



# City of Grand Island

Tuesday, May 28, 2013

Council Session

## Item I-5

**#2013-162 - Consideration of Economic Development Incentive Agreement with Central Community College**

Staff Contact: Mary Lou Brown

# **Council Agenda Memo**

**From:** Mary Lou Brown, City Administrator

**Meeting:** May 28, 2013

**Subject:** Economic Development Incentive Agreement with  
Central Community College

**Item #'s:** I-5

**Presenter(s):** Ann Martin, Chair of the Grand Island Area Economic  
Development Corporation Board of Trustees

## **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 Area Economic Development Corporation (GIAEDC). The Economic Development Corporation has received an application from Central Community College for additional equipment in the Industrial Academy. On April 18, 2013, the GIAEDC Board of Trustees approved submission of the attached Economic Development Agreement to the Citizens Review Committee (CRC) for consideration and recommendation. The CRC met on May 21, 2013 and denied the request and agreement for recommendation to the City Council for final action.

## **Discussion**

Central Community College has submitted the required application (see attached) for an amount of \$95,000.00. Proposed is the purchase of additional equipment for the Industrial Academy.

Central Community College Industrial Academy assists the development of Grand Island's workforce by providing career and technical education for welders and machinists. The local industries have a hard time finding and keeping machinists, welders, assemblers, and operators. With the additional equipment, Central Community College Industrial Academy will be in a position to train 25 traditional students, 20 high school students, and 30 additional students in their night lab. The new equipment will help stimulate the economic growth in the Grand Island area and will help train 75 students on a daily basis for years to come.

## **Alternatives**

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

1. Move to approve the Economic Development Agreement with Central Community College.
2. Do not approve the Economic Development Agreement with Central Community College.
3. Postpone the issue to future date.
4. Take no action on the issue.

## **Recommendation**

While the Resolution advances to the Council without the support of the Citizens' Review Committee, City Administration believes the request deserves Council consideration and discussion.



## PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Central Community College  
  
Address 3134 West Highway 34, Grand Island NE 68801  
  
Telephone ( 308 ) 398-7406  
  
Email Address mcalvert@cccneb.edu  
  
Business Contact Person Dr. Michael Calvert  
  
Telephone ( 308 ) 398-7400
2. Business Organization: ☐ Corporation ☐ Partnership  
☐ Proprietor ☒ Other Job Training
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. Product or Services Provided: Welders and machinists are in critical short supply in Grand Island. Central Community College is continuing to improve their existing career and technical education program by expanding and improving the Industrial Academy. Our local industries have a hard time finding and keeping machinists, welders, assemblers, and operators. The additional equipment will provide the necessary tools to educate Grand Island future and existing workforce.

6. Project Description: Central Community College Industrial Academy assists the development of Grand Island's workforce. With approval of this application, the college will be in a position to train 25 traditional students, 20 high school students, and 30 additional students in their night lab. This equates to 75 individuals being trained daily for jobs in Grand Island.

7. Project Timetable: The new "Turn Key" welding stations need to be operational by August 1, 2013.

8. Employment Information: **NOT APPLICABLE**

Current number of employees \_\_\_\_\_ (full-time equivalent)

Proposed number of employees \_\_\_\_\_ (full-time equivalent)

What is the average hourly wage for all employees? \_\_\_\_\_

Number of new jobs to be created \_\_\_\_\_ (full-time equivalent)

What would be the average hourly wage for new jobs? \_\_\_\_\_

Number of jobs to be retained, if any \_\_\_\_\_ (full-time equivalent)


Please describe all benefits which the business provides to employees:

\_\_\_\_\_  
\_\_\_\_\_

9. Financing/Incentives Requested: Central Community College is requesting a \$95,000  
grant for additional equipment in the Industrial Academy. The new equipment will help  
stimulate the economic growth in the Grand Island area. The grant will help train 75 students,  
on a daily basis, for years to come.

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:   
Name  
Campus President, CCC  
Title  
Date: 4-23-13

## Grand Island Area Economic Development LB-840 Project Application

Project Name: \_\_\_\_\_

Date Referred to Grand Island Area Economic Development Board: \_\_\_\_\_ 11-Apr-13

Approved:   X   Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_ 18-Apr-13

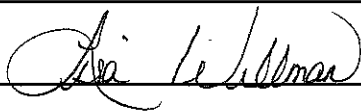
Comments: According to Ordinance 8832, enacted by City Council on August 12, 2003, this  
application does qualify under Section III B, Eligible Activities, number 5 & 7, as it allows  
grants for job training and incentives to stimulate the economic growth of Grand Island.

Signature of President:   
Marlan Ferguson

Date Referred to Citizen's Review Committee: May 21, 2013

Approved: \_\_\_\_\_ Disapproved:   X   Date: 5/21/2013

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Chairman:   
Lisa Willman

Date Referred to City Council: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Mayor: \_\_\_\_\_  
Jay Vavricek

## ECONOMIC DEVELOPMENT AGREEMENT

This Agreement made by the City of Grand Island, Nebraska (City) and the Grand Island Area Economic Development Corporation (EDC) with Central Community College (CCC) does hereby set forth the terms and conditions of a forgivable economic development loan requested by CCC and granted by the City and the EDC as follows:

### I. INTRODUCTION

A. CCC has filed with the City and EDC a Project Application for Economic Development Programs (Application). In the Application, CCC stated it needed to purchase a sufficient number of welding stations to increase its capacity for training welders by an additional seventy-five (75) students. Grand Island area manufacturers are facing a critical shortage of welders to carry out necessary work. This shortage not only affects the economic prospects and growth of those manufacturers but the entire Grand Island area economy.

B. The City and the EDC find CCC is a qualifying business under the City's Economic Development Program, the CCC project qualifies for economic incentives under the Program, the project will be of substantial economic benefit to the people of Grand Island and its surrounding area, and the forgivable economic development loan set forth below constitutes a fulfillment of the major objective of the City's Economic Development Plan.

### II. FORGIVABLE ECONOMIC LOAN CONDITIONS AND DISBURSEMENT

The disbursement of the Forgivable Economic Development Loan in an amount not to exceed Ninety-Five Thousand Dollars (\$95,000.00) shall be paid to CCC by the City upon approval of this Agreement by the Grand Island City Council (Council) and CCC meeting the following conditions:

A. That after this Agreement is approved by the Council but no later than August 1, 2013, CCC shall purchase welding stations to be used for training students enrolled at the CCC Grand Island campus.

B. Any welding stations purchased with funds from the forgivable economic development loan will be located at the CCC Grand Island campus and may not be sold, leased, lent, gifted,



or relocated prior to August 1, 2018 without the prior written permission of the City.

C. CCC agrees to inform the City and EDC within three (3) business days of any of the welding stations purchased pursuant to this Agreement being lost, stolen, destroyed, or damaged beyond repair along with all pertinent information related to any such event occurring on or before August 1, 2018.

D. Within thirty (30) days of making purchases of welding stations pursuant to the conditions set forth in paragraphs II A and B of this Agreement but no later than September 1, 2013, CCC shall provide proof of said purchases to the City and EDC.

E. Upon CCC meeting the conditions set forth in paragraphs II A, B, and C of this Agreement, the City shall reimburse CCC for the amount used to purchase welding stations up to a maximum amount of Ninety-Five Thousand Dollars (\$95,000.00).

### III. ECONOMIC DEVELOPMENT LOAN FORGIVENESS

The City shall forgive the entire amount of the economic development loan disbursed to CCC if CCC complies with the conditions set forth in paragraph II of this Agreement.

### IV. BREACH OF AGREEMENT

A. In the event CCC fails to comply with any of the terms as set forth in this Agreement, the City and/or the EDC may declare it to be in breach. Any such declaration shall be in writing, signed by a person authorized to make such a declaration, and delivered by Certified U.S. Mail, Return Receipt Requested to CCC at its last known address.

B. In the event the City and/or the EDC declares CCC to be in breach, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph III of this Agreement shall become immediately due and owing by CCC to the City.

C. In the event the City and/or the EDC declares CCC to be in breach, any monies disbursed by the City, not forgiven pursuant to the terms of paragraph III of this Agreement, and unpaid shall accrue interest at the rate of eight percent (8%) per annum.

## V. COMMUNICATION

A. CCC agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or the EDC related to CCC's compliance with the terms of this Agreement. All responses to such inquiries shall be in writing and provided to the City and the EDC at the following addresses:

1. Grand Island City Administrator  
100 East First St.  
P.O. Box 1968  
Grand Island, NE 68802-1968
2. Grand Island Area Economic Development Corp.  
308 North Locust St., Suite 400  
P.O. Box 1151  
Grand Island, NE 68802-1151

B. CCC agrees to inform the City and the EDC of any changes in its address, telephone number, or email address within three (3) business days of such changes.

## VI. LEGAL EFFECT

Notwithstanding the other provisions of this Agreement, CCC specifically agrees to the following:

A. If CCC is acquired, absorbed, or merged with any other person or entity, the terms of this Agreement shall continue to be in force on any such successor entity.

B. If CCC ceases operations in Grand Island at any time while this Agreement is in force, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph III of this Agreement shall become immediately due and owing to the City, and any monies owed shall accrue interest at the rate of eight percent (8%) per annum until paid in full.

C. If any provision of this Agreement is declared void or illegal by a Court of law, all other unaffected provisions shall remain in full force and effect.

D. This document constitutes the entirety of the terms and conditions of this Agreement. This Agreement shall not be altered or modified in any way unless agreed to by all parties thereto, memorialized in writing, and executed by the parties.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

GRAND ISLAND AREA ECONOMIC  
DEVELOPMENT CORPORATION

By Marlan Ferguson  
Marlan Ferguson, President

CENTRAL COMMUNITY COLLEGE

By Larry C. D. Oliver  
Larry C. Oliver  
College Business Officer

THE CITY OF GRAND ISLAND

By \_\_\_\_\_  
Jay Vavricek, Mayor

RESOLUTION 2013-162

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

WHEREAS, Central Community College has applied for a forgivable loan for new equipment in the Central Community College Industrial Academy in the amount of \$95,000.00 from the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program; and

WHEREAS, such application has been approved by the Grand Island Area Economic Development Corporation Board of Trustees and was denied on May 21, 2013 by the Citizens Advisory Review Committee; and

WHEREAS, Central Community College will be required to meet or exceed the Economic Development Agreement to retain all of the economic incentives granted under the agreement; and

WHEREAS, it is in the best interests of the City to provide economic development funding to Central Community College as provided by the Grand Island Economic Development Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Economic Development Agreement by and between the City, the Grand Island Area Economic Development Corporation and Central Community College, to provide \$95,000.00 in economic assistance to Central Community College, to be used for new equipment is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 28, 2013.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 24, 2013	☐ City Attorney