

Kearney, Nebraska
July 21, 2015
5:30 p.m.

A special meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 8:00 a.m. on July 21, 2015 in the 2nd Floor Conference Room at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Bruce Lear, Bob Lammers and Jonathan Nikkila. Absent: None. Michael Morgan, City Manager; Michael Tye, City Attorney; Wendell Wessels, Director of Finance; and Paul Briseno, Assistant City Manager were also present. Some of the citizens present in the audience included: Paul Eureck, Darren Robinson, Ashley White from Kearney Hub, and Jon Jankowski from NTV.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

ANNOUNCEMENT

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted on the wall.

MEMORANDUM OF UNDERSTANDING WITH THE ECONOMIC DEVELOPMENT COUNCIL AND XPANXION, LLC

Items 3, 4 and 5 were discussed together but voted on separately.

Mayor Clouse opened for discussion the Memorandum of Understanding with the Economic Development Council of Buffalo County and Xpanxion, LLC for a proposed project at Kearney's Tech ONE Crossing Tech Park located at the corner of 56th Street and Antelope Avenue and to consider Resolution No. 2015-146.

City Manager Michael Morgan presented this matter to the Council. They have been working with Xpanxion and UST Global and have been an outstanding partnership with great cooperation at this point. This will be the first phase with the development and the agreement requiring construction of facilities and maintenance of jobs. This is consistent with the State of Nebraska Department of Economic Development which granted the City approximately \$1 million in funds a few years ago and this agreement mirrors those requirements and will satisfy the requirements down the road.

In exchange with the commitment from the company, additional items reflect the infrastructure provision which not only will serve the first phase but will serve some additional projects as well at the location of Tech ONE Crossing of 56th Street and Antelope Avenue. There are provisions if there is failure to comply with these items and

have all been reviewed with the Department of Economic Development and have met all the requirements. There are some additional grants that will be moving forward as well to the company from the Department of Economic Development.

Item 2 is an Agreement to Exchange Real Property; property that was acquired years ago through bankruptcy through a company at the airport that had land that ended up reverting back to the City and there was some ownership in the parcel of land from a previous development group that eventually evolved into the Chamber of Commerce and they transferred the property to the Economic Development Council. So the agreement allows the City to trade some land between the two parties and the Development Council will acquire interest in approximately 32.14 acres of Tech ONE Crossing and the City will acquire full interest in the property that Baldwin's Filters recently signed a lease with on Airport Road.

The final item is a commitment to demonstrate to the company and Department of Economic Development, Tech ONE Crossing infrastructure improvements, water, sewer and paving all of the funds are budgeted between utility funds and the street improvement funds and this would authorize and commit that expenditure.

Council member Lammers asked about the Pramac building partial interest and if that was appraised as a partial interest and do they have an appraisal of it as a completed interest. City Attorney Michael Tye stated they have an appraisal for both and the parcel encompasses not just land but a portion of a building because it was initially acquired a long time ago.

Paul Eureck from Xpanxion appreciated the confidence of all entities in what they are trying to build. Eight years ago they came into the community and said that they are going to create a business and hire people and create job and he thinks what today represents is Xpanxion doubling down on that commitment and saying there is a great future in what they are doing. They have been very proud of the people they have been able to hire in Kearney and the work they have been able to do nationwide with their technology core. He thanked the City Council and the Department of Economic Development both local and State because he believes it is a great opportunity and a new beginning of a surge.

They plan on using the facility to do three primary things, consolidate their operations because within the growth of Xpanxion over the last several years they have had to move into two separate facilities. They plan to use it for an executive briefing center, they have clients continually coming into Kearney on a regular basis to look at what they have to offer, to visit the people and look at the services. It will be a showcase for Kearney and Xpanxion to be able to bring their clients into a facility out at Tech ONE Crossing.

Finally, they really do believe that there is a lot of opportunities for them to create new technology companies to have a place to help incubate them and get them started. He spent in Atlanta and saw how they need to get a momentum going with technology companies. He believes the facility will help bring other companies into the community.

He appreciates the opportunity, trust and confidence they have in their company. Mayor Clouse stated he appreciates Xpanxion working with the City as they work through it because it is been a great benefit to everyone.

