



## AGENDA ITEM COVER SHEET

City Council Meeting

Date Submitted: 02/01/2022

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**DATE:** 01/27/2022      **SUBMITTED BY:** Tom Ourada, City Administrator

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**ITEM:** Consider awarding LB840 funds to Becker Industries, LLC to renovate 1236 Main Ave for a new Hotworx fitness studio.

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**SUMMARY:** Alan and Katie Becker of Becker Industries, LLC submitted an application to the City's Economic Development Program for \$247,500 toward building renovation, equipment, and other business start-up costs.

Becker Industries purchased the property at 1236 Main Ave and are planning on renovating the building to be the location for Hotworx Crete, a new fitness studio. The studio will be a 24/7 facility and employ at least three full-time employees.

The project is planning on being completed by the end of March.

**FISCAL IMPACT:** The requested award is larger than any other award the City has made and would account for approximately 27.5% of the City's available economic development funds.

**LEGAL REVIEW:** The applicants are an eligible recipient and are requesting funds for eligible expenses under the City's Economic Development Plan.

**ATTACHMENTS:** LB840 Application – Becker Industries/Hotworx

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**ACTION REQUESTED:** The Council is requested to make a motion to award LB840 funds to Becker Industries, LLC for the renovation of 1236 Main Ave based on the recommended award amount provided by the Legislative & Economic Development Committee.

## ECONOMIC DEVELOPMENT PROGRAM APPLICATION FOR FUNDS

**Please Type or Print Clearly and Answer Each Question** *(If Question Does Not Apply – Mark N/A).*

**Please Note:** The Information Contained in this portion of the document is Public Information and will **NOT** be Considered Confidential.

### A. APPLICANT INFORMATION:

Name of Entity Applying for Assistance: Becker Industries, LLC

Business Address: 1236 Main Avenue Crete NE 68333  
(City) (State) (Zip Code)

Contact Person: Alan Becker Telephone Number: 4023106090

Fax Number: \_\_\_\_\_ Email Address: alan.becker@hotworx.net

Federal Tax ID Number: 83-0909418

Type of Entity: ☒ Start-Up ☐ Buyout ☐ Existing

If Existing, Number of Years in Business in Crete: \_\_\_\_\_

### Business Classification: (Please Choose One)

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Retail      | <input type="checkbox"/> Manufacturing      | <input type="checkbox"/> Research & Development |
| <input type="checkbox"/> Headquarter            | <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Tourism                |
| <input type="checkbox"/> Warehouse/Distribution | <input type="checkbox"/> Government         | <input type="checkbox"/> Other                  |

### Business Type: (Please Choose One)

- |   |  |                                      |
|---|--|--------------------------------------|
| <input type="checkbox"/> Proprietorship | <input type="checkbox"/> Corporation         | <input type="checkbox"/> Partnership |
| <input checked="" type="checkbox"/> LLC | <input type="checkbox"/> Governmental Entity | <input type="checkbox"/> Other       |

Does the Company have a Parent or Subsidiaries? ☐ Yes ☒ No

If Yes, Please List Name: \_\_\_\_\_

Address: \_\_\_\_\_  
(City) (State) (Zip Code)

**Ownership Identification:** Please List all Officers, Directors, Partners, Owners, Co-owners and Stockholders.

Full Name	Title	Ownership Percentage
Alan Becker	Owner	50
Katie Becker	Owner	50

Which type of assistance is the entity applying for?

☒ Grant    ☐ Loan Guarantee If so, Lender? \_\_\_\_\_ ☐ Other

Explain: LB 840 Funds as applicable

What is the general purpose of the request (must be an allowed LB840/Economic Dev. Plan Project)?

☐ New Development    ☒ New Business Startup    ☒ Building Renovation    ☐ Public Works  
☒ Professional/Employee Recruitment    ☐ Promotion/Tourism    ☐ Job Training  
☐ Working Capital    ☐ Low - Moderate Income Housing    ☐ Workforce Housing  
☐ Technology    ☐ Plan Management    ☐ Technical Assistance    ☐ Equity Investment

Does the business qualify to receive any incentives from the State of Nebraska? ☐ Yes ☒ No ☐ DK

Has the business applied for any incentives from the State of Nebraska? ☐ Yes ☒ No

If yes, please explain: \_\_\_\_\_

Employee Information: (FTE = Full-Time Equivalent = 2,080 Hours/Per Year)

Number of Existing Full-Time Equivalent Employees: 0

Number of Full-Time Equivalent Positions to Be Created: 3

Will all of the Full-Time Equivalent Positions be Physically Located within the City of Crete, their Two- Mile Extraterritorial Jurisdiction or on Land Held in the Name of the City of Crete?

