



City of Grand Island

Tuesday, February 12, 2013

Council Session

Item I2

#2013-39 - Consideration of Amendment to Resolution No. 2010-207 for the Economic Development Incentive Agreement with Grand Island Area Economic Development Corporation

Staff Contact: Terry Brown, Interim Public Works Director

Council Agenda Memo

From: Mary Lou Brown, City Administrator

Meeting: February 12, 2013

Subject: Consideration of Amendment to Resolution No. 2010-207 for the Economic Development Incentive Agreement with Grand Island Area Economic Development Corporation

Item #'s: I-2

Presenter(s): Terry Brown, Interim Public Works Director

Background

At the May 2003 special election, the voters of the City of Grand Island approved LB840 funding to enable the City to extend economic development incentives through the Grand Island Economic Development Corporation. The Economic Development Corporation received an application from the Grand Island Area Economic Development Corporation (GIEDC) for LB840 funds in the amount of \$575,000.00 to be used exclusively for Public Works improvements at the Platte Valley Industrial Park East, which is owned by the applicant. On June 10, 2010 the Executive Board of the GIEDC approved submission of the attached Economic Development Agreement to the Citizens Review Committee (CRC) for consideration and recommendation. The CRC met on July 20, 2010 and approved the request and agreement for recommendation to the City Council for final action and approval.

At the July 27, 2010 City Council meeting Resolution No. 2010-207 was approved for the agreement between the City of Grand Island and the Grand Island Area Economic Development Corporation to provide \$575,000.00 in economic assistance to Grand Island Area Economic Development Corporation, to be used for Public Works improvements at the Platte Valley Industrial Park East. The applicant requested these funds to be used to provide water and sanitary sewer infrastructure.

Discussion

The accepted bid from The Diamond Engineering Co. of Grand Island, Nebraska for sanitary sewer installation was \$484,384.60 and \$778,524.96 for water installation. The reasoning for the lower cost of the sanitary sewer installation was that originally Grand

Island thought a lift station would be needed. After further investigation, a lift station is not needed at this time, leaving a project cost savings of approximately \$500,000.00. There was also a cost saving of approximately \$400,000.00 on water main, a total savings of \$900,000.00. Tap districts were set up for both the water and sanitary sewer services, which will aid in the repayment of this project.

With the lower than expected bids for the installation of water and sanitary sewer the Grand Island Area Economic Development Corporation is requesting to reallocate the \$575,000.00 of LB840 funds to allow for paving of Blaine Street, from Wildwood Drive to Schimmer Drive (see attached letter). The LB840 funds will be combined with the Community Development Block Grant (CDBG) as a match to the City funds to fully fund this paving project.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

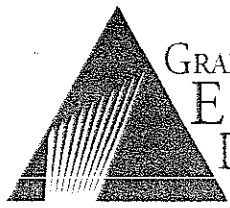
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council amend Resolution No. 2010-207 to allow for the \$575,000.00 of LB840 funds to be reallocated to the paving of Blaine Street from Wildwood Drive to Schimmer Drive.

Sample Motion

Move to approve the amendment of Resolution No. 201-207 to allow for the \$575,000.00 of LB840 funds to be reallocated to the paving of Blaine Street from Wildwood Drive to Schimmer Drive.



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

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P.O. Box 1151

GRAND ISLAND, NE 68802-1151

February 4, 2013

Mayor Jay Vavricek
Mary Lou Brown, City Administrator
Terry Brown, Public Works Interim Director
Cc: Robert Sivick, City Attorney
Jaye Monter, Finance Director
✓Catrina DeLosh
100 East First Street
Grand Island NE 68801

Re: CDBG #10-ED-010 Platte Valley Industrial Park East
City Resolution 2010-207

Dear Mayor Vavricek, Ms. Brown, and Mr. Brown:

On July 27, 2010 Grand Island Area Economic Development Corporation (GIAEDC) made application for \$575,000 of LB-840 funds to be used for public works improvements to Platte Valley Industrial Park East. The original application only referenced improvements to water and sewer. With the lower than expected bids, an excess of block grant funds could be reallocated to pave Blaine Street.

