

## BUSINESS READY COMMUNITY OVERVIEW

### BRC Applications and Financial Summary

Total available funds: \$22,798,385

Applications received for the Sept. 1, 2019 application cycle:

BRC Applications Received September 1, 2019				
Applicant	Project	Type	Request	Staff Recommendation
SEEDA	Vacutech Expansion Grant	Business Committed	\$ 1,094,785	\$ -
SEEDA	Vacutech Expansion Loan	Business Committed	\$ 275,000	\$ 1,369,785
Rock Springs	First Security Bank Building	CD-Readiness	\$ 2,917,701	\$ 2,917,701
<b>Total Requests</b>			<b>\$ 4,287,486</b>	<b>\$ 4,287,486</b>
<b>Total Available BRC Funds</b>				<b>\$ 22,798,385</b>
<b>Total BRC Balance if recommended</b>				<b>\$ 18,510,899</b>

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.

### Allocation Plan - FY20

#### FY20 Q2 Allocation

BRC Project Types	% of Allocation	Total Available This Quarter	Staff Recommendation	Carry Forward to Next Quarter
Business Committed	45%	\$ 3,419,758	\$ 1,369,785	\$ 2,049,973
Community Development	54%	\$ 4,103,709	\$ 2,917,701	\$ 1,186,008
Planning	1%	\$ 75,995	\$ -	\$ 75,995
<b>Totals</b>	<b>100%</b>	<b>\$ 7,599,462</b>	<b>\$ 4,287,486</b>	<b>\$ 3,311,976</b>





BUSINESS READY COMMUNITY GRANT AND LOAN PROGRAM

**SHERIDAN ECONOMIC AND EDUCATIONAL AUTHORITY (SEEDA)**  
**VACUTECH EXPANSION – additional request**

**\$1,094,785 Business Committed Grant**  
**\$275,000 Business Committed Loan**

WBC Recommendation: Fund as a Business Committed loan for \$1,369,785.

**Project Description**

In 2017, the Sheridan Economic and Educational Development Authority (SEEDA) received a \$2,999,496 Business Ready Community (BRC) Business Committed grant and a \$1,225,000 BRC Business Committed loan. The funding was for construction of a 40,000 square-foot manufacturing facility to enable the expansion of Vacuum Technologies, LLC dba Vacutech, LLC (“Vacutech”). The new facility is planned on a 4-acre lot in the Sheridan Hi-Tech Business Park adjacent to Vacutech’s current manufacturing facility. Vacutech donated the 4-acre lot plus an additional 1.87 acres to SEEDA. Once completed, SEEDA will lease the facility to Vacutech with an option to purchase after five years.

Vacutech has experienced strong growth, now employing 183 people in the community. This growth has been spurred by their products and strategic expansion in the industry, and a commitment to ongoing research and development. This growth required Vacutech to take a critical look at the initial expansion design to ensure long-term needs would be met, and that necessary building features were incorporated into the plans. A need for a covered storage adjacent to shipping areas was identified as critical. Vacutech currently stores inventory and product outside, where it is subject to the weather.



The project initially went out for bid the year after the original grant and loan award. Bids came in much higher than expected at approximately \$5 million. In order to consider the company's needs and requests, the project underwent a redesign and went to bid again earlier this year. The lowest bid came in at approximately \$5.9 million, exceeding what remained in the project budget. To allow for completion of the project, and to allow Vacutech to make critical capital investments, SEEDA is requesting an additional \$1,094,785 in Business Committed grant funding, and \$275,000 in BRC loan funds to complete the project.

## The Business

Vacutech is one of Sheridan's largest manufacturing sector job providers and employs 183 full-time employees. The company has increased annual sales from \$11 million in 2014 to \$44 million last year.

In March 2019, Vacutech announced a strategic partnership with National Car Wash Solutions. National Car Wash Solutions' main office is in Grimes, Iowa. However, they acquire and partner with various car wash companies across the United States. They acquired Vacutech earlier this year but have expressed interest in maintaining and growing operations in Sheridan.

## Public Benefits

At the time of the 2017 application, Vacutech reported 140 full-time employees, and estimated they would grow their workforce with the new facility by approximately 10% each year. In 2018, Vacutech reported 160 FTEs, or 14% growth, and Vacutech's current workforce of 183 represents an additional 14.3% growth from 2018. If construction goes as planned, Vacutech estimates they will employ 198 employees by 2021. In total, Vacutech estimates they will add 51 jobs over the next 5 years, bringing their total employment to 234.

Of the 51 jobs created, 36 will be in the "skilled crafts." The median wage for the positions Vacutech will create is \$19.04 per hour, which exceeds the Sheridan County median wage of \$18.72 per hour. Furthermore, these 36 manufacturing jobs were input into JobsEQ (an economic development data aggregation and impact assessment tool), as machinery manufacturing jobs where it was estimated the creation of those jobs would result in an additional 11 jobs being created in the community (2 indirect and 9 induced).

Additionally, it was estimated the additional economic activity of adding 36 machinery manufacturing jobs would result in \$9,642,485 in sales/output activity and \$2,005,885 in additional compensation dollars circulating within the community. Of that, \$1,766,151 in sales and \$589,408 in compensation would be generated outside of Vacutech as part of the multiplier effect.

## Project Goals

The core project goals remain similar to the original goals of the project, but there are some enhanced benefits to the project based on the award of the additional grant and loan funds.

- Development of a 40,000 square-foot manufacturing facility.
- Execution of a lease with Vacutech for the facility, permitting Vacutech to expand its manufacturing operations in Sheridan.
- Occupation of the facility by Vacutech and commencement of expanded operations at the new facility.
- Hiring by Vacutech of at least 51 new employees in Sheridan between 2020 and 2024.
- During the first five years of this project, generation of \$361,376 in net revenue to SEEDA from the lease of the manufacturing facility with proceeds being paced in a designated fund used by SEEDA to support business recruitment and retention efforts in Sheridan as set forth in the revenue recapture plan. Total revenue to SEEDA over five years would be \$645,860.

