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# City of Grand Island



**Tuesday, August 26, 2014**  
**Council Session - Updated Packet**

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**City Council:**

**Linna Dee Donaldson**  
**John Gericke**  
**Peg Gilbert**  
**Chuck Haase**  
**Julie Hehnke**  
**Kent Mann**  
**Vaughn Minton**  
**Mitchell Nickerson**  
**Mike Paulick**  
**Mark Stelk**

**Mayor:**

**Jay Vavricek**

**City Administrator:**

**Mary Lou Brown**

**City Clerk:**

**RaNae Edwards**

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**7:00 PM**  
**Council Chambers - City Hall**  
**100 East 1st Street**

### **Call to Order**

This is an open meeting of the Grand Island City Council. The City of Grand Island abides by the Open Meetings Act in conducting business. A copy of the Open Meetings Act is displayed in the back of this room as required by state law.

The City Council may vote to go into Closed Session on any agenda item as allowed by state law.

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**Invocation - Pastor Darren Guthridge, Trinity United Methodist Church, 511 North Elm Street**

**Pledge of Allegiance**

**Roll Call**

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### **A - SUBMITTAL OF REQUESTS FOR FUTURE ITEMS**

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

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### **B - RESERVE TIME TO SPEAK ON AGENDA ITEMS**

This is an opportunity for individuals wishing to provide input on any of tonight's agenda items to reserve time to speak. Please come forward, state your name and address, and the Agenda topic on which you will be speaking.



# **City of Grand Island**

**Tuesday, August 26, 2014**

**Council Session - Updated**

## **Item C-1**

### **Presentation of the Grand Island Fire Department's Citizen's Citation Award to Megan Gangwish and Deb O'Hara**

**Staff Contact: Cory Schmidt, Fire Chief**

# Council Agenda Memo

**From:** EMS Division Chief Russ Blackburn  
**Meeting:** August 26, 2014  
**Subject:** Citizen's Citation  
**Item #'s:** C-1  
**Presenter(s):** EMS Division Chief Russ Blackburn

## Background

Every day, about ten people die from unintentional drowning. Of these, two are children aged 14 or younger. Drowning ranks fifth among the leading causes of unintentional injury death in the United States.

More than 50% of drowning victims treated in emergency departments (EDs) require hospitalization or transfer for further care (compared with a hospitalization rate of about 6% for all unintentional injuries). These nonfatal drowning injuries can cause severe brain damage that may result in long-term disabilities such as memory problems, learning disabilities, and permanent loss of basic functioning (e.g., permanent vegetative state).

Children ages 1 to 4 have the highest drowning rates. In 2009, among children 1 to 4 years old who died from an unintentional injury, more than 30% died from drowning. Among children ages 1 to 4, most drownings occur in home swimming pools. Drowning is responsible for more deaths among children 1-4 than any other cause except congenital anomalies (birth defects). Among those 1-14, fatal drowning remains the second-leading cause of unintentional injury-related death behind motor vehicle crashes.

Learn Cardiopulmonary Resuscitation (CPR). In the time it takes for paramedics to arrive, your CPR skills could save someone's life. (CDC website, Unintentional Drowning: Get the Facts)

## Discussion

On July 4, 2014 there was party of family and friends at a house on Midaro Drive. Children had been swimming in a nearby sand pit lake with lifejackets on and adult supervision. The children were called out of the water because it was time to eat. A father went up to the house to get his daughter some food. Without anyone knowing, his daughter went out on the dock on the lake. When he returned with the food he could not

find his daughter. His daughter was found floating in the lake lifeless. The father pulled his daughter from the lake to the lawn and called for someone to call 9-11.

Megan Gangwish heard the call for help. Megan a recent nursing school graduate and experienced Emergency Room Technician ran to help. She started doing chest compressions on the “purple,” pulseless, and not breathing child.

As people ran to the house to call for help Deb O’hara heard what had happened. Deb a nurse for 38 years also ran to help. Deb found Megan doing chest compressions so she started mouth to mouth ventilations on the child.

After chest compressions and about six artificial ventilations over the course of about 1 minute, the child started to breathe on her own coughing up water. This is the state the paramedics found her upon their arrival. The patient continued to regain consciousness during the ambulance trip to the hospital. She was talking to the paramedic by the time they arrived at the hospital.

The girl has made a full recovery. She remembered tripping on the dock and falling into the water. If it had not been for Ms. Gangwish’s and Ms. O’Hara’s bystander CPR this story could have had a much sadder ending.

### **Recommendation**

It is recommended that Megan Gangwish and Deb O’Hara be presented with the Grand Island Fire Department’s Citizen’s Citation for their life saving efforts on July 4, 2014.



# **City of Grand Island**

**Tuesday, August 26, 2014**

**Council Session - Updated**

## **Item E-1**

**Public Hearing on Request from Jacqueline E. Bowen dba j. elizabeth and the Happy Brush, 305 West 3rd Street for a Class “I” Liquor License**

**Staff Contact: RaNae Edwards**

# Council Agenda Memo

**From:** RaNae Edwards, City Clerk

**Meeting:** August 26, 2014

**Subject:** Public Hearing on Request from Jacqueline E. Bowen dba j. elizabeth and the Happy Brush, 305 West 3<sup>rd</sup> Street for a Class “I” Liquor License

**Item #'s:** E-1 & I-1

**Presenter(s):** RaNae Edwards, City Clerk

## Background

Section 4-2 of the Grand Island City Code declares the intent of the City Council regarding liquor licenses and the sale of alcohol.

### **Declared Legislative Intent**

- It is hereby declared to be the intent and purpose of the city council in adopting and administering the provisions of this chapter:
- (A) To express the community sentiment that the control of availability of alcoholic liquor to the public in general and to minors in particular promotes the public health, safety, and welfare;
  - (B) To encourage temperance in the consumption of alcoholic liquor by sound and careful control and regulation of the sale and distribution thereof; and
  - (C) To ensure that the number of retail outlets and the manner in which they are operated is such that they can be adequately policed by local law enforcement agencies so that the abuse of alcohol and the occurrence of alcohol-related crimes and offenses is kept to a minimum.

## Discussion

Jacqueline E. Bowen dba j. Elizabeth and the Happy Brush, 305 West 3<sup>rd</sup> Street has submitted an application for a Class “I” Liquor License. A Class “I” Liquor License allows for the sale of alcohol on sale inside the corporate limits of the city.

City Council action is required and forwarded to the Nebraska Liquor Control Commission for issuance of all licenses. This application has been reviewed by the Clerk, Building, Fire, Health, and Police Departments.

## **Alternatives**

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

1. Approve the application.
2. Forward to the Nebraska Liquor Control Commission with no recommendation.
3. Forward to the Nebraska Liquor Control Commission with recommendations.
4. Deny the application.

## **Recommendation**

Based on the Nebraska Liquor Control Commission's criteria for the approval of Liquor Licenses, City Administration recommends that the Council approve this application.

## **Sample Motion**

Move to approve the application for Jacqueline E. Bowen dba j. Elizabeth and the Happy Brush, 305 West 3<sup>rd</sup> Street for a Class "T" Liquor License contingent upon final inspections and completion of a state approved alcohol server/seller training program.



08/19/14  
14:29

Grand Island Police Department  
LAW INCIDENT TABLE

450  
Page: 1

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City : Grand Island
Occurred after : 09:19:00 08/12/2014
Occurred before : 09:19:00 08/12/2014
When reported : 09:19:00 08/12/2014
Date disposition declared : **/**/****
Incident number : L14081294
Primary incident number :
Incident nature : Liquor Lic Inv Liquor Lic Inv
Incident address : 305 3rd St W
State abbreviation : NE
ZIP Code : 68801
Contact or caller :
Complainant name number :
Area location code : PCID Police - CID
Received by : Vitera D
How received :
Agency code : GIPD GIPD Grand Island Police Dept
Responsible officer : Vitera D
Offense as Taken :
Offense as Observed :
Disposition : ACT Active
Misc. number : RaNae
Geobase address ID : 11404
Long-term call ID :
Clearance Code : CL CL Case Closed
Judicial Status :

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INVOLVEMENTS:

Px	Record #	Date	Description	Relationship
NM	40655	08/12/14	Bowen, Stephen T	Owner
NM	128294	08/12/14	Bowen, Jacqueline E	Owner

LAW INCIDENT CIRCUMSTANCES:

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Se Circu Circumstance code      Miscellaneous
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1  LT24  LT24 Specialty Store

```

IMAGE CODES FOR INCIDENT:

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Seq Imag Image code for a users description field
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1  DOC  DOCUMENT      Mobile Report

```

LAW INCIDENT NARRATIVE:

Liquor License Investigation

I received a copy of a Class I (beer, wine, distilled spirits, on sale only) Individual Liquor License application from Jacqueline Bowen for a business called j. elizabeth and the Happy Brush.

LAW INCIDENT OFFENSES DETAIL:

Se	Offe	Offense code	Arson	Dama
1	AOFF	AOFF Alcohol Offense		0.00

LAW INCIDENT RESPONDERS DETAIL:

Se	Responding offi	Unit n	Unit number
1	Vitera D	318	Vitera D

LAW SUPPLEMENTAL NARRATIVE:

Seq	Name	Date
1	Vitera D	13:06:41 08/15/2014

318

Grand Island Police Department  
Supplemental Report

Date, Time: Fri Aug 15 13:06:57 CDT 2014  
Reporting Officer: Vitera  
Unit- CID

I received a copy of a Class I (beer, wine, distilled spirits on sale only) Individual Liquor License application from Jacqueline "Jackie" Bowen for a business called "j. elizabeth and the Happy Brush." According to the application, Jackie is married to Stephen Bowen. I did not see where Stephen had signed a Non-Participation agreement.

Jackie included a detailed business plan which states in part "The mission of j. elizabeth is to create and recreate art from a variety of repurposed items, especially reclaimed window sashes." 'The Happy Brush' has a separate entrance and will be open for regular hours and for private parties. The idea behind it is that it combines a 'paint-your-own' studio where customers can come in during business hours and pick out a blank canvass or piece of ceramic pottery to paint." There will also be two rooms that can be rented for birthday, Christmas, and bachelorette parties. Whether a customer is painting during normal business hours, taking a painting class, or attending a party of some sort, alcoholic beverages will be available in all of those situations.

While examining the application, the only issue that jumped out at me is the fact that a church (Iglesia Evangelica Pentecostes) across the street is within 150' of the proposed business. There is a page in the application that says Jackie submitted assessor's documents which puts the corner of the church 137 feet from the corner of Jackie's building. I

did not measure it myself. The Wine Bar is also within 150 of the church. Nebraska State Statute 53-177 says:

(1) Except as otherwise provided in subsection (2) of this section, no license shall be issued for the sale at retail of any alcoholic liquor within one hundred fifty feet of any church, school, hospital, or home for aged or indigent persons or for veterans, their wives or children. This prohibition does not apply (a) to any location within such distance of one hundred fifty feet for which a license to sell alcoholic liquor at retail has been granted by the commission for two years continuously prior to making of application for license, (b) to hotels offering restaurant service, to regularly organized clubs, or to restaurants, food shops, or other places where sale of alcoholic liquor is not the principal business carried on, if such place of business so exempted was established for such purposes prior to May 24, 1935, or (c) to a college or university in the state which is subject to section 53-177.01.

(2) If a proposed location for the sale at retail of any alcoholic liquor is within one hundred fifty feet of any church, a license may be issued if the commission gives notice to the affected church and holds a hearing as prescribed in section 53-133 which states:

(1) The commission shall set for hearing before it any application for a retail license, craft brewery license, or microdistillery license relative to which it has received:

(a) Within forty-five days after the date of receipt of such application by the city, village, or county clerk, a recommendation of denial from the city, village, or county;

(b) Within ten days after the receipt of a recommendation from the city, village, or county, or, if no recommendation is received, within forty-five days after the date of receipt of such application by the city, village, or county clerk, objections in writing by not less than three persons residing within such city, village, or county, protesting the issuance of the license. Withdrawal of the protest does not prohibit the commission from conducting a hearing based upon the protest as originally filed and making an independent finding as to whether the license should or should not be issued;

(c) Within forty-five days after the date of receipt of such application by the city, village, or county clerk, objections by the commission or any duly appointed employee of the commission, protesting the issuance of the license; or

(d) An indication on the application that the location of a proposed retail establishment is within one hundred fifty feet of a church as described in subsection (2) of section 53-177.

(2) Hearings upon such applications shall be in the following manner: Notice indicating the time and place of such hearing shall be mailed or electronically delivered to the applicant, the local governing body, each individual protesting a license pursuant to subdivision (1)(b) of this section, and any church affected as described in subdivision (1)(d) of

this section, at least fifteen days prior to such hearing. The notice shall state that the commission will receive evidence for the purpose of determining whether to approve or deny the application. Mailing or electronic delivery to the attorney of record of a party shall be deemed to fulfill the purposes of this section. The commission may receive evidence, including testimony and documentary evidence, and may hear and question witnesses concerning the application. The commission shall not use electronic delivery with respect to an applicant, a protestor, or a church under this section without the consent of the recipient to electronic delivery.

After noticing that the business will be within 150' of a church, I continued to peruse the application. I observed that Jackie and Stephen didn't disclose any criminal convictions, the building where their proposed business will be located has not had a liquor license within the last two years, and they have never had a liquor license before. The Bowen's have lived in Grand Island since at least 1997.

I checked on the Bowen's through Spillman and NCJIS. Neither one of them had any potential convictions listed in Spillman. Jackie had a speeding conviction from 2011 in Wyoming listed in NCJIS. Stephen had a conviction for having a dog or cat at large in 2006 in NCJIS. I also checked the Bowen's through a paid law enforcement-only database but didn't find anything damaging to the application. I did a general Internet search and couldn't pinpoint anything of interest.