☒ Yes ☐ No

If no, please explain: \_\_\_\_\_

Does the Company Employ Any Seasonal Employees? ☐ Yes ☒ No

If Yes, How Many: \_\_\_\_\_  
 (Seasonal employees must work for at least three continuous months and the position must reoccur annually)

## B. PROJECT INFORMATION:

### Please provide a Brief Project Summary Description:

Becker Industries, LLC owns and maintains the property at 1236 Main Avenue, Crete, NE 68333. This property will soon be the location for a new fitness studio, HOTWORX Crete (corporate name: BoBuLi, LLC, dba HOTWORX Crete).

The HOTWORX studio will bring a national fitness franchise to Main Avenue, promoting community health and fellowship. This is a 24/7 facility that will enhance the presence of Main Avenue and drive economic activity from surrounding communities. This facility will employ at least three full-time employees and provide a fitness community for 300-400+ members.

In an effort to build out this national franchise, there will be lots of work to renovate the building at 1236 Main Ave. We are requesting grant funds and support from the City of Crete and LB840 to help with the swift nature of this building effort. Our estimate includes request for support in all areas of this plan.

Our goal is to be fully constructed, inspected and open by the end of Q1, 2022 (March 31, 2022). We appreciate your assistance and participation in this exciting project.

Alan & Katie Becker

Use of Funds	Total Project Cost	Econ Dev Funds Requested
Land or Building Acquisition	\$ 165,000.00	\$ 82,500.00
Renovation/Rehabilitation	\$ 175,000.00	\$ 87,500.00
New Construction	\$ 50,000.00	\$ 25,000.00
Machinery / Equipment Acquisition	\$ 80,000.00	\$ 40,000.00
Business / Employee Recruitment Activities	\$ 3,000.00	\$ 1,500.00
Technology Costs	\$ 8,000.00	\$ 4,000.00
Small Business Development	\$ 2,000.00	\$ 1,000.00
Working Capital (Includes Inventory)	\$ 10,000.00	\$ 5,000.00
Job Training	\$ 2,000.00	\$ 1,000.00
Other	\$	\$
Total Project Cost	\$ 495,000.00	
	Total LB840 Funds Requested:	\$ 247,500.00

## C. FUNDING SOURCES AND EQUITY INJECTION:

If Borrowing, Name of Lender: First Tri-County Bank, Swanton, NE

Loan Amount: CHF 320,000.00 Loan Term (Years): 20

Amount Injected Into the Project by Business/Partners/Owners:  
\$ 50,000.00

Other Funding Source(s) and Amount(s): \_\_\_\_\_

### C. PROJECT LOCATION:

Within the Crete City Limits?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Within the Crete Two-Mile Jurisdiction?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Land Owned by the City of Crete?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Not Located in Crete but for area benefit?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If Not in City Jurisdiction, please explain local benefit:

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D. **ATTACHMENTS:** - Please Include the Attachments that Apply to Your Entity – **See checklist Page 5.**

**Please Note:** The Information provided pursuant to this Section **Will** be Deemed Confidential and will not be Available for Public Disclosure.

- Business Plan: Brief Description of the Business
- Resumes of all Owners/Co-Owners/Directors/Partners/Stockholders
- For Existing Businesses – Three (3) Yearly Financial Statements
- For Existing Businesses – Current Financial Statements (Less Than Sixty (60) Days Old)
- For Existing Businesses - List of Current Obligations (Include Company Names and Amounts)
- For Start-Up Businesses – Current Business Plan
- For Start-Up Businesses – Three Year Projections
- Tax Returns – Previous Three (3) Years – Personal Tax Returns May be Required for Proprietorship
- Letter from Lending Institution if applicable
- If a Corporation, LLC or Other Legal Entity - Copy of Organizational Documents (Articles, Bylaws)
- Please Note that Other Financial Documents May Be Required

### E. APPLICANT SIGNATURE:

I certify that the information contained in this application and all attachments are correct to the best of my knowledge. By signing below, I authorize the City of Crete or their contracted representative to check my credit and the credit of all who are listed within this application. I understand that I must update my credit information if my financial situation changes.

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Applicant's Signature

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Date