- Likely purchase of the facility by Vacutech after year five.
- After year five, generation of an additional \$2,687,431 in total revenue to SEEDA from the sale of the facility after repayment to the Business Council of the outstanding principal on the \$1,500,000 combined loan. Combined with the net revenues provided to SEEDA from monthly lease payments, this totals \$3,048,807 in net revenues captured by SEEDA on this project. Net revenues paid to SEEDA from the sale of the facility will be placed in a designated fund used by SEEDA to support business recruitment and retention efforts in Sheridan as set forth in the revenue recapture plan.

## Funding Sources and Uses

The total project cost for this portion of the project is \$1,369,785. The cash match is the \$275,000 loan request. The remaining amount of \$1,094,785 is the grant request.

### Revenue Recapture Plan

SEEDA will enter a 10-year lease with Vacutech, with opportunities for renewal, under which Vacutech will lease the proposed manufacturing facility. Vacutech will have the option to purchase the building at construction cost beginning in year 6. Revenue generated from the lease or sale of the building will be recaptured by SEEDA.

SEEDA will retain the funds generated by the project from lease payments and/or sales proceeds to further economic development initiatives. SEEDA will dedicate specific funds indicated in the cash flow model to maintain the asset and properly insure it. SEEDA will remit funds to the WBC in the form of interest and principle payment on the loan.

SEEDA anticipates leasing the facility for an initial 10-year triple net lease, although there is a strong likelihood Vacutech will purchase the building in year 6. The following schedule for lease payments and rates will begin with Vacutech occupancy of any portion of the facility.

SEEDA will retain 75% of the revenue (after expenses) recaptured from this project and use those funds for the following economic development purposes:

- 25% to be set aside as project funds for SEEDA initiatives for development of capital projects, workforce training or job creation initiatives in Sheridan County, for the purposes of economic and educational development of the Sheridan community. This includes further development of workforce related educational and training opportunities and helping catalyze economic activity in identified target industries.

Sources	
BRC amount	\$ 1,094,785
Loan Match	\$ 275,000
<b>Total eligible project cost</b>	<b>\$ 1,369,785</b>
BRC % of total eligible project costs	80%
Local % of total eligible project costs	20%
Uses	
<b>Construction Costs</b>	
Site work	\$ 264,988
Foundation and/or Structural Framing system	\$ 1,008,912
Contingencies (8%)	\$ 95,885
<b>Total Uses</b>	<b>\$ 1,369,785</b>

Years	Lease Rate/sq. ft	Annual Lease Payments	Monthly Lease Payments
1-5	\$5.25	\$210,000	\$17,500.00
6	\$5.80	\$232,000	\$19,333.33
7	\$5.92	\$236,800	\$19,733.33
8	\$6.04	\$241,600	\$20,133.33
9	\$6.17	\$246,800	\$20,566.67
10	\$6.30	\$252,000	\$21,000.00
11	\$6.43	\$257,200	\$21,433.33
12	\$6.56	\$262,400	\$21,866.67
13	\$6.70	\$268,000	\$22,333.33
14	\$6.84	\$273,600	\$22,800.00
15	\$6.98	\$279,200	\$23,266.67
16	\$7.12	\$284,800	\$23,733.33
17	\$7.27	\$290,800	\$24,233.33
18	\$7.42	\$296,800	\$24,733.33
19	\$7.57	\$302,800	\$25,233.33
20	\$7.73	\$309,200	\$25,766.67

- 25% to be committed toward the further development and maintenance of project-ready property in the Sheridan Hi-Tech Park or other locations identified by the SEEDA Board.
- 50% to be held in reserve for other economic development efforts or operational expenses identified by the SEEDA Board

## WBC Deliberations

The board heard from Sheridan Mayor, Roger Miller, Robert Briggs, Northwest Community College District Planning and Economic Development Director/SEEDA Administrator, Dr. Walt Tribley, President, Northern Wyoming College District, Don Parrot, Chief Financial Officer, Vacutech and John Tucker, CEO of Vacutech (on the phone).

SEEDA's request is \$1,094,785 in grant funds and \$275,000 loan funds. The Grant and Loan committee reviewed the financial analysis provided by staff and suggested the project should be funded with loan and not grant funds. Staff concurs and is thus recommending \$1,369,785 loan funds. Staff further recommends combining the loan from the project awarded October 2017 and the current request so that SEEDA will have only one loan payment. SEEDA is amenable to this.

Board member Kim Devore commented on this project being a good example of how partnerships can accomplish goals. The Northwest Community College District working with the city of Sheridan and Vacutech is a shining example of a public/private partnership.

Co-Chair Megan Goetz asked if there were a prescribed requirement for a loan with set terms, etc. would it have made a difference to the project? Robert Briggs (representing SEEDA) stated that he believes it would have. He stated that flexibility is key when structuring a project. This question was based on an earlier discussion about pending legislation from the Management Audit Committee that will be prescriptive about loan terms.

## WBC Recommendation

The WBC board unanimously recommends the funding request as a loan. The recommendation of a BRC loan allows the board to enhance the amount of recapture to the state while still promoting economic development.