The Department of Economic Development approved the reallocation of block grant funds to include paving Blaine Street as noted in their correspondence of August 7, 2012.

The Grand Island Area Economic Development Corporation Board of Trustees addressed the reallocation of funding in their January 24, 2013 meeting and unanimously agreed to the reallocation of LB-840 funds as needed.

Therefore, the Grand Island Area Economic Development Corporation requests the City of Grand Island to amend its previous Resolution 2010-207 to include paving Blaine Street.

Respectfully

Marlan Ferguson
President



PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. **Applicant Business Name** Grand Island Area Economic Development Corp.

Address 308 North Locust, STE 400

Telephone () 381-7500

Email Address mferguson@grandisland.org

Business Contact Person Marlan Ferguson, President

Telephone () _____
2. **Business Organization:** ☒ Corporation ☐ Partnership
☐ Proprietor ☐ Other
3. **Business Type:** ☐ Startup ☒ Existing
☐ Business Buyout ☐ Spec Building
☐ Other _____
4. **Project Location:** ☒ Within the city limits of Grand Island, Nebraska
☐ Outside the city limits, but within the 2 mile zoning jurisdiction
☐ Outside the zoning jurisdiction of Grand Island in (county) _____
5. **Purpose of the Project:** This Application is made for funds to be used exclusively for Public Works Improvements at Platte Valley Industrial Park East which is owned by Applicant. The use of LB 840 Funds for this purpose is specifically authorized by the provisions of subparagraph 2) of paragraph B of Section III of the City of Grand Island Economic Development Program to provide

infrastructure for "qualifying businesses" defined in that program. Section 18-2705 of the Local Option Municipal Economic Development Act (known as LB 840) provides that assistance may be given to "qualifying business ... without regard to whether that business is identified at the time of the project or program is initiated or is to be determined by specified means at some time in the future."

Platte Valley Industrial Park East consists of 280 acres bounded on the North by Schimmer Drive, on the East by Blaine Street and on the South by Wildwood Drive and on the West by Platte Valley Industrial Park which is now developed.

Platte Valley Industrial Park East is one of the most often visited new industrial sites in the entire State of Nebraska. Prospective businesses show great interest in the site's access to US Highway 281, its proximity to I-80, and the City of Grand Island as well as access to railroad transportation. Their interest is enhanced by the eligibility of the site for tax increment financing and the over-all plan for the Park's development.

This public works project will benefit all businesses which are hereafter located in Platte Valley Industrial Park East. Applicant states that it will sell parcels of that Industrial Park only to "qualifying businesses" under LB 840. They will be specifically identified at the time of their purchases.

6. **Project Description:** Platte Valley Industrial Park East is presently undeveloped. The plan for its development includes paving Blaine Street with concrete, resurfacing Schimmer Drive and Wildwood Drive with asphalt paving, providing for storm water drainage to the Wood River Flood Control Diversion, as well as providing City water and sanitary sewer.

The staffs of the appropriate City offices and the Applicant have agreed that the entire development cost is too much to bear at once and that the highest priority must be given to providing City water and sanitary sewer. This Application is for funds to meet those needs. They have also agreed that this Application should be based upon providing:

(1) The City water system will be extended from its present termination at the intersection of Schimmer Drive and Blaine Street South along Blaine Street to Wildwood Drive and then West along Wildwood Drive to Gold Core Drive where it will form a loop by connecting to the City water at that place. This loop is necessary to provide continuous water pressure required by the City's Fire Department. This will also lower fire insurance rates. (Engineering is now under way West of South Locust Street to provide a City water loop near Riverside Lodge.)

(2) The City Sanitary Sewer System is to be extended along Schimmer Drive to Blaine Street and along Wildwood Drive to Blaine Street which will make it serviceable to Platte Valley Industrial Park East on both its North side and its South side.

FINANCING

The State of Nebraska has provided the Applicant and the City with a Community Development Block Grant making Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00) available for public works at the Platte Valley Industrial Park East provided that the Applicant and the City match the Grant with another Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00).

