

Kimball City Council
Joint Meeting with Economic Development Advisory/Loan Committee
July 18, 2017

A joint meeting of the Kimball City Council and Kimball Economic Development Advisory/Loan Committee convened in open and public session at 5:00 p.m. on July 18, 2017 at the Kimball City Hall. Present were Mayor Prunty and City Council members Shields, Schnell and Baliman. Council member Warner was absent. Also present were Committee Members Michael Coleman, Larry Walker, and Adrian Fuss, City Attorney Hadenfeldt, City Administrator Dean, Special Projects Coordinator Sapp, City Treasurer Sisk, and City Clerk Russell. Committee members Abramson and Wynne were absent and one vacancy on the committee exists. The public was represented.

Notice of the meeting was given in advance by publication in the Star Herald. Notice of the meeting was given to the members and a copy of their acknowledgement of receipt of notice and the agenda is on record at the office of the City Clerk. Availability of the agenda was communicated in advance notice and in the notice to the members. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public except as otherwise indicated.

Walker called the meeting to order at 5:01 p.m. and acknowledged the posted Open Meetings Act poster.

Walker opened discussion on amendments to the Economic Development Plan. Proposed amendments include: addition of the following eligible economic activity: grants or loans for the construction or rehabilitation for sale or lease of housing as part of a Workforce Housing Plan; addition of the following qualifying businesses: construction and rehabilitation of housing pursuant to a Workforce Housing Plan; and film production to include feature, independent, documentaries, commercials and television programs; addition of a Workforce Housing program; addition of a Loan Forgiveness Program; a separate "Application Review Committee" and "Citizen Advisory Committee".

Sapp indicated that the City of Scottsbluff did get their amendment for housing done and she, Dean and Russell met with Hadenfeldt to review Scottsbluff's changes and incorporate to Kimball's as stated above. Some discussion was held on workforce housing and market rate housing and Hadenfeldt indicated it would be for the committee to decide if the amount of the housing is appropriate.

With regard to the proposed separate committees, Hadenfeldt indicated there are two committees required by State Statute and they are supposed to be independent of each other. The Application Review Committee would review new applications, financials and status of loans. The Citizens Advisory Committee would be to discuss recommendations of grants and other items as they relate to the Economic Development fund and new incentives.

Sapp commented on the Loan Forgiveness Program section. She indicated that a

couple of months ago, the Economic Development Committee was trying to figure out other incentives that would entice businesses to use the Economic Development funds and reward the individuals who have made consistent payments. The Loan Forgiveness Program would provide loan forgiveness of 15% for loans that are current with payments, have met their payment schedule commitment, and their FTE requirement from the original business plan. Discussion was held on grandfathering the current loans and it was recommended that the Loan Forgiveness Program be retroactive to existing loans to be adopted as a practice.

Hadenfeldt commented that the proposed amendments should be voted on as a recommendation to change the Economic Development Plan. The City Council would have to have a public hearing and pass an ordinance. Hadenfeldt indicated that any type of funding changes would have to be by a vote of the people.

Hadenfeldt explained the 0.4% tax is not linked to a vendor or the rail spur. The rail spur was listed as a qualifying business. The tax is not tied to the rail spur and Hadenfeldt recommended amending the plan to remove the extra 0.4% tax collection. Discussion was held on being over the budget levy and Schnell said that is the reason why the City notified the County Assessor and Treasurer to discontinue collecting the 0.4% tax. It was recommended to put the plan amendment of removing the extra 0.4% tax collection on the primary ballot next May 2018.

Discussion was held on making loans available for housing rehabilitation and selling below market value. Sapp said that USDA also has a program that will help individuals get into houses.

There being no further discussion, Fuss moved and Coleman seconded to approve the recommend adoption of the changes to the Economic Development Plan as identified including the Workforce Housing Plan as an eligible economic activity, construction and rehabilitation of housing and film production as qualifying businesses, a Loan Forgiveness Program and the two separate committees. On roll call vote, the following votes were recorded. Aye: Fuss, Coleman, Walker, Baliman, Shields, and Schnell. Nay: None. Absent: Warner, Wynne and Abramson. Motion carried.

Walker opened discussion on the Business Infrastructure Improvement Loan Program. Sapp commented that this was initially discussed and approved by the Economic Development Committee and when it was brought before the City Council, there were further questions. She originally wanted the program to operate along the same lines as the Main Street Grant; however, Wynne thought it should be a small loan. After review by the City Council, it was determined that \$5,000 would not be enough and Warner had inquired about making it the same as the Main Street Grant. Sapp indicated that the thought process with the loan is that it would be over a 5-year period and the loan could be forgiven after 2 ½ years if the applicant has paid on time.

Discussion was held on the difference between an Economic Development loan and the Business Infrastructure Improvement Loan and Sapp said some smaller businesses don't meet the requirements of the LB-840 loan. Sapp said there would be some strict requirements as far as eligible activities. Baliman agreed that it is a great program and

commented on starting it with the committee's recommendations and amending it as it goes forward.

Discussion was held on the payment structure and that the loan would not be paid off half way in 2 ½ years and it was discussed that it should state that 50% principle paid from the time of the loan. Schnell commented on requiring receipts and Sapp indicated the applicant would still have to turn in supporting documentation.

There being no further discussion, Schnell moved and Baliman seconded to adopt the Business Infrastructure Improvement Loan Program and present to the City Council at the next meeting. On roll call vote, the following votes were recorded. Aye: Fuss, Coleman, Walker, Baliman, Shields, and Schnell. Nay: None. Absent: Warner, Wynne and Abramson. Motion carried.

Walker opened discussion on renaming the Special Projects Coordinator position. Dean, Sapp and Warner had a discussion on this and Dean recommends to continue as it is for the time being. No action was taken on this item.

There being no further business, Schnell moved and Coleman seconded the meeting be adjourned at 5:43 p.m. On roll call vote, the following votes were recorded. Aye: Fuss, Coleman, Walker, Baliman, Shields, and Schnell. Nay: None. Absent: Warner, Wynne and Abramson. Motion carried.

Keith B. Prunty, Mayor

Rosemarie Russell, City Clerk