## Loan Terms

<b>TOTAL LOAN</b>	<b>\$ 2,594,785.00</b>	<b>VACU TECH LOAN PAYMENTS FROM SEEDA to WBC</b>			
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Year	Lease Income	Description	Payable to WBC (2.5%)	Income to SEEDA	SEEDA Cash Balance
1	\$210,000.00	Interest Only	\$64,869.63	\$145,130.38	\$145,130.38
2	\$210,000.00	Interest Only	\$64,869.63	\$145,130.38	\$290,260.75
3	\$210,000.00	Interest Only	\$64,869.63	\$145,130.38	\$435,391.13
4	\$210,000.00	Interest Only	\$64,869.63	\$145,130.38	\$580,521.50
5	\$210,000.00	Interest Only	\$64,869.63	\$145,130.38	\$725,651.88
<b>TOTAL</b>	<b>\$1,050,000.00</b>		<b>\$324,348.13</b>	<b>\$725,651.88</b>	

<b>Principal &amp; Interest Payments Begin in Year 6 (\$2,594,785 @ 2.5%, 15 years)</b>						
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Year	Lease Income	Description	Loan Payment to WBC	Loan Balance	Income to SEEDA	SEEDA Cash Balance
6	\$232,000.00	P&I Payment	\$209,571.59	<b>\$2,450,083.04</b>	\$22,428.41	<b>\$748,080.29</b>
7	\$236,800.00	P&I Payment	\$209,571.59	<b>\$2,301,763.52</b>	\$27,228.41	<b>\$775,308.70</b>
8	\$240,600.00	P&I Payment	\$209,571.59	<b>\$2,149,736.02</b>	\$31,028.41	<b>\$806,337.11</b>
9	\$246,800.00	P&I Payment	\$209,571.59	<b>\$1,993,907.83</b>	\$37,228.41	<b>\$843,565.52</b>
10	\$252,000.00	P&I Payment	\$209,571.59	<b>\$1,834,183.94</b>	\$42,428.41	<b>\$885,993.93</b>
11	\$257,200.00	P&I Payment	\$209,571.59	<b>\$1,670,466.95</b>	\$47,628.41	<b>\$933,622.34</b>
12	\$262,400.00	P&I Payment	\$209,571.59	<b>\$1,502,657.04</b>	\$52,828.41	<b>\$986,450.75</b>
13	\$268,000.00	P&I Payment	\$209,571.59	<b>\$1,330,651.87</b>	\$58,428.41	<b>\$1,044,879.16</b>
14	\$273,600.00	P&I Payment	\$209,571.59	<b>\$1,154,346.58</b>	\$64,028.41	<b>\$1,108,907.57</b>
15	\$279,200.00	P&I Payment	\$209,571.59	<b>\$973,633.66</b>	\$69,628.41	<b>\$1,178,535.98</b>
16	\$284,800.00	P&I Payment	\$209,571.59	<b>\$788,402.91</b>	\$75,228.41	<b>\$1,253,764.39</b>
17	\$290,800.00	P&I Payment	\$209,571.59	<b>\$598,541.40</b>	\$81,228.41	<b>\$1,334,992.80</b>
18	\$296,800.00	P&I Payment	\$209,571.59	<b>\$403,933.34</b>	\$87,228.41	<b>\$1,422,221.21</b>
19	\$302,800.00	P&I Payment	\$209,571.59	<b>\$204,460.09</b>	\$93,228.41	<b>\$1,515,449.62</b>
20	\$309,200.00	P&I Payment	\$209,571.59	<b>\$0.00</b>	\$99,628.41	<b>\$1,615,078.03</b>
<b>TOTAL</b>	<b>\$4,033,000.00</b>		<b>\$3,143,573.85</b>			

<b>Total Revenue</b>	<b>\$5,083,000.00</b>	<b>\$3,467,921.98</b>	↕	<b>\$1,615,078.03</b>
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Loan will be paid off with the sale of the building according to schedule above.

## Attorney General Opinion

Pending

## Project Overview

SEEDA Vacutech Expansion Additional Request				
<b>Purpose</b>	The Sheridan Economic and Educational Development Authority (SEEDA) requests a \$1,094,785 Business Committed grant and a \$275,000 BRC loan to complete the construction of a 40,000 square-foot manufacturing facility, exterior truck bays and parking lot for the expansion of Vacutech, LLC in the Sheridan High-Tech Business Park.			
<b>Project Budget</b>	<b>Projected Grant Expenditure Schedule</b>			
	<b>Description</b>	<b>BRC Loan</b>	<b>Match</b>	
			Cash	
	Construction Costs	\$ 1,369,785	(all loan)	
	Total Project Cost	\$ 1,369,785	\$ -	
	<b>Percentage BRC of all cash:</b>		<b>100%</b>	
<b>Performance Measures</b>	<b>Measure</b>		<b>Quantity</b>	
	Businesses Assisted		1	
	Loan Repayment		\$ 1,749,596.00	Original loan award and current request plus 3.5% interest paid.
	County Median Wage		\$ 18.72	
	Median Wage of Jobs Created		\$ 19.04	*Actual Skilled Crafts wages in yr one are \$17.95 per hour; .77 cents lower than the median wage.
	Jobs to be Created (3 Year Projection)		39	
	Jobs to be Retained		183	
	Additional Investment		\$ 700,000	
	Estimated Capital Expenditures Year One		\$ 700,000	
	Estimated Capital Expenditures Year Two		\$ 800,000	
	Estimated Capital Expenditures Year Three		\$ 900,000	
	Estimated Capital Expenditures Year Four		\$ 900,000	
	Estimated Capital Expenditures Year Five		\$ 1,000,000	
	Year 0 Payroll		\$ 10,459,319	
	Estimated Payroll Increase Year One		7.7%	
	Estimated Payroll Increase Year Two		10.4%	
	Estimated Payroll Increase Year Three		7.7%	
	Estimated Payroll Increase Year Four		6.0%	
	Estimated Payroll Increase Year Five		5.1%	
	Estimated Taxible Sales Year One		\$ 50,777,500	
	Estimated Taxible Sales Year Two		\$ 55,347,475	
	Estimated Taxible Sales Year Three		\$ 59,221,798	
	Estimated Taxible Sales Year Four		\$ 63,367,324	
	Estimated Taxible Sales Year Five		\$ 66,535,690	
	<b>Project Infrastructure</b>	New Building Construction		40,000 square-feet



**Business Ready  
Community Grant  
and Loan Program**

## SHERIDAN ECONOMIC AND EDUCATIONAL AUTHORITY (SEEDA)

**\$2,999,496 BRC Business Committed Grant Request**

**\$1,225,000 BRC Business Committed Loan Request**

**Sheridan Hi-Tech Park Manufacturing  
Facility (Vacutech Expansion)**

*WBC Recommendation: Fund as requested*

### Project Description

The Sheridan Economic and Educational Development Authority Joint Powers Board (SEEDA) requests a \$2,999,496 Business Ready Community (BRC), Business Committed grant and a \$1,225,000 BRC loan for the construction of a 40,000 square-foot manufacturing facility to enable the expansion of Vacuum Technologies, LLC dba Vacutech, LLC ("Vacutech"). The new facility will be constructed on a 4-acre lot in the Sheridan Hi-Tech Business Park adjacent to Vacutech's current manufacturing facility. Vacutech owns the 4-acre lot and will donate it to SEEDA. Vacutech will also donate 1.87-acres of the property on which their current facility is located and construct a parking lot to access both facilities. SEEDA will lease the completed facility to Vacutech with an option to purchase after five years.

The city of Sheridan developed the Sheridan Hi-Tech Business Park Conceptual Plan funded through a \$25,000 Community Development Block Grant in 2009. In 2010 the city received a \$2,589,913 BRC Community Readiness grant for water and sewer extensions, roads and fiber to create business-ready lots in the Hi-Tech Business Park.

### The Business

Vacutech designs, engineers and manufactures custom-designed central vacuum systems for car wash systems, mobile vacuums and industrial and commercial applications.

Brothers Tom and John Tucker built Vacutech based on their commitment to manufacturing the highest performance vacuum systems combined with

unparalleled customer care and after-sale support, according to the company's Facebook page. Their experience in the industry began with their work as teenagers in their father's central vacuum business - itself a pioneer in the industry.

Tom and John continued their work in the vacuum industry after leaving the family business. They created and ran several successful businesses before jointly starting Vacutech in 1997.

In 2012, the city of Sheridan recruited Vacutech from Centennial, Colorado. That same year, Vacutech constructed a 40,804 square-foot manufacturing facility on a 5-acre lot in the Sheridan Hi-Tech Park.

Vacutech has grown from 20 employees in 2012 to over 130 to date and has outgrown its current facility. Vacutech leases four additional facilities across Sheridan as a stop-gap measure. Combined, these annex facilities provide 75% more available floor



space, and while this has accommodated the growth in production requirements, there are significant inefficiencies and unnecessary costs with relying on multiple locations.

The company is growing in its core industry with car wash consolidation and business drawings. In 2016, Vacutech purchased a 4-acre commercial lot next to its current facility for the development of an additional facility. Vacutech is concentrating approximately \$400,000 annually in working capital to the purchase of additional manufacturing equipment and hiring new employees. This project is needed to accelerate Vacutech's business expansion in Sheridan. Without this public-private partnership, Vacutech will be required to devote its working capital toward construction of the new manufacturing facility or to continue operating inefficiently from five different locations. There are no other facilities in Sheridan that meet the company's expansion needs. This project will allow Vacutech to improve efficiency by relocating its distributed manufacturing into one centralized location.

Vacutech has been working with clients on projects in new-growth areas. For example, a wind component manufacturer needed to find a solution to cutting down on expensive replacement costs for specialized drill bits used in the manufacturing of windmill components. Vacutech created a vacuum system that removes the fine dust particles from the bits while drilling, which increased productivity by increasing the lifespan of drill bits and reducing costs. Vacutech also worked with Boeing on an extraction system for its 777-jet engine project.

### Project Goals and Benefits

Vacutech projects creating up to 76 new jobs within five years. Entry-level jobs start at \$15 per hour with technical positions paying \$24 to \$28 per hour. The company also provides benefits including medical, dental, vision and life insurance; vacation, and a 401(k) with a company match up to 4%.

Many employees will be hired locally through relationships established between Vacutech and area colleges assisting in workforce recruitment through computer aided design, welding technology and machine tooling technology programs. Thirty-nine employees, or 27.5% of Vacutech's current workforce, are Sheridan College alumni - 17 of which were employed directly after graduating from Sheridan

College, and 22 of which are alumni who worked in different jobs upon graduation before joining Vacutech.

Vacutech provides welding internships for students in the Welding Technology program at Sheridan College and has hired four of those eight students as full-time employees. This project will provide job opportunities for local students trained in technical fields.

It will also inject new payroll into the community along with increased tax revenue. This project will also generate revenue from the lease and expected sale of the facility to Vacutech. SEEDA will collect an estimated \$442,681 in net revenue during the first five years in lease payments from Vacutech. Revenue will be recaptured by SEEDA and devoted to economic development efforts in Sheridan, as described in the Lease and Revenue Recapture section below.

### Timeline

The applicant estimates the project will be completed by June 2019.