The cost of providing the extension of City Water (One Million Two Hundred Thousand and No/100 Dollars) (\$1,200,000.00) and the City Sanitary Sewer (One Million and No/100 Dollars) (\$1,000,000.00) are estimated to cost a total of Two Million Two Hundred Thousand and No/100 Dollars) (\$2,200,000.00). The Application of the existing available balance of Five Hundred Seventy-five Thousand and No/100 Dollars (\$575,000.00) of LB 840 Funds to the Water and Sewer Infrastructure with the City contributing an additional Seven Hundred Thousand and No/100 Dollars (\$700,000.00) and the State's Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00) Grant will provide the startup money of Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000.00).

Therefore, the Grand Island Area Economic Development Corporation requests that Five Hundred Seventy-five Thousand and No/100 Dollars (\$575,000.00) of LB 840 Funds be used for the Water and Sanitary Improvements, subject the project being approved for construction by the City of Grand Island.

7. **Project Timetable:** Some preliminary engineering has already been completed. Once approved, the project will commence and be completed within a one (1) year period.
8. **Financing/Incentives Requested:** The Grand Island Area Economic Development Corp. is asking for \$575,000 for part of matching funds under a State Community Development Block Grant for infrastructure for the development of Platte Valley Industrial Park East.

NOTE: Additional Information may be required and made part of this application by attachment.

To the best of my knowledge, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporation (GIAEDC).

By: Marlan Ferguson
Marlan Ferguson

President
Title

Date: 06/10/2010

Grand Island Area Economic Development LB-840 Project Application

Project Name: Platte Valley Industrial Park East

Date Referred to Grand Island Area Economic Development Board: June 10, 2010

Approved: X Disapproved: _____ Date: June 10, 2010

Comments: _____

Signature of Officer: Roger Bullington
Roger Bullington, 2nd Vice Chairman

Date Referred to Citizen's Review Committee: July 20, 2010

Approved: X Disapproved: _____ Date: July 20, 2010

Comments: _____

Signature of Chairman: Mark Stelk
~~John Renter~~ Mark Stelk.

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Margaret Hornady

RESOLUTION 2013-39

WHEREAS, on July 22, 2003 the City of Grand Island adopted an Economic Development Program and a Citizens Review Committee to oversee the process of approving applications for economic development incentives; and

WHEREAS, Grand Island Area Economic Development Corporation (GIAEDC) applied for a forgivable loan in the amount of \$575,000.00 towards Public Works improvements at the Platte Valley Industrial Park East from the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program; and

WHEREAS, such application was approved by the executive committee of the Economic Development Corporation and was approved on July 20, 2010 by the Citizens Review Committee, and

WHEREAS, it is in the best interests of the City to provide economic development funding to the Grand Island Area Economic Development Corporation as provided by the Grand Island Economic Development Program; and

WHEREAS, on July 27, 2010 by Resolution No. 2010-207 City Council approved the Economic Development Agreement by and between the City of Grand Island and the Grand Island Area Economic Development Corporation to provide \$575,000.00 in economic assistance to Grand Island Area Economic Development Corporation to be used for Public Works improvements (installation of sanitary sewer and water) at the Platte Valley Industrial Park East in Grand Island; and

WHEREAS, with the lower than expected bids for the installation of water and sanitary sewer the Grand Island Area Economic Development Corporation is requesting to reallocate the \$575,000.00 of LB840 funds to allow for paving of Blaine Street, from Wildwood Drive to Schimmer Drive; and

WHEREAS, the City has created a water and sanitary sewer district to aid in the funding of both utility installations for the Platte Valley Industrial Park East.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the reallocation of the \$575,000.00 of LB840 funds to allow for paving of Blaine Street, from Wildwood Drive to Schimmer Drive is hereby approved.

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|---------------------|---------------|
| Approved as to Form | by _____ |
| February 8, 2013 | City Attorney |

Adopted by the City Council of the City of Grand Island, Nebraska, February 12, 2013.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk