

BRC APPLICATION AND FINANCIAL SUMMARY

Applications received for December 1, 2018 application cycle:

BRC Applications Received December 1, 2018					
Applicant	Project	Type	WBC Recommendation	SLIB Recommendation	Page #
Sublette County	Enviremedial Industrial Property	Business Committed	\$ 1,032,500	\$ -	3
City of Casper	Midwest Ave. Reconstruction	CD- Readiness	\$ 1,520,693	\$ -	7
Sweetwater County	Industrial Development Plan	Planning	\$ 50,000	\$ -	11
Total Requests			\$ 2,603,193	\$ -	

Awards are contingent on the satisfactory execution and administration of previous grants or loans by an applicant. Other contingencies, if any, are defined in the project descriptions. The office of the Attorney General conducts a review of applications that are Business Committed, that have a loan component, or any extenuating circumstances.

BRC Financial Summary

BRC Financial Summary	
BRC Balance in WOLFS as of 1.31.19	\$ 22,843,789.00
De-obligations received-to-date FY19	\$ 438,631.00
Revenue received (loans, principal, interest) to date FY19	\$ 3,446,395.00
BRC Total Available	\$ 26,728,815.00

The following charts reflect what has been re-allocated for this quarter and what is available for the next quarter.

FY19 Q3 Available

BRC Project Types	% of Allocation	Total BRC Funds Available at beginning of Quarter 3	WBC Recommendation
Business Committed	45%	\$ 12,027,967	\$ 1,032,500
Community Development	54%	\$ 14,433,560	\$ 1,520,693
Planning	1%	\$ 267,288	\$ 50,000
	100%	\$ 26,728,815	\$ 2,603,193

FY19 Q3 Balance if approved by WBC

BRC Project Types	% of Allocation	Total Available this Quarter	WBC Recommendation
Business Committed	45%	\$ 2,004,661	\$ 1,032,500
Community Development	54%	\$ 2,405,594	\$ 1,520,693
Planning	1%	\$ 44,548	\$ 50,000
	100%	\$ 4,454,803	\$ 2,603,193



TM



BUSINESS READY COMMUNITY GRANT AND LOAN PROGRAM

SUBLETTE COUNTY

ENVIREMEDIAL SERVICES, INC.

\$1,032,500

Business Committed Request

WBC Recommendation: Fund

Project Description

Sublette County requests \$1,032,500 BRC Business Committed funds to purchase the building and 2.15 acres of land that currently houses Enviremedial Services, Inc (ESI). ESI currently leases the building as their manufacturing facility, but expansion is needed to keep pace with government defense contracts recently awarded to ESI. The property is located southeast of Pinedale near the airport.

Sublette County will own the building and land where ESI is located. ESI will pay lease payments to the county for 20 years. The building is currently 8,584 sq. ft. but ESI plans to expand it by 2,400 sq. ft. to meet their need for more manufacturing space. ESI will pay for the building expansion.

The Business

ESI is a water treatment company headquartered in Oceanside, CA. They moved their manufacturing facility to Pinedale in 2017 due to a more favorable business environment. ESI fabricates and manufactures water recycling systems. The company divisions include:

- Oil/Water Separator Management and Water Recycling Services
- ESI Manufacturing Division (Vehicle and Aircraft Wash and Recycle Systems, Rain Harvest to Potable Water Systems, Well Treatment Systems, Mobile Water Treatment Systems, Military Armory Physical Security Systems, Off Grid Solar Systems)
- Wash Rack Service Division
- ESI Facilities Maintenance Division
- ESI Construction Division
- ESI Building HVAC Automation and Controls Division
- Fire Support Services Division

In 1999, ESI secured its first major military contract treating and recycling in-ground waste water at Camp Pendleton, CA. ESI's technologies and services were extremely successful and reduced waste hauled off by 97.3%, saving Camp Pendleton millions of dollars per year.

Currently, ESI has contracts with the Marine Corps. and Army for the next five years. The contracts include full-scale Potable Water Systems for Fort Buchanan, Puerto Rico. ESI plans to continue securing contracts with the US military.