Sources	
BRC Grant amount	\$ 2,999,496
Cash Match (BRC Loan)	\$ 1,225,000
Cash Match (land value/parking lot construction)	\$ 786,394
<b>Total eligible project cost</b>	<b>\$ 5,010,890</b>
BRC % of total eligible project costs	60%
Local % of total eligible project costs	40%
Percentage BRC of all cash	71%
Uses	
<b>Land Acquisition Costs</b>	
Land value	\$ 511,394
<b>Non-Construction Costs</b>	
Architectural and Engineering fees	\$ 215,400
Other fees (surveys, tests, etc.)	\$ 13,700
Project inspection fees	\$ 25,500
<b>Construction Costs</b>	
Site work	\$ 792,000
<i>Building Components:</i>	
Electrical Systems	\$ 356,400
Mechanical, plumbing, HVAC systems	\$ 432,900
Landscaping	\$ 125,000
Foundation and/or Structural Framing system	\$ 1,632,900
Interior Finishes	\$ 164,100
Fire Protection	\$ 102,000
Other (building envelope, insulation & skin)	\$ 306,300
Contingencies (8%)	\$ 333,296
<b>Total Uses</b>	<b>\$ 5,010,890</b>

### Funding

Total project cost is \$5,010,890, of which \$2,999,496 represents the BRC Business Committed grant. The grant is matched by the \$1,225,000 BRC loan, value of land donated by Vacutech to SEEDA totaling \$511,394 (established by a broker’s opinion), and \$275,000 by Vacutech for parking lot construction. Cost per square foot is \$112.49.

### Loan Terms

Total Project: \$5,010,890

Total Loan: \$1,225,000

Total Grant: \$2,999,496

Collateral: Building to be constructed.

Repayment: The loan will be repaid from lease payments from Vacutech to SEEDA. The loan will be amortized over a 30-year term and SEEDA will make annual payments to the WBC.

Term: 30 years

Interest Rate: 3.5%

Fees: \$3,750 loan servicing fee (\$125 per year for a term of 30 years)

Other Fees: Loan documentation, appraisal, filing fees, etc. are the responsibility of SEEDA and Vacutech.

SEEDA will repay the BRC Program \$1,422,087 in principal and interest.

SEEDA will have a mortgage on the facility. The WBC will take an assignment of that mortgage and lease payments.

SEEDA. The property and building will be owned by SEEDA and leased to Vacutech once construction is complete. Vacutech will enter into a 10-year lease with SEEDA for the building for \$17,500 per month (\$5.25 per square foot) for the first five years with the option to purchase the facility at the end of year five for \$3,643,665, which reflects a rebate to Vacutech for its lease payments made and donated property value. If Vacutech chooses not to purchase the facility at that time, lease payments will be set at \$5.80 per square foot and appreciate 2% per each year thereafter for the next four years of the lease. Vacutech will have the option to purchase the property during that time but will not be rebated for lease payments received - only for the donated land value. Lease payments will be used to make the BRC loan payment.

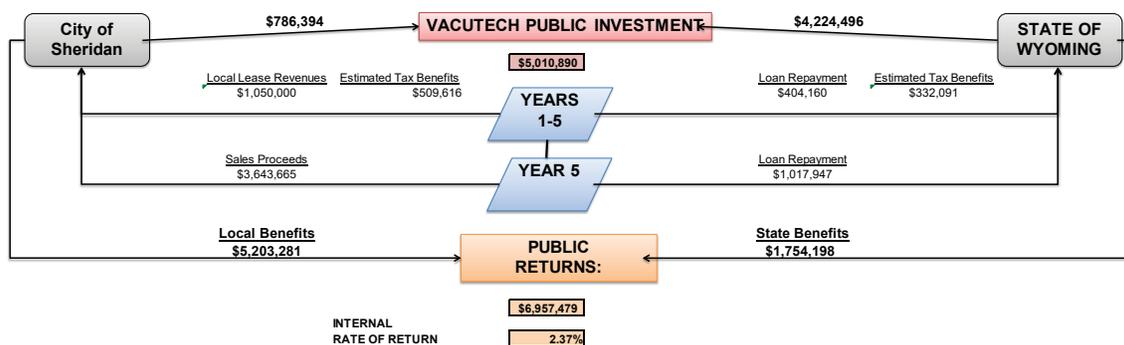
Proceeds from lease payments after loan payments are made will be set aside by SEEDA for insurance on the building (\$417 per month/\$5,000 annually). \$3,000 per month of lease payments will be deposited into a long-term maintenance fund (\$36,000 per year).

After the loan has been paid, proceeds from the sale of the building will be handled as follows:

- 25% will be set aside for SEEDA initiatives for the purposes of economic and educational development of the Sheridan community.
- 25% will be committed toward further development and maintenance of project-ready property in the Hi-Tech Business Park and other locations identified by the SEEDA Board.
- 50% will be held in reserve for business recruitment and retention efforts identified by SEEDA Board.

### Lease and Revenue Recapture

Vacutech will deed the 5.87-acre properties to



### Attorney General Opinion

Pending.

### WBC Deliberation

The WBC heard from Roger Miller, Mayor of Sheridan, and John Tucker of Vacutech. Mr. Tucker indicated he chose to move to Wyoming because of the favorable business climate and Wyoming’s government. The company is expanding nationally and internationally.

Members of the board commented this project is a good example of diversifying Wyoming’s economy and that the company makes an excellent product.

It was moved and seconded to recommend a \$2,999,496 grant and a \$1,225,000 loan to the Sheridan Economic and Educational Authority for the expansion of Vacutech. Mr. Sullivan recused himself as a former customer of the company. The recommendation was unanimously approved.

### WBC Recommendation

WBC recommends funding the \$2,999,496 BRC Business Committed grant and a \$1,225,000 BRC loan, as requested.