Council Member Buschkoetter stated the word Mr. Eureck used to “incubate” is a key one for them because it will be the beginning of some tremendous growth out there and have been a wonderful partner with UNK and the City.

Darren Robinson, Economic Development Council of Buffalo County stated the agreement in front of City Council is where Xpanxion commits to building a new technology center at the Tech Park. The agreement also creates 29 new technology jobs for Kearney and these are good jobs. He is thankful that they have a company like Xpanxion and UST Global and very thankful for the leadership that Mr. Eureck has in bringing this back to Kearney.

He would say that the technology certainly adds diversity to the economy and helps boosts some of the jobs with medium income which is a priority for Economic Development across the state. Partners in the project include the Economic Development with providing ten acres of land at no cost and by separate agreement the Nebraska Department of Economic Development is also partnering with this. The Economic Development Council approved their portion of that by special meeting and the funds from the sites and building development come from the Nebraska Department of Economic Development has been approved as well. He thanked the City Council for their support of economic development and commends the Council on their leadership on creating the Tech Park.

Council Member Lammers thanked Mr. Eureck and greatly appreciated what they are doing at the Tech Park. Of the new growth that will transpire from this not only from this company but the other startup companies that will come along. This is a priority within the State of Nebraska and really appreciated the efforts.

Mr. Robinson stated they have a site visit coming up next week with TechHire. This is a grant that was put out by the White House specifically to basically rapid train technology individuals for the jobs that are available today. Mr. Eureck was a catalyst in getting the City of Kearney and Buffalo County into that initiative. Next week they have an opportunity to do a presentation to the TechHire representatives to convince them that this is the right model that should be carried across the United States. What Mr. Eureck is doing is a prime example of what other communities are hoping to do and will kick of something pretty incredible.

Mr. Eureck stated he thinks that is a great point because they have a jump on the rest of the nation with what they are doing here. They are being set up as a model for other communities of what they could do if there are private and public sector companies and organizations working together to really focus on creating and growing the technology industry. They are excited about being involved with that initiative and the future of creating hundreds of more new technology jobs in the area.

Mr. Robinson stated the fact that in the next 10-15 years he would expect they have hundreds of jobs out at the Tech Park.

City Manager stated often in Kearney it seems business as usual but this is not business as usual. This is a tremendous amount of effort and from the staff standpoint City Attorney Mike Tye generated some outstanding agreements that were able to get through everyone's review which is not always easy.

He thanked the State of Nebraska Department of Economic Development. Too often people criticize or have concerns about different agencies but they have been locked in step with Kearney on the project and they have \$1.5 million in the site.

Also a special mention that Suzanne Brodine, former Assistant City Manager. She worked very diligently with the State of Nebraska. There were a lot of meetings to attend to try and figure out how to do the land transaction. It is fairly unique and different. He appreciated her efforts.

It was not that long ago when they looked down 56th Street on the two-lane asphalt road and everybody was criticizing it; look at it today. That is what this street will look like in a few years. They have potentially another large development that may be happening out there soon. Although the Facebook project was disappointing; they learned a lot and in the next three years the entire roadway and what happens on the way out to the airport will be impressive.

City Manager thanked Mr. Robinson for his expertise and working behind the scenes and the Development Council allowed him to work pretty tiredly on the project. There has been a lot of emotion with the project. They are going to make a big deal out of it on social media because they think it is a big deal. He really appreciates everyone's efforts.

Moved by Nikkila seconded by Lammers to adopt **Resolution No. 2015-146** approving the Memorandum of Understanding with the Economic Development Council of Buffalo County and Xpanxion, LLC for a proposed project at Kearney's Tech oNE Crossing Tech Park located at the corner of 56th Street and Antelope Avenue. Roll call resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion carried.

RESOLUTION NO. 2015-146

WHEREAS, the City of Kearney, Nebraska owns property located at the intersection of 56th Street and Antelope Avenue known as Tech oNE Crossing Tech Park; and

WHEREAS, Xpanxion, LLC, a subsidiary of UST Global, Inc. want to construct buildings at Tech oNE Crossing; and

WHEREAS, the City of Kearney, the Economic Development Council of Buffalo County and Xpanxion, LLC want to enter into a Memorandum of Understanding setting for the requirements of all parties for the construction of buildings at Tech oNE Crossing.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the Memorandum of Understanding, a copy marked as Exhibit A is attached hereto and made a part hereof by reference, be and is hereby approved.