Company principles include:

Christopher Keogh – Founder, CEO and majority shareholder. Founded company in 1991, responsible for financial wellbeing and general oversight of all operations.

Geoffrey Keogh – President of ESI. Responsible for operations of the company, including engineering, sales, manufacturing, construction and facilities maintenance divisions. Also responsible for research and development of new products and introduction to new markets.

Project Goals and Public Benefits

- Primary goal is to provide 21 new jobs with a median wage of \$23.58/hour with benefits in the next five years. Average cost of benefits is \$82,280. This includes health, dental and vision insurance. Employees will have the option of life insurance, disability, and 401-K benefits. ESI provides 10 vacation days per year with the ability to earn more with longevity.
- Generate local payrolls of \$935,000 by 2022.
- Expansion of the Pinedale facility with the ability to attract 22 new military contracts by 2021.
- Diversification of the Sublette County economy: the skills of oil and gas employees are transferable to what ESI requires.

Lease and Revenue Recapture

- ESI will triple net, five-year lease the property and building from Sublette County. They will pay an annual payment amortized over 20 years at 4% interest. The annual payment will be approximately \$75,048. If 20 jobs are created, the interest amount will be excluded from the lease amount.

Sources	
BRC amount	\$ 1,032,500
Cash Match	\$ 160,231
In-Kind Match	\$ 18,744
Total eligible project cost	\$ 1,211,475
BRC % of total eligible project costs	85%
Local % of total eligible project costs	15%
Uses	
Land Acquisition Costs	
Land	\$ 1,032,500
Non-Construction Costs	
Other fees (Lease Payments)	\$ 67,500
Construction Costs	
Site work (Concrete)	\$ 75,908
Other (Metal Building)	\$ 29,818
Miscellaneous/Other (Equipment Rental)	\$ 5,749
Total Uses	\$ 1,211,475

	Payment	Sublette County	WBC	Project Balance
Pre-Project		\$0	\$1,032,500	\$1,032,500
Year 1	\$0	\$0	\$0	\$1,032,500
Year 2	\$75,048	\$56,286	\$18,762	\$997,609*
Year 3	\$75,048	\$56,286	\$18,762	\$961,818*
Year 4	\$75,048	\$56,286	\$18,762	\$924,568*
Year 5	\$75,048	\$56,286	\$18,762	\$845,452*
*Includes Interest				
Buy-Out Purchase Option				
Option 1				
Buy-out w/ 10 jobs	No Interest Added	\$548,856	\$182,952	\$731,808
Option 2				
Buy-out w/o 10 jobs created	Interest Included	\$634,089	\$211,363	\$845,452

The WBC will recapture 25% of lease payments annually (approximately \$18,762). Sublette County has included a buy-out option associated with the creation of 10 jobs. The lease and revenue recapture are illustrated in the table below.

Attorney General Opinion

Pending.

WBC Board Deliberations

The Board heard from Jeff Keogh and Sam Summerall, principles of Enviremedial Services, Inc. They discussed their commitment to Wyoming and hiring local employees. They intend to partner and work with Sublette County to recruit business to Sublette County and the State of Wyoming. Sublette County Commission Chairman Dave Burnett expressed the need for this in Sublette County because of the outflow of workforce due to fewer jobs being available in the oil and gas fields.

Board member Kathy Tomassi inquired if the additional workforce needed was available in Pinedale and Sublette County. ESI shared they have been getting job applications weekly and each week they tend to get more and more. Board member John Coyne asked if their cash flow will stabilize at some point. Jeff Keogh of ESI explained that the grant for the building will help the cash flow stabilization. Board member Kim DeVore asked if there was potential to purchase the building from the county sooner than five years. Jeff Keogh shared that initially that was the plan. New contracts have pushed that timeline back and the five-year deadline seemed more plausible.

WBC Board Recommendation

The WBC voted unanimously to recommend funding, as requested, contingent on an updated appraisal being completed on the property and the completion of the platting and subdividing the plot of land that Enviremedial Services, Inc plans to purchase.