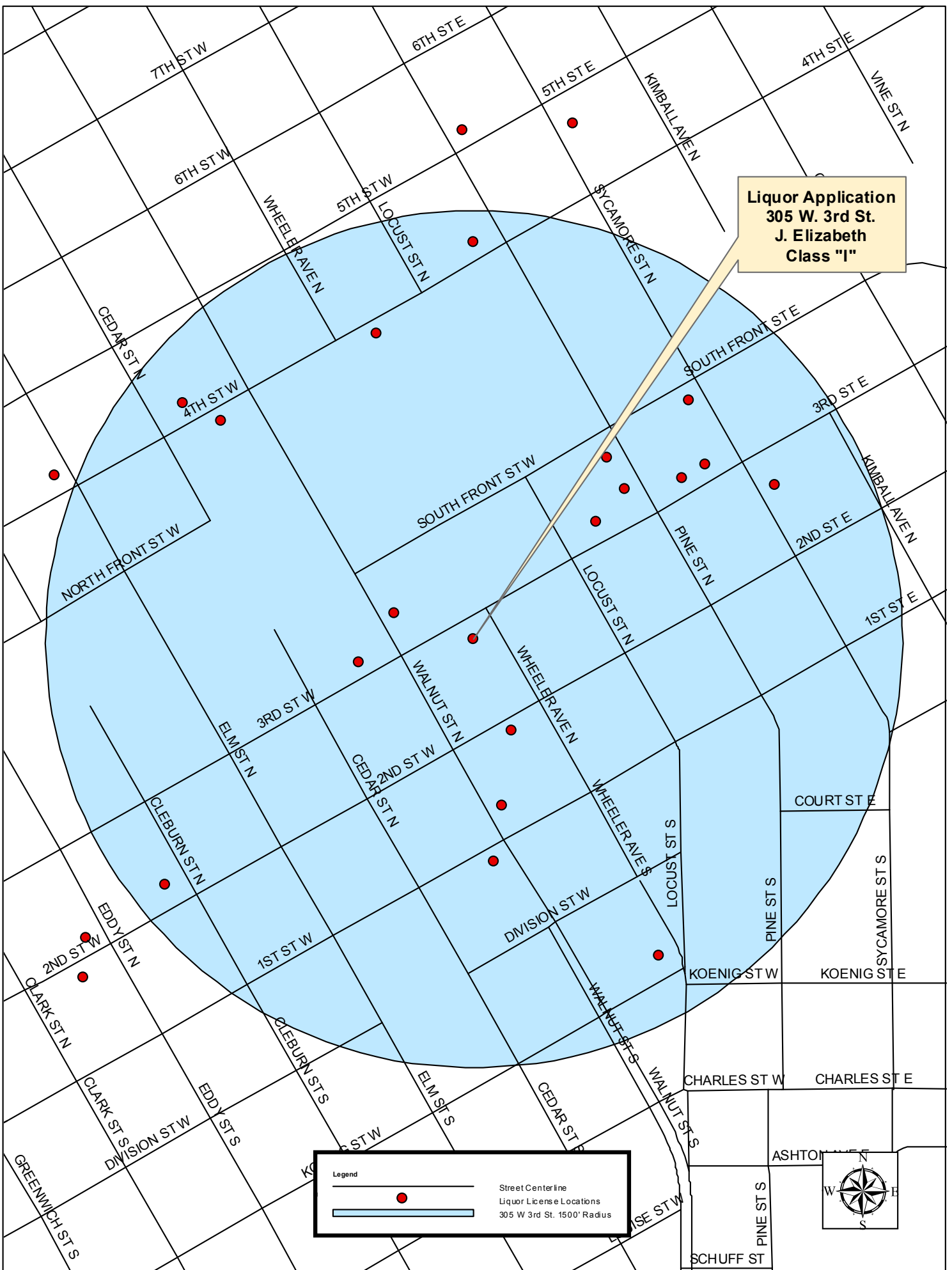
I attempted to call Jackie on 8/18/14 to set up an interview. One phone number on the application (395-8120) was not a good number. I left a voicemail after calling the business number. I also e-mailed Jackie at both addresses she provided. I corresponded with NSP Investigator Fiala who was able to contact Jackie and set up a meeting for 8/19/14 at 0900 at her business.

Investigator Fiala and I met Jackie at the agreed upon time and place. Investigator Fiala went over his checklist of questions, and then I asked Jackie a few questions. Even though Jackie is applying for a license which allows her to sell distilled spirits, she is not planning on selling hard liquor at this time. She feels most of her customers will want wine, and some of them will want a "craft" beer. Jackie will be the sole employee working at the business. Jackie also emphasized that alcohol sales will not be the primary source of her income from the business. In fact, when she first wanted to put her business at 305 W. 3rd, she never considered getting a liquor license. Some of her potential customers told her it would be nice to have some wine available while they are painting.

I told Jackie about some of the typical problems (noise, minors, over-serving, fights, etc...) that the police department encounters with establishments that sell alcohol. Her business doesn't seem conducive to those problems.

All in all, Jackie's application looks good. I believe the issue with her business being within 150' of a church can be resolved by the NLCC. The two minor undisclosed infractions are insignificant. A person obviously

can't predict the future, but it appears to me that alcohol sales and consumption at j. elizabeth and the Happy Brush shouldn't be a problem from a law enforcement perspective. The Grand Island Police Department has no objection to the license and recommends that the Council give its approval.





