Economic Development Plan

The final plan will summarize the finding and recommendations from prior tasks and include an implementation matrix to identify action steps, responsible parties and recommended timelines and priorities. This plan document will also address marketing strategies to assist with growing existing business and prospecting for the target industries identified. The overall theme of the final plan is anticipated to focus on moving the region to the “next level” for higher paying jobs.

C: Final Presentation

If desired, the Project Team will be available to make an on-site presentation of the final plan to City staff, and other stakeholders as deemed fit.

Timeline: September 2014 (*Travel to Scottsbluff*)

Project Timeline

We envision this project will take place over the course of six months. Below is a timeline divided by phase of the project, depicting an April 7, 2014 start date.

Phase	Apr	May	Jun	Jul	Aug	Sept
I. Project Launch and Preliminary Research	*					
II. Information Gathering and Community Assessment		*				
III. Target Industry Strengths and Weaknesses Analysis				*	*	
IV. Economic Development Action and Implementation Plan				*	*	*

* Denotes months in which the project team will conduct an on-site visit in Scottsbluff.