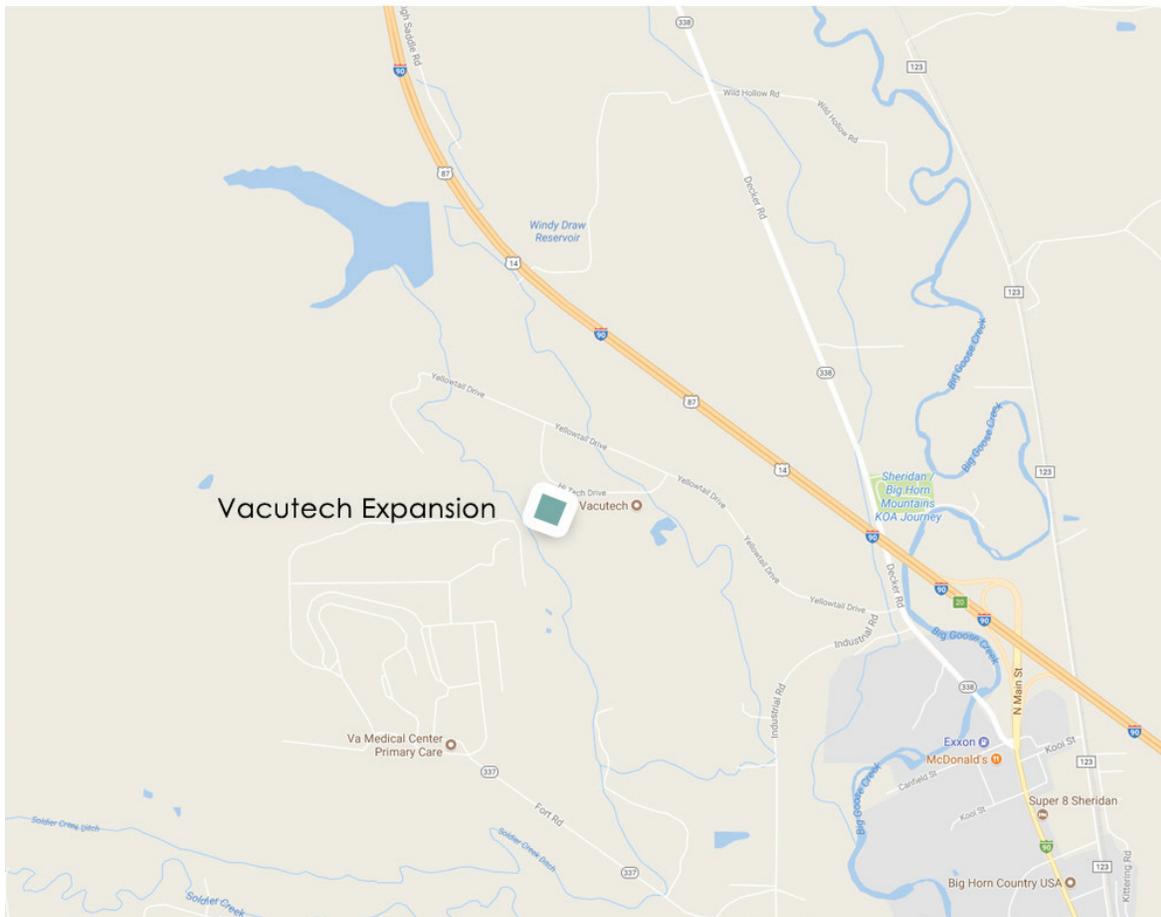
### Project Overview

Sheridan Hi-Tech Park Manufacturing Facility			
<b>Purpose</b>	The Sheridan Economic and Educational Development Authority (SEEDA) requests a \$2,999,496 Business Ready Community (BRC), Business Committed grant and a \$1,225,000 BRC loan for the construction of a 40,000 square-foot manufacturing facility to enable the expansion of Vacuum Technologies, LLC dba Vacutech, LLC (“Vacutech”).		
<b>Project Budget</b>	<b>Projected Grant Expenditure Schedule</b>		
	<b>Description</b>	<b>BRC</b>	<b>Match</b>
			Cash (Loan/Land/Pkg Lot Const)
	Land	\$ -	\$ 511,394
	Non-Construction Costs	\$ 180,772	\$ 73,828
	Construction Costs	\$ 2,818,724	\$ 1,426,172
	<b>Total Project Cost</b>	<b>\$ 2,999,496</b>	<b>\$ 2,011,394</b>
	<b>Percentage BRC of all cash:</b>	<b>71%</b>	
<b>Performance Measures</b>	<b>Measure</b>		<b>Quantity</b>
	Businesses Assisted		1
	Return on Investment		2.37%
	Capital Expenditures		\$2,000,000
	Loan Repayment		\$ 1,422,107
	Revenue Recapture		\$ 4,289,505
	County Median Wage		\$ 22.20
	Median Wage of Jobs Created		\$ 22.50
	Jobs to be Created (5 Year Projection)		76
	Jobs to be Retained		140
<b>Project Infrastructure</b>	Acres Developed		5.87
	New Building Construction		40,000 sq ft

**SLIB Decision**

**APPROVED UNANIMOUSLY OCTOBER 5, 2017.**

# SHERIDAN, WY





Business Ready Community Grant and Loan Program

## CITY OF ROCK SPRINGS FIRST SECURITY BANK BUILDING PROJECT

**\$2,917,701 Community Readiness Grant**

WBC Recommendation: Fund as requested

### Project Description

The City of Rock Springs requests a \$2,917,701 Community Development – Readiness grant for Phase I Rehabilitation of the First Security Bank building located at 502 South Main Street in Rock Springs. The First Security Bank building is 22,568 square-feet. The city purchased the First Security Bank building in 2011; however, this building has been vacant for approximately 40 years. The level of neglect and lack of maintenance has made it a monumental task for developers, both for-profit and not-for-profit, to revitalize despite making several attempts over the years.

Funds will be used to remove and dismantle old systems and asbestos; for footing repairs and seismic upgrades to support structural deterioration; for roofing to immediately secure building from further damage from weather and outside elements; to install modern utilities including HVAC, and fire suppression system upgrades; for installation of windows, doors and perimeter access/egress; and to prepare the building footprint and future access for ADA compliance and elevator shaft for installation of an elevator in future phases.