Project Overview

Sublette County					
Purpose	Sublette County requests \$1,032,500 BRC Business Committed funds to purchase the building and 2.15 acres of land that currently houses Enviremedial Services, Inc (ESI). ESI currently leases the building as their manufacturing facility, but expansion is needed to keep pace with government defense contracts that have been awarded to ESI. The property is located southeast of Pinedale near the airport.				
Project Budget	Projected Grant Expenditure Schedule				
	Description	BRC	Match		Total
			Cash	In-Kind	
	Land	\$ 893,794	\$ 138,706	-	\$ 1,032,500
	Non-Construction Costs	\$ 58,432	\$ 9,068	-	\$ 67,500
	Construction Costs	\$ 80,274	\$ 12,457	\$ 18,744	\$ 111,475
	Total Project Cost	\$ 1,032,500	\$ 160,231	\$ 18,744	\$ 1,211,475
	Percentage BRC of all cash:		87%		
Performance Measures	Measure	Quantity	Notes		
	Businesses Assisted	1	Enviremedial Services		
	Revenue Recapture	\$ 1,577,260	Buy-Out Option		
	County Median Wage	\$23.30/hr			
	Median Wage of Jobs Created	\$23.58/hr			
	Jobs to be Created (5 Year Projection)	21	Full-Time Equivalent		
Project Infrastructure	Acres Developed	2.5	Property Purchase		
	New Building Construction	2400	SQFT		



Business Ready Community Grant and Loan Program

CITY OF CASPER MIDWEST AVENUE RECONSTRUCTION PROJECT

\$1,520,693 BRC

Community Development—Readiness Grant

WBC Recommendation: Fund



Project Description

The city of Casper originally requested a \$2,500,000 in BRC Community Development funding to complete reconstruction of a three-block area of Midwest Avenue between Elm and Walnut Streets in the Old Yellowstone District. The city has approved an additional \$980,506 in cash match from 1% #15 one-cent tax and Capital Fund Reserves to complete this project. The city has reduced their request amount to \$1,520,693. Funds will be used for the replacement of water and sanitary sewer mains, up-sizing of storm sewer mains, roadway, sidewalks, curb and gutter. Funds will also be used for the development of bike lanes, lighting, fiber and underground electrical.

MIDWEST AVENUE RECONSTRUCTION WALNUT STREET TO ELM STREET



The city of Casper received a \$1 million Community Readiness grant in 2014 for the reconstruction of a 2-block area along Yellowstone Highway from Walnut Street to Poplar Street, and Walnut Street from Midwest Avenue to West Yellowstone Highway. The success of this project resulted in 12 businesses locating to the Old Yellowstone District, development of the David Street Station, and the new State Office Building to begin construction in the spring of 2019. With the location of the new state office building in the Old Yellowstone District, it is anticipated new restaurants and other related businesses will open in the proposed project site.

The city has invested \$5,499,000 in the purchase and redevelopment of properties in the Old Yellowstone District. Sale proceeds of properties are reinvested into a Revolving Land Fund which was started in 2006 with one-cent funds. The current balance in this account is \$1.8 million. The city has also invested \$7.6 million to date in the redevelopment of West Yellowstone Highway. This investment is in addition to the \$1 million BRC grant received in 2014.

Project Goals and Public Benefits

- Infrastructure will serve empty lots and buildings in an area of the OYD that is undergoing significant redevelopment;
- Improvements will help direct traffic and improve pedestrian “walkability” through new sidewalks, curb bump-outs, ADA improvements and lighting;
- This project will also tie into the WYDOT reconstruction of 1st and Poplar Streets in 2021, as well as the construction of the new State Office building to be located adjacent to the proposed infrastructure;
- Slum and blight will be reduced and property values enhanced;
- The project supports economic and community development;
- Increase tax base with new businesses and downtown residential development expanding to the OYD area.

