



City of Grand Island

Tuesday, September 24, 2013

Council Session

Item E-3

**Public Hearing on Annual Report by the Grand Island Area
Economic Development Corporation/Citizens' Review Committee
on the Economic Development Program Plan**

Staff Contact: Randy Gard, EDC President

Council Agenda Memo

From: Mary Lou Brown, City Administrator

Meeting: September 24, 2013

Subject: Public Hearing Concerning the Annual Report by the Citizens' Review Committee on the Economic Development Program Plan

Item #'s: E-3 & G-7

Presenter(s): Randy Gard, EDC President
Mark Stelk, Vice-Chairman Citizens' Review Committee

Background

The voters of the City of Grand Island approved an economic development plan at the May 6, 2003 election. Subsequent to the election, the city has adopted an ordinance that establishes the economic development plan and a Citizens' Advisory Review Committee to oversee the process of approving applications for economic development incentives. The Citizens' Advisory Review Committee is required by State Statute and the Grand Island City Code to make an annual report to the City Council. This is the last annual report to be received under the initial economic development plan that is ending September 30, 2013.

Discussion

The Citizens' Advisory Review Committee has been conducting regular meetings during the last six months as required by the City Code and the Nebraska Statutes. The committee received the annual report from the Economic Development Corporation at its meeting of September 10, 2013 and voted to forward it on to the City Council for its review and acceptance.

Alternatives

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

1. Accept the annual report of the Citizens' Advisory Review Committee.
2. Do not accept the annual report of the Citizens' Advisory Review Committee.

Recommendation

City Administration recommends that the Council accept the annual report of the Citizens' Advisory Review Committee.

Sample Motion

Move to accept the annual report of the Citizens' Advisory Review Committee.

Grand Island Area Economic Development Corporation

“GIAEDC”



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The Landscape has Changed

In the arena of global economic competition no country, state, city, or business has a safe haven.

Likewise, organizations that are focused on growth and make themselves competitive have a much better chance at opportunities than ones who do not.

We collectively must adapt to external changes!



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What Makes a City Competitive?

- **Economic Strength** (positive growth rates)
- **Financial Maturity** (capital accessibility)
- **Physical Capital** (infrastructure, telecom)
- **Institutional Effectiveness** (govt, taxation, law)
- **Environmental and Natural Hazards** (risk of disaster)
- **Social and Cultural Character** (safety, human rights, openness)
- **Human Capital** (population growth, education, healthcare)
- **Global Appeal** (air travel, higher education, incentives)



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Competitive Assessment

Grand Island *“Advantages”*

- Workforce Quality (Grand Island work ethic)
- Business Climate (aggressive, creative)
- Central Location (from anywhere to here)
- Quality of Life (schools, activities, retail)
- Customer Base (centralized in the U.S.)

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Competitive Assessment

Grand Island *“Disadvantages”*

- Workforce Availability (difficult at best)
- Rural (perception)
- Taxes (individual)
- Weather (winter)
- Telecom Infrastructure (slow, gaps)

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Current Local Business Climate

(What we say about ourselves)

- Central Community College
- Career Pathways Institute
- Space (Lots of it but mix needs adjusted)
- Central Nebraska Regional Airport
- Very little venture capital (out here)
- Connection to Department of Economic Development

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Top 8 Growth Segments (clusters)

- Manufacturing
- Agriculture, Food Processing, Agricultural Machinery
- Business Management, Administration, Financial, Software, Computer Services
- Transportation, Warehousing, Distribution/Logistics
- Biosciences (fertilizer, medical products, medical)
- Health Services
- Hospitality/Tourism
- Renewable Energy (fuels, hydro, solar, wind)

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Employment Projections



• Manufacturing	+1.13%	+0.00%
• Software/Comp. Sciences	+0.00%	+3.80%
• R&D Services	+1.50%	+2.00%
• Health Service	+1.00%	+1.60%
• Business Management	+2.50%	+1.40%
• Transportation	+1.90%	+1.60%
• Warehousing	+1.90%	+1.60%
• Distribution/Logistics	+1.90%	+1.60%
• Waste Management	+1.87%	N/A
• Financial Services	+0.83%	+1.3%
• Bio Fuels	2X to \$112 billion	
• Wind Power	2X to \$114 billion	