The First Security Bank building was once the anchor and financial flagship in Rock Springs and is a historic icon on the downtown Rock Springs skyline. It is the desire of the city and the Main Street/Urban Renewal Agency (MS/URA) to protect and preserve this building for future use and economic development efforts in the downtown district of Rock Springs.

An article from the Rock Springs Rocket Miner dated May 30, 1919, reporting the opening of the First National Bank states: “The building stands a credit to the town and may be seen for miles from every direction as you come into town.” This statement still holds true when entering downtown Rock Springs.

City rehabilitation of the First Security Bank building will help attract tenants. Adjacent property located at 504 S. Main Street was deeded by Quit Claim Deed to the city by the property owner, Gordon Crofts, in August 2019. This will allow the city to optimize the site’s potential

by providing appropriate workspace for the operation and maintenance stations, a location for internal back-up systems, providing safety and security of additional mechanical systems and prevent exposure to weather elements by allowing controlled access to vital equipment.

## Project Goals and Public Benefits

This project is monumental for the city and MS/URA, not only because of the square footage and emerging threats to the stability of the building, but because it has been their goal for decades to preserve and re-purpose the building. Rock Springs has sent its fair share of buildings and heritage to the landfill. This project would allow the city and the Main Street/URA to further their downtown redevelopment goals while preserving a key piece of their history.

## Historic Registry, Plans, Studies, and Assessments completed

- 1980 – US Department of Interior National Register of Historic Places Nomination completed.
- 2011 – Structural Assessment completed; AHJ Engineers.
- 2013 – Mechanical, Engineering, and Plumbing estimate report completed, Engineering Consultants, Inc.
- 2013 – Code Study & Review completed, City & Myers Anderson.
- 2013 – Historic mining activity mapping, soil sampling and boring completed, JFC Engineers/Tetra-Tech.
- 2014 – Feasibility Study completed, Myers Anderson.
- 2019 – Structural Report completed, Frost Structural Engineering

A significant amount of time and cost have been dedicated to studies, planning and testing for the restoration of the First Security Bank building. Properly developed, it can once again be a productive contributor to downtown for years to come.

“The First Security Bank Building is in good overall condition and is viable for renovation,” notes the Feasibility Study completed by Myers Anderson in 2014. “Architecturally, the building is an excellent example of classical revival architecture with its large fenestrations and strong cast details.”

## Project Goals and Public Benefits

- There are five major goals to be accomplished in this phase to allow the city to further their downtown redevelopment plans while preserving a key piece of history:

### Goal One: Improve Existing Infrastructure

- Stabilize NW corner damage due to exposure to water and weather;
- Install footings and foundation supports;
- Install beams and mechanisms to prevent further sagging and deterioration of structure;
- Restore granite base and exterior terra cotta molds.

### Goal Two – Secure and Safeguard from Weather and other Hazards

- Replace all windows and doors;
- Clean and removal of all bird and animal contamination;
- Install storefront windows for future retail use;

- Install ADA compliant hardware/features on doors;
- Install aluminum cladding on second floor windows;
- Reconfigure skylight/mezzanine for better access and mitigating water and other elements;

**Goal Three - Install New Roof and Mechanism to Divert Water Run-Off**

- Design new roofline between neighboring properties;
- Remove and replace existing gravel roof with energy efficient materials and membrane;
- Install higher R-Value insulation to support new roof;
- Install new exterior systems to mitigate and dispose of water run-off.

**Goal Four - Prepare for Utility and Services Connectivity**

- Install new water and sewer lines;
- Install new high-speed data line conduits;
- Install new utility meter bases and housing for new base stations for utilities;
- Install new fire suppression system with sole source data.

**Goal Five - Begin ADA Compliance and Prepare for Fire Exits**

- Excavate slabs and existing mechanical systems for new elevator shaft;
- Demolish and prep donated property at 504 S. Main to facilitate elevator shaft;
- Install ADA compliant hardware on all new windows and doors;
- Install new stair tower for emergency exit requirements.

The Rock Springs Main Street/URA district has had several successes over the years including the Broadway Theater, train depot, city hall (now the Rock Springs museum) and the Bunning Freight Station. Combined, these four venues draw more than 15,000 people to the downtown area annually. The Main Street/URA has also been awarded various projects by the Wyoming Main Street Program and the National Main Street Program; most recently winning one of only three Great Main Street Awards in the nation.

The First Security Bank building in its current condition is a liability. Empty and abandoned properties lead to crime and declining property values. This rehabilitation project inspires change and a new perspective for a piece of downtown history.

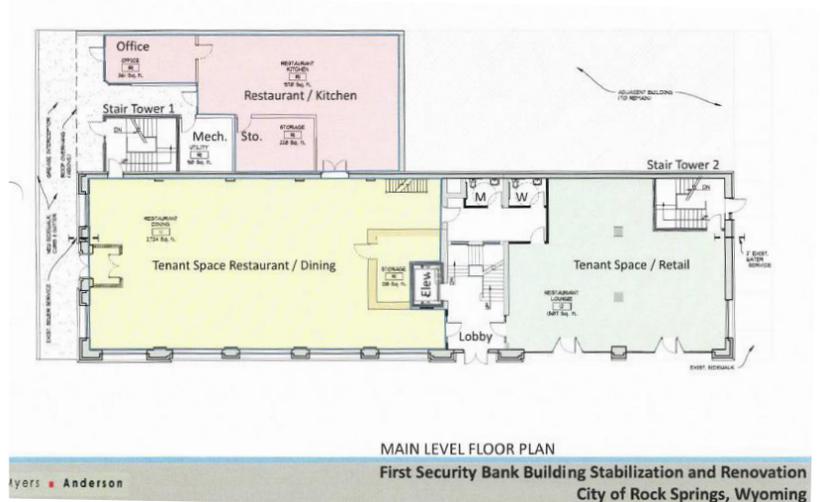
The Main Street/URA will function as the project manager for all phases of the First Security Bank building project. They have the benefit of full-time city employees with project management experience, and many dedicated volunteers who have demonstrated passion working on past downtown development projects, meetings and other special events.