Sources	
BRC amount	\$ 1,520,693
Cash Match	\$ 1,880,938
In-Kind Match	\$ 71,062
Total eligible project cost	\$ 3,472,693
BRC % of total eligible project costs	44%
Local % of total eligible project costs	56%
Uses	
Non-Construction Costs	
Architectural and Engineering fees	\$ 259,994
Other fees (surveys, tests, etc.)	\$ 190,000
Construction Costs	
Roadway Reconstruction	\$ 585,100
Electrical & Lighting	\$ 854,200
Water Systems	\$ 278,500
Storm & Sanitary Sewer	\$ 154,000
Irrigation Systems	\$ 78,400
Streetscape Improvements	\$ 756,800
Contingencies (10%)	\$ 315,699
Total Uses	\$ 3,472,693

WBC Deliberations

Board members asked about other funding options sought by the city and why this project was submitted as a Readiness project rather than an Enhancement. City representatives responded that federal funding was sought but denied and that this project will ready lots (with infrastructure) for development.

WBC Recommendations

WBC recommends funding in the amount of \$1,520,683 as requested. Staff has worked with the city and has consulted with the State Construction Management Office on alternative cost estimates to complete this project.

Project Overview

Casper Midwest Avenue Reconstruction					
Purpose	The city of Casper originally requested a \$2.5 million dollar Community Development - Readiness grant, but has reduced this request to \$1,520,693 to complete the reconstruction of Midwest Avenue in the Old Yellowstone District. Funds will be used for roadway; sidewalks; curb and gutter; replacement of sewer and water mains; storm sewer mains; underground utilities; bike lanes; lighting, and streetscaping.				
Project Budget	Projected Grant Expenditure Schedule				
	Description	BRC	Match		Total
			Cash	In-Kind	
	Non-Construction Costs	\$ 169,401	\$ 209,531	\$ 71,062	\$ 449,994
	Construction Costs	\$ 1,351,292	\$ 1,671,407	\$ -	\$ 3,022,699
	Total Project Cost	\$ 1,520,693	\$ 1,880,938	\$ 71,062	\$ 3,472,693
	Percentage BRC of all cash:		45%		
Performance Measures	Measure	Quantity		Notes	
	Businesses Assisted that have opened and remain open since 2014 in the Old Yellowstone District.	12		Yellowstone Bar & Grill; Gaslight Social; Spruce Nail Bar; HUB International; The Lyric; Urban Bottle; Wyoming Health Fairs; Montessori School; Adbay; Art 321 and Hope Church.	
	Infrastructure Investment	\$ 7,600,000		City's investment in the reconstruction of West Yellowstone.	
	Property Investment	\$ 5,499,000		Properties city has purchased and redeveloped.	
	Return on Investment	\$ 1,800,000		Return on sale of properties reinvested back into a Revolving Land Fund (started with One-Cent funds in 2006).	
	Number of Building Permits issued since 2014	12		Number of completed building permits for new construction/remodeling since 2014. We will track all new building permits applied for following completion of project.	
Project Infrastructure	Roadway	1,150 lf		Road reconstruction (3-block section)	
	Water Line	1,725 lf		New waterline construction	
	Storm & Sewer Line	1,400 lf		New Storm and sewer system construction	
	Underground utilities				Electrical, fiber, irrigation systems
	Sidewalks; ADA compliant; curb & gutter				3-block area of new sidewalks that are ADA compliant; curb & gutter.
	Streetscaping/lighting/landscaping				35 street lights/decorative lighting; trees & shrubs; planters; benches; bike racks and 10' bike path.