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-2

**Public Hearing on Request from Red Lobster Hospitality, LLC  
dba Red Lobster #0734, 3430 West 13th Street for a Class “I”  
Liquor License**

Staff Contact: RaNae Edwards

# Council Agenda Memo

**From:** RaNae Edwards, City Clerk

**Meeting:** August 26, 2014

**Subject:** Public Hearing on Request from Red Lobster Hospitality, LLC dba Red Lobster #0734, 3430 West 13<sup>th</sup> Street for a Class “I” Liquor License

**Item #'s:** E-2 & I-2

**Presenter(s):** RaNae Edwards, City Clerk

## Background

Section 4-2 of the Grand Island City Code declares the intent of the City Council regarding liquor licenses and the sale of alcohol.

### **Declared Legislative Intent**

- It is hereby declared to be the intent and purpose of the city council in adopting and administering the provisions of this chapter:
- (A) To express the community sentiment that the control of availability of alcoholic liquor to the public in general and to minors in particular promotes the public health, safety, and welfare;
  - (B) To encourage temperance in the consumption of alcoholic liquor by sound and careful control and regulation of the sale and distribution thereof; and
  - (C) To ensure that the number of retail outlets and the manner in which they are operated is such that they can be adequately policed by local law enforcement agencies so that the abuse of alcohol and the occurrence of alcohol-related crimes and offenses is kept to a minimum.

## Discussion

Red Lobster Hospitality, LLC dba Red Lobster #0734, 3430 West 13th Street has submitted an application for a Class “I” Liquor License. A Class “I” Liquor License allows for the sale of alcohol on sale inside the corporate limits of the city.

City Council action is required and forwarded to the Nebraska Liquor Control Commission for issuance of all licenses. This application has been reviewed by the Clerk, Building, Fire, Health, and Police Departments.



Also submitted with the application was a request from Sean Korth, 17303 “M” Street, Omaha, NE for a Liquor Manager Designation.