BE IT FURTHER RESOLVED that the Mayor be and is hereby authorized and directed to execute the Memorandum of Understanding on behalf of the City of Kearney.

PASSED AND APPROVED THIS 21ST DAY OF JULY, 2015.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

AGREEMENT TO EXCHANGE REAL PROPERTY WITH THE ECONOMIC DEVELOPMENT COUNCIL

Items 3, 4 and 5 were discussed together but voted on separately.

Mayor Clouse opened for discussion the Agreement to Exchange Real Property with the Economic Development Council of Buffalo County and to consider Resolution No. 2015-147.

Moved by Lammers seconded by Lear to adopt **Resolution No. 2015-147** approving the Agreement to Exchange Real Property with the Economic Development Council of Buffalo County. Roll call resulted as follows: Aye: Clouse, Nikkila, Lammers, Buschkoetter, Lear. Nay: None. Motion carried.

RESOLUTION NO. 2015-147

WHEREAS, the Economic Development Council of Buffalo County owns a 5-acre parcel of land at the Pramac building site located at 4980 Airport Road which is currently leased to Baldwin Filters; and

WHEREAS, the City of Kearney desires to consolidate its ownership of the Powermate/Pramac site and building and would like to acquire this parcel from the Economic Development Council so that this parcel is owned by one entity; and

WHEREAS, the Economic Development Council has been working on a number of potential projects at the City-owned Tech Park known as Tech oNE Crossing and is interested in exchanging its ownership interest in the Powermate/Pramac building for a parcel of property at Tech oNE Crossing to facilitate further development including the present project under consideration.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the Agreement to Exchange Real Property, a copy marked as Exhibit A is attached hereto and made a part hereof by reference, be and is hereby approved.

BE IT FURTHER RESOLVED that the Mayor be and is hereby authorized and directed to execute the Agreement to Exchange Real Property on behalf of the City of Kearney.

PASSED AND APPROVED THIS 21ST DAY OF JULY, 2015.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

EXPENDITURE FOR INFRASTRUCTURE AT TECH ONE CROSSING TECH PARK

Items 3, 4 and 5 were discussed together but voted on separately.

Mayor Clouse opened for discussion the expenditure of \$600,000 for infrastructure at Tech ONE Crossing Tech Park and to consider Resolution No. 2015-148.

Moved by Lear seconded by Buschkoetter to adopt **Resolution No. 2015-148** authorizing the expenditure of \$600,000 for infrastructure at Tech ONE Crossing Tech Park. Roll call resulted as follows: Aye: Clouse, Lammers, Buschkoetter, Lear, Nikkila. Nay: None. Motion carried.

RESOLUTION NO. 2015-148

WHEREAS, the City of Kearney, Nebraska owns property located at the intersection of 56th Street and Antelope Avenue known as Tech ONE Crossing Tech Park; and

WHEREAS, Xpanxion, LLC, a subsidiary of UST Global, Inc. has approached the City wanting to construct buildings at Tech ONE Crossing; and

WHEREAS, in accordance with the Memorandum of Understanding, the City of Kearney will provide for the infrastructure improvements such as construction of a paved street to access the location of the buildings together with the sanitary sewer and water.

NOW, THEREFORE, BE IT RESOLVED by the President and Council of the City of Kearney, Nebraska, that the City Council authorizes the expenditure of \$600,000 for said infrastructure improvements.

PASSED AND APPROVED THIS 21ST DAY OF JULY, 2015.

ATTEST:
MICHAELLE E. TREMBLY
CITY CLERK

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

ADJOURN

Moved by Buschkoetter seconded by Clouse that Council adjourn at 8:17 a.m. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lear, Nikkila, Lammers. Nay: None. Motion carried.

ATTEST:

STANLEY A. CLOUSE
PRESIDENT OF THE COUNCIL
AND EX-OFFICIO MAYOR

MICHAELLE E. TREMBLY
CITY CLERK