Additionally, the Main Street/URA has several licensed commercial real estate agents who currently volunteer in leadership capacities who can design and market the property with short-term and long-term goals.

A preliminary Marketing Plan for the First Security Bank building has been developed that includes these main tactics:

- **Realtor Involvement:** Commercial realtors know the market and have connections with others outside of the area looking to expand their market.
- **Economic Development Efforts:** The city and the Main Street/URA will work with local economic development officials and the Business Council to list the building on all available site selection websites critical to marketing the building.
- **Website & Brochure Development:** The city and Main Street/URA will develop and customize a website and brochure showcasing key information about the property including square-footage, cost estimates for renovations, a virtual tour, contact information and photography of the updated building.
- **Advertising:** Regular advertising will be established in statewide and regional pieces as well as the National Trust for Historic Preservation’s quarterly magazine and website.
- **Facility Tours:** The city and Main Street/URA will host community tours of the building once initial renovations are completed. Key stakeholders, developers, realtors and business owners will be invited to tour the property.



## Funding Sources and Uses

The total project cost for Phase I is \$3,241,890. The City of Rock Springs is providing a cash match of \$250,000 and an in-kind amount of \$74,189 for the donated property located at 502 South Main Street to provide access and easement to the building property for foundation and structural work and installation of an elevator shaft. Cost per square-foot for Phase I is \$126.67.

## WBC Board Deliberations

The board heard from Tim Kuomo, Mayor of Rock Springs, Chad Banks, Rock Springs Main Street/Urban

Sources	
BRC amount	\$ 2,917,701
Cash Match	\$ 250,000
In-Kind Match	\$ 74,189
<b>Total eligible project cost</b>	<b>\$ 3,241,890</b>
BRC % of total eligible project costs	90%
Local % of total eligible project costs	10%
Uses	
<b>Non-Construction Costs</b>	
Architectural and Engineering fees	\$ 508,788
Other fees (surveys, tests, etc.)	\$ 58,671
<b>Construction Costs</b>	
Site work	\$ 211,151
Demolition and removal	\$ 266,178
<i>Building Components:</i>	
Electrical Systems	\$ 76,782
Mechanical, plumbing, HVAC systems	\$ 102,376
Sidewalks & Trees	\$ 25,594
Foundation and/or Structural Framing system	\$ 806,211
Carpentry, insulation, doors & windows	\$ 414,111
Fire Protection	\$ 127,970
Remediation	\$ 115,173
Roofing, metals, storefronts/glazing & joint sealers	\$ 369,194
Contingencies (5%)	\$ 159,691
<b>Total Uses</b>	<b>\$ 3,241,890</b>

Renewal District Manager, Matt McBurnett, Director of Administrative Services (City of Rock Springs) and City Councilman, Tim Savage.

Board member Kathy Tomassi asked how many additional phases there might be. The mayor indicated one or two. Phase one will stabilize the building and allow the city/Main Street to begin marketing the space.

Board member Jason Kintzler commented that WBC projects in the past may have had a focus on constructing buildings. There may be times that is still the best option, but he believes the board should give consideration to re-purposing buildings particularly if they lend to the restoration and vibrancy of a community. Many towns have this kind of asset and it is these iconic structures that matter to people. It's about preserving culture.

Board member Cindy Johnson (on the phone) posed questions to Chad Banks. She asked:

“Do you have any letters of commitment?” Mr. Banks stated that it is too early in the project for that. He explained this is just the “readiness” stage and not business committed. However, he said once the building is stabilized, inquiries will be made of interested businesses.

“Do you feel strongly there will be interested businesses or developers?” Mr. Banks said all the downtown businesses are supportive of the building rehab/city’s efforts.

Several have expressed interest in occupying space there. He is confident there will be continued interest in the project. He further stated that downtown businesses are supportive because this building is a black eye on an otherwise beautiful downtown.

## WBC Recommendations

The WBC board recommends the project funding as requested voting 14-1 with Board member Cindy Johnson dissenting.

## Project Overview

Rock Springs First Security Bank Building					
<b>Purpose</b>	The city of Rock Springs requests a \$2,917,701 Community Development Readiness grant to protect and stabilize, improve existing hazards, and install utilities, electrical, elevator shafts and ADA compliant infrastructure to the First Security Bank Building located on Main Street in downtown Rock Springs.				
<b>Project Budget</b>	<b>Projected Grant Expenditure Schedule</b>				
	<b>Description</b>	<b>BRC</b>	<b>Match</b>		<b>Total</b>
			Cash	In-Kind	
	Non-Construction Costs	\$ 522,674	\$ 44,785	-	\$ 567,459
	Construction Costs	\$ 2,395,027	\$ 205,215	\$ 74,189.00	\$ 2,674,431
Total Project Cost	<b>\$ 2,917,701</b>	<b>\$ 250,000</b>	<b>\$ 74,189</b>	<b>\$ 3,241,890</b>	
	<b>Percentage BRC of all cash:</b>		<b>90%</b>		
<b>Performance Measures</b>	<b>Measure</b>		<b>Quantity</b>	<b>Notes</b>	
	Revenue Recapture		\$ 729,425	25% of awarded grant funds; could change up to grant award depending on sale of building.	
<b>Project Infrastructure</b>	Existing Building Construction		22,568	Project involves the securing of an existing building from further degradation for future development.	