### **Alternatives**

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

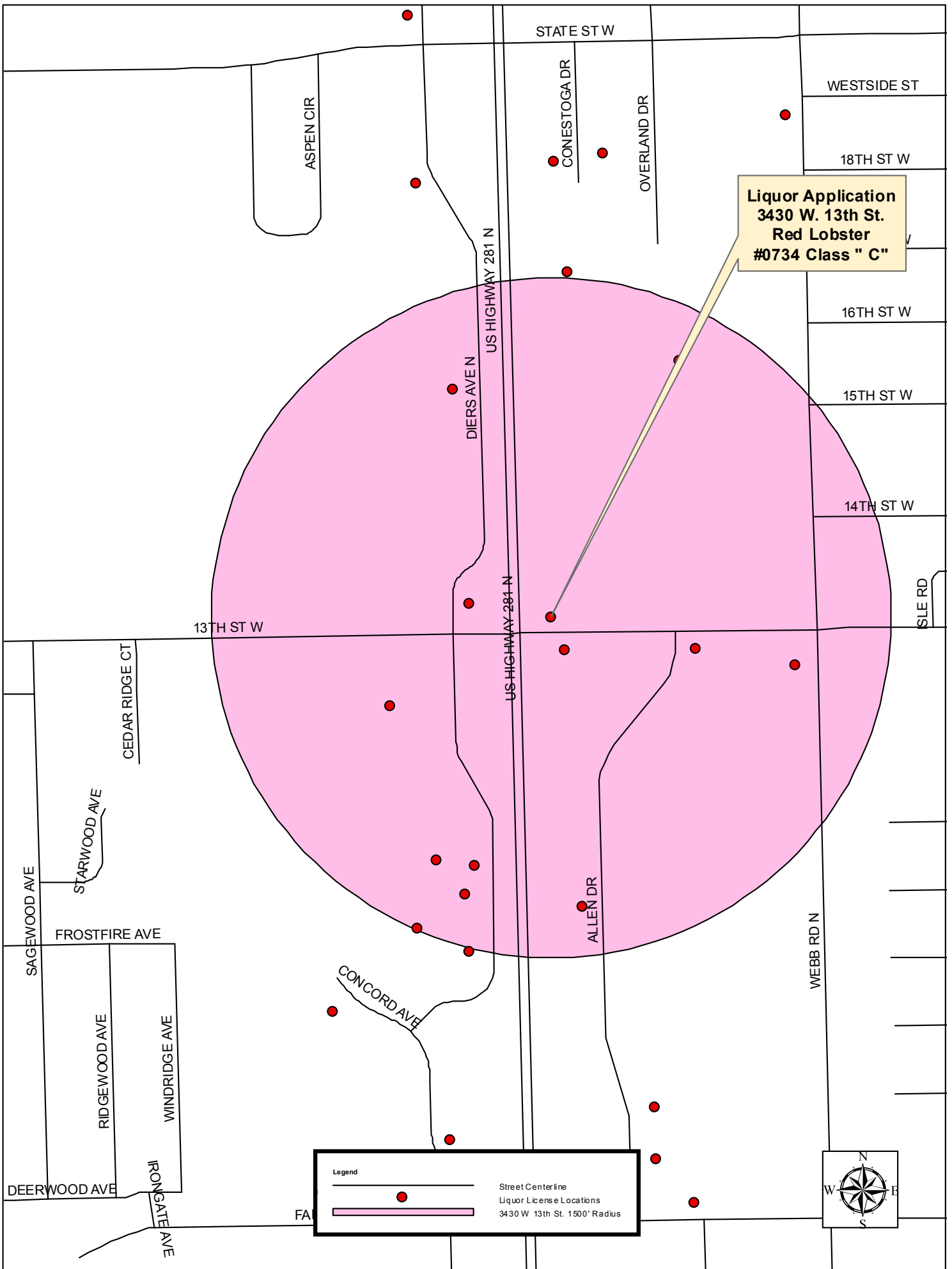
1. Approve the application.
2. Forward to the Nebraska Liquor Control Commission with no recommendation.
3. Forward to the Nebraska Liquor Control Commission with recommendations.
4. Deny the application.

### **Recommendation**

Based on the Nebraska Liquor Control Commission’s criteria for the approval of Liquor Licenses, City Administration recommends that the Council approve this application.

### **Sample Motion**

Move to approve the application for Red Lobster Hospitality, LLC dba Red Lobster #0734, 3430 West 13<sup>th</sup> Street for a Class “I” Liquor License contingent upon final inspections and Manager Designation for Sean Korth, 17303 “M” Street, Omaha, NE contingent upon completion of a state approved alcohol server/seller training program.





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-3

**Public Hearing on Acquisition of Utility Easement - Next to S.  
Hwy. 281 by Case New Holland**

Staff Contact: Tim Luchsinger, Utilities Director

# Council Agenda Memo

**From:** Tim Luchsinger, Utilities Director

**Meeting:** August 26, 2014

**Subject:** Acquisition of Utility Easement – along the west side of S. Highway 281 to the south of 3445 West Stolley Park Road – CNH Industrial America LLC

**Item #'s:** E-3 & G-8

**Presenter(s):** Timothy Luchsinger, Utilities Director

## Background

Nebraska State Law requires that acquisition of property must be approved by City Council. The Utilities Department needs to acquire an easement relative to the property of CNH Industrial America LLC, located along the west side of South U.S. Highway 281 to the south of 3445 West Stolley Park Road, in the City of Grand Island, Hall County, in order to have access to install, upgrade, maintain, and repair power appurtenances, including lines and transformers.

## Discussion

This easement will be used to construct a new three phase overhead power line. The line will provide CNH with a direct feed from the new Substation “J” being constructed on South Blaine Street. The new line should improve reliability of electric service to CNH by isolating it from large feeder circuits serving residential areas.

## Alternatives

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