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Innovation Based Economy

- Talent
- Entrepreneurial Activity
- Risk Capital
- Research & Development
- Intellectual Property Generation and Technology Transfer

We need to develop/maximize the ways and means to expand these areas to improve our competitive advantage

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Our Vision

GIAEDC

MUST

*Become a State and Regional
Leader in Economic Development*



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Value Proposition

- We have a vast portfolio of available locations for growth.
- Aggressive incentives to help drive current and new business expansion. (*LB-840, Tax Increment Financing*)
- Educational pipeline to support human resource requirements.
- Strong collaboration between local organizations to aid businesses achieve their goals.
- Transportation services that make it possible to get here from anywhere.



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Top Priorities

- #1 Conversion to a global electronic footprint*
- #2 Realign our portfolio offerings to become more competitive*
- #3 Work with educators to drive the pipeline of talent*
- #4 Develop a pool of available funds to aid growth*
- #5 Quantify our competitive advantage and foster it's growth*
- #6 Connection to the top 25 site consulting companies*
- #7 Must give equal attention to internal and external opportunities*
- #8 Must be easy to do business with*



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Cornhusker Industrial Park



Platte Valley Industrial Park East

Site Portfolio



Platte Valley Industrial Park



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Proprietor Sites



Hall County Airport Authority



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Commercial/Retail/Business

- Retail Locations
- Office/Business Locations
- Commercial Locations



Cooperation with the
Grand Island Chamber of Commerce
utilizing Swiftsite



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Your Continued Investment Will Help Us...

- Understand our emerging market and job opportunities
- Drive job creation utilizing GIAEDC
- Expand the connection to Nebraska Department of Economic Development in Lincoln
- Focus on creating value for existing businesses as well as external opportunities
- Convert to a “***direct benefit***” business model



EDC Utilization of \$350,000

Community Marketing \$154,000

Community Support
\$30,000

Prospect Development
\$70,000

Website Development
\$20,000

Printing
\$2,000

Travel
\$12,000

Professional Fees
\$20,000

Office \$8,000

Office
Equipment/Repairs
\$3,000

Supplies/Software
\$3,000

Postage
\$2,000

Land Debt
\$0.00

Property Taxes
\$0.00

Occupancy \$28,000

Rent
\$16,000

Utilities
\$3,000

Telecommunications
\$4,000

Insurance
\$4,000

Janitorial
\$1,000

Administration \$160,000

Salaries
\$110,000

Insurance/Retirement
\$38,000

Conference Fees
\$2,000

Employment Taxes
\$10,000



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Proposed Funding

- Funding is a critical component to the execution of the plan
- Now is the time to become even more competitive on a local, regional, national, and global basis
- EDC's mission is clear...



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Our Mission

**The sole purpose of the EDC
is the creation, retention and
expansion of primary jobs in
the Grand Island area**



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Ann Martin
Idea Bank
Marketing



Vice Chairman
Tom Pirnie
G.I. Express



Secretary/Treasurer
Tom Gdowski
Equitable Bank



Elected Trustee
Galen Stehlik
Lauritsen Law Firm



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Westering Enterprises



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Jerry's Sheetmetal



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2013 Advisory Board



Pam Lancaster
Hall Co. Board
of Supervisors



Dave Koubek
Chamber of
Commerce
Chairman



Mary Lou Brown
City Administrator



Jim Hartman
NorthWestern
Energy



Mayor Jay
Vavricek



Alan Hartley
Central
Community
College



Randy Kissinger
NE Workforce



Bob Niemann
G.I. City Council



Mike Olson
Hall Co. Airport
Authority



Cindy Johnson
G.I. Area Chamber
of Commerce



Dr. Rob Winter
G.I. Public
Schools



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**We drive our
economy by
creating good jobs**



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Grand Island Area Economic Development Corporation



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