Business Ready Community Grant and Loan Program

SWEETWATER COUNTY SWEETWATER COUNTY INDUSTRIAL DEVELOPMENT PLAN (TARGETED INDUSTRY STUDY)

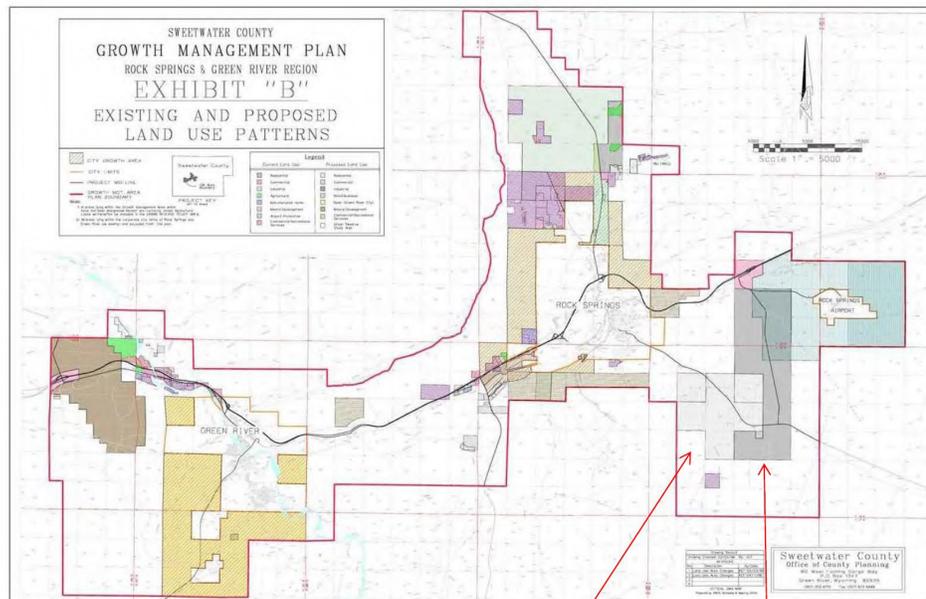
\$50,000 BRC Planning Project Request

WBC Recommendation: Fund

Project Description

Sweetwater County requests \$50,000 in BRC Planning funds to conduct a Targeted Industry Study for the Industrial Development Project. This project is the region's largest and most ambitious locally-driven venture to generate new conditions for economic development growth and improve quality of life and community stability.

AIRPORT – MIDDLE BAXTER ROAD TARGETED SITE
SWEETWATER COUNTY GROWTH MANAGEMENT PLAN



Land adjacent to targeted area currently zoned Heavy Industrial (shaded in light gray).

Targeted project location currently zoned Agriculture but pre-planned for a zoning change to Industrial in 2019 (shaded in gray). This could be modified according to the recommendations of the consultants.

Sweetwater County has been working on the development of this project for two years. The undertaking consists of developing an expansive site of up to 15,000 acres in the Southwest Regional Airport and Middle Baxter Road area that was:

- Strategically selected among 10 locations for large-scale development by a team of local experts; and
- Socioeconomically assessed by graduate students from UW College of Business; and
- Process overseen by the Sweetwater County ENDOW/ Industrial Zone Committee and the cities of Rock Springs and Green River.

Project Goals and Public Benefits

- Develop an expansive industrial zone in the Airport-Middle Baxter Road area, a site selected through a comprehensive planning process;
- Obtain a detailed market analysis that identifies specific industries to recruit for the targeted development zone;
- Remove barriers to economic opportunities that could resonate locally, regionally and statewide;
- Produce new revenues to the local and state tax base;
- Build upon the county’s unique assets and align with identified market niches;
- Create alternatives for revenues from the dependency on mineral valuations.

Sources	
BRC amount	\$ 50,000
Cash Match	\$ 16,668
Total eligible project cost	\$ 66,668
BRC % of total eligible project costs	75%
Local % of total eligible project costs	25%
Uses	
Planning-Consultant	
Planning/Consultant fees	\$ 66,668
Total Uses	\$ 66,668

WBC Deliberation

There was no discussion and the WBC unanimously recommends the project.

WBC Recommendation

WBC recommends funding in the amount of \$50,000 as requested. Although Planning projects are low on the priority list, there has been a lot of effort put forth through county-wide partnerships to identify the site for this targeted industry study request. The county and cities of Rock Springs and Green River have committed match for this project up to a maximum of \$100,000 to cover any cost overruns and/or implementation of this plan.