

CITY OF SCOTTSBLUFF
City of Scottsbluff, City Council Chambers
2525 Circle Drive, Scottsbluff, NE 69361
LB 840 Application Review Committee

Regular Meeting
January 11, 2019
8:00 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 north 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) Approval of minutes for meeting of November 9, 2018.
6. Consideration of Applications for Economic Development Assistance
 - a) Receive Updated Information and Consider Application for Assistance from Phil Mitchell and Austin Propp of Great Plains Distillery.
 - b) Consider Application for Assistance from Croell, Inc.
7. Reports from Staff, Boards & Commissions
 - a) Economic Development Director's Report
8. Closed Session (to consider any of the above matters, where an Executive Session is appropriate).
 - a) (to consider any of the above matters, where an Executive Session is appropriate). Following passage of motion to enter into executive session, presiding officer must state purpose of executive session.
9. Adjournment.

City of Scottsbluff, Nebraska
Friday, January 11, 2019
Regular Meeting

Item 1

Approval of minutes for meeting of November 9, 2018.

Staff Contact: Starr Lehl

City of Scottsbluff
Economic Development Application Review Committee
November 9, 2018

A meeting of the Economic Development Application Review Committee was held on November 9, 2018, at 8:00 a.m. at City Hall, 2525 Circle Drive, Scottsbluff, NE.

Present were Committee Members, Jim Trumbull, Dennis Hadden, Marla Marx, and Hod Kosman. Also attending was alternate Dave Schaff. Since there were four Committee Members present, alternate Schaff was designated to participate in all matters. In attendance on behalf of the City were City Economic Development Director, Starr Lehl, City Finance Director, Liz Hilyard, and Deputy City Attorney, Rick Ediger.

Chairman Trumbull called the meeting to order and stated that a copy of the Nebraska Open Meetings Act is located on the South wall of the Council Chamber. There were no changes in the Agenda, nor were there any citizens with business not scheduled on the Agenda.

It was moved by Marx and seconded by Hadden that the minutes of October 4, 2018 Committee Meeting be approved. Voting yes: Trumbull, Hadden, Marx, Kosman, and Schaff. Voting no: None.

An additional presentation, with information as requested, was made by Bsquared Farming and Trucking, LLC and SC Blanton Enterprises, Inc. Present on behalf of Bsquared and Blanton were Valerie Baker, Clifford Brabson, and Scott Blanton. Margaret Akin of the Nebraska Business Development Center also appeared on behalf of the Applicant. Since the October 4 meeting, the City had received information as to the 5 trucks that did not have liens on them that could be used for collateral. Bsquared valued those trucks at \$395,000 and Director Lehl consulted an outside source who valued them at \$370,000. However, there were some assumptions made by the outside source that would give indication that the Bsquared value was likely close. Questions were also asked as to the base employees to be used. Bsquared indicated that their base number of employees was 8 employees. Director Lehl was instructed to verify the number of employees of June 30, 2018, by obtaining appropriate tax returns to verify the base numbers.

After further discussion by the Committee, it was moved by Schaff and seconded by Marx that the Committee recommend approval of \$150,000 forgivable low-interest loan. The loan will be amortized over 4 equal annual payments with interest at the applicable Midterm Federal Rate in effect at the time the loan is closed. Annual Job Credits may be earned at the rate of \$2,000 per employee per year. Any difference between the credit earned and the annual payment will then be paid by the Applicant to the City. Job Credits will be given for the number of jobs created over the base number. The Job Credits may be earned effective January 1, 2019. The City shall have a first lien on all 5 trucks listed. In addition, the Guarantees shall be obtained from Valerie Baker, Clifford Brabson, and Scott Blanton. Voting yes: Trumbull, Hadden, Marx, Kosman, and Schaff. Voting no: None

Director Lehl indicated that City Manager Nathan Johnson, Ediger and she met with Herb Gibson, one of his partners, and his banker the day before in order to get clarification on building ownership and financing.

The meeting was then adjourned at 9:00 a.m.

Starr Lehl, Economic Development Director

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Receive Updated Information and Consider Application for Assistance from Phil Mitchell and Austin Propp of Great Plains Distillery.

Staff Contact: Starr Lehl

City of Scottsbluff, Nebraska
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Item 2

Consider Application for Assistance from Croell, Inc.

