

# **City of Scottsbluff, Nebraska**

**Monday, April 20, 2015**

**Regular Meeting**

## **Item Pub. Hear.1**

**Council to conduct a public hearing as set for this date at 6:05 p.m. to consider and take action concerning the report of the Economic Development Program Citizen's Advisory Committee.**

**Staff Contact: Rick Kuckkahn, City Manager**

**CITIZEN'S ADVISORY COMMITTEE MINUTES**  
**March 19, 2015**  
**Scottsbluff City Hall**

A meeting of the City of Scottsbluff Economic Development Citizen's Advisory Committee was held on March 19, 2015, at Noon, at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Committee members in attendance were Mark Harris, Marci Meyer, and Scott Phillips. Also in attendance were Rick Kuckkahn (City Manager/Program Administrator), Rick Ediger (Deputy City Attorney), Renae Griffiths (City Finance Director) and Rawnda Pierce (Twin Cities Development). Sam Mark and Diane Vandenberg were unable to attend.

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.

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

The Committee went into executive session at 12:08 p.m. At the conclusion of the executive session, the meeting was reconvened in open session at 12:46 p.m. 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 first action item was the approval of the minutes of the August 1, 2013 Meeting. It was moved by Meyer and seconded by Phillips that those minutes be approved. Voting yes: Harris, Meyer, Phillips; Voting no: None.

The second action item was based on the Committee's review of reports and a summary from the various program recipients during the executive session. Reports were received from the following representing job credits as of June 30, 2014:

Western Pathology Consultants  
CS Precision

Karsten Gering  
Vertex  
CST Mechanical  
Aulick Manufacturing  
Klein Family Trucking  
CHC West, LLC

It was moved by Phillips and seconded by Meyer that the Job Credit Reports from the above businesses be accepted. Voting yes: Harris, Meyer, Phillips; 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 the entire amount of the grant to CHC West, LLC of \$15,000 is due and owing to the City. It was moved by Meyer and seconded by Phillips that the staff proceed to take action to collect the entire amount owed. Voting yes: Harris, Meyer, Phillips; Voting no: None.

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

There being no further business, it was moved by Meyer and seconded by Phillips to adjourn the meeting. Voting yes: Harris, Meyer, Phillips; Voting no: None. The meeting was adjourned at 12:52 p.m.

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Rick Kuckkahn, Program Administrator

**City of Scottsbluff  
Economic Development Program  
Report of Citizen's Advisory Committee Meeting  
March 19, 2015**

The Economic Development Citizen's Advisory Committee met on March 19, 2015, 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 June 30, 2014, were reviewed.

As of June 30, 2014, the City had awarded 36 grants to businesses since the beginning of the Program. 10 grants 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 June 30, 2014:

Western Pathology Consultants  
CS Precision  
Karsten Gering  
Vertex  
CST Mechanical  
Aulick Manufacturing  
Klein Family Trucking  
CHC West, LLC

Each of the Committee Members and the Council Members have been provided with Job Report Summaries as of June 30, 2014. 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 currently has a loan of \$225,000 outstanding to Fusion Ranch, Inc. (formerly KYS Foods) in connection with their facility. The City also invested in water extension projects benefitting Qualifying Business located near the airport (Fusion Ranch and the EagleMed hangar). 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. City Staff and the Citizen's Review Committee are satisfied with the information provided by the businesses reviewed at the Review Committee meeting. With one exception, all businesses with active grants are current in their reporting. Unfortunately, CHC West, LLC, is no longer in business, not having earned any of the credits, and they have been notified of their obligation to repay the amount owed.