Staff Contact: Starr Lehl

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Item Reports1

Economic Development Director's Report

Staff Contact: Starr Lehl

Economic Development Update
01/07/2018

In keeping with goals set forth by the Regional Economic Development Strategic Plan completed in November of 2014, we have been working on the core recommendations of the study and have made progress on the following:

- Build a Consensus Coalition – this has been accomplished through WNED and needs to continue with a reorganization including new members and new leadership.
- Convene to Encourage Tourism Collaboration – As an appointed member of the Tourism Commission, I have been attending the Western Nebraska Tourism Commission meetings making sure Scottsbluff has a strong voice with the group and also sharing the state perspective with members. I will be helping to man the Nebraska Tourism Coalition booth at the National Western Stock Show promoting western Nebraska as a tourism destination
- Forge the Scottsbluff-Gering Highway Initiative
- Expand Current Business Retention and Expansion Program – this program is being updated at the state level with a different survey form, but in the meantime, we are in the process of setting up business visits starting with the largest employers and working through the list.
- Grow Entrepreneurism and Small Business Development – a revised small business and entrepreneur section of the LB840 Plan is ready to be reviewed by a joint meeting of the LB840 Citizens Advisory Review Committee and the LB840 Application Review Committee. Recommendations, if any, will be brought forward to city council as needed
- Revitalize TCD Board Development – the City of Scottsbluff is no longer a member of TCD
- Cultivate Existing Talent – Manufacturing Day this year helped to connect students with local manufacturers in the area and we continue to have a good working relationship with Scottsbluff Public Schools and WNCC
- Drive Talent Attraction – this is being done by continually working to make Scottsbluff a destination and creating a “sense of place” for young families and an attractive location for our workforce. Support of community activities and celebrations as well as continuing to make downtown Scottsbluff a safe and welcoming gathering space helps to accomplish this goal
- Establish A Talent Pipeline – several businesses in the community have started apprenticeship programs creating the talent pipeline. There may be something the city could do to assist with this program by utilizing funds from LB840.

Since the last report on 08/20/2018, the following businesses have been successful applicants through the city’s LB840 Economic Development Program:

Der Topfer Gallery and Studio	\$10,000	Grant for Marketing and Equipment
Bytes Computer & Network Solutions	\$100,000	4 FT Jobs w/benefits

Bsquared Farming & Trucking

\$150,000

11 FT Jobs w/benefits

The first phase of the East Overland Façade Improvement Program has been completed. The city's funds of \$153,500 were matched with over \$1.2 million of private funds by the property owners.

The city has \$100,000 in this year's budget for additional assistance to property owners on East Overland. I have applied for a Greater Good Grant through the Panhandle Partnership for \$50,000. The Community Redevelopment Authority (CRA) has amended the guidelines and application and will be included on the 01/22/19 agenda after receiving comments from the East Overland Steering Committee. Plans are to open the next round of funding after the council has approved the revised guidelines and application.

We are working on developing "shovel ready" sites within the city limits and zoning jurisdiction planning ahead for TIF Districts and utility placement.

The recruitment team from the Nebraska Department of Economic Development made a trip out to western Nebraska for a tour of available sites and buildings. The tour included a total of eleven sites and buildings in Scottsbluff and three in Gering. Other community amenities in the tour were: Western Nebraska Regional Airport, Regional West Medical Center, Western Nebraska Community College, and Scottsbluff High School Career Academy.

The Opportunity Zone guidelines have been released by the IRS and I'm planning to have a representative from Invest Nebraska come out to present information to the banks, accounting firms and financial advisors. Scottsbluff had one of 44 sites approved in the state and the only one west of North Platte.

The City of Scottsbluff and WNCC hosted the 2nd Annual Manufacturing Day on October 5th. Five area schools were represented along with several local manufacturers. Tours were attended by the students and speakers from Dream It, Do It and Nebraska Advanced Manufacturing were able to talk to the students about careers in manufacturing. The attraction of new and growth of existing manufacturing in the region is a priority as well as the interest and training of a skilled workforce.

The city was notified in June that the U.S. Capitol Tree would be making a stop in Scottsbluff on November 18th. I served on a committee to coordinate the arrival of the tree as well as the Annual Christmas Parade. The Scottsbluff stop was mentioned in a Washington, D.C. news story as one of the favorite stops by the crew and was one of only 22 stops made by the tree. The last time the tree came through our area was 2002.

09/13/2018 – attended NDEQ Small Business Citizen's Advisory Panel meeting in Lincoln. This panel helps to advise the Nebraska Department of Environmental Quality of ways to streamline their processes to make it easier for small businesses apply and comply with state and federal environmental issues.

10/15/2018 through 10/18/2018 – attended Annual State Tourism Conference in Nebraska City representing the City of Scottsbluff as well as District 11 as a Nebraska Tourism Commissioner.

10/23/2018 – attended Nebraska Investment Finance Authority (NIFA) Rural Workforce Housing Workshop and was able to bring back several ideas on how to implement housing into the city's LB840 plan and application.

As Economic Development Director, I continue to represent the city at meetings of the Western Nebraska Economic Development group (WNED), Heartland Expressway Association, attend Panhandle Area Development District Meetings, Ambassador with the Scottsbluff/Gering Chamber, and am a member of the Western Nebraska Development Network (WNDN), Nebraska Economic Developers Association and represent western Nebraska as a District 11 Tourism Commissioner. Recently began serving on the Community Vitality Industry Council for the Blueprint Nebraska Program. I am assisting with the coordination of activities with our Adopt-A-School Partner, ESU 13 Meridian School.

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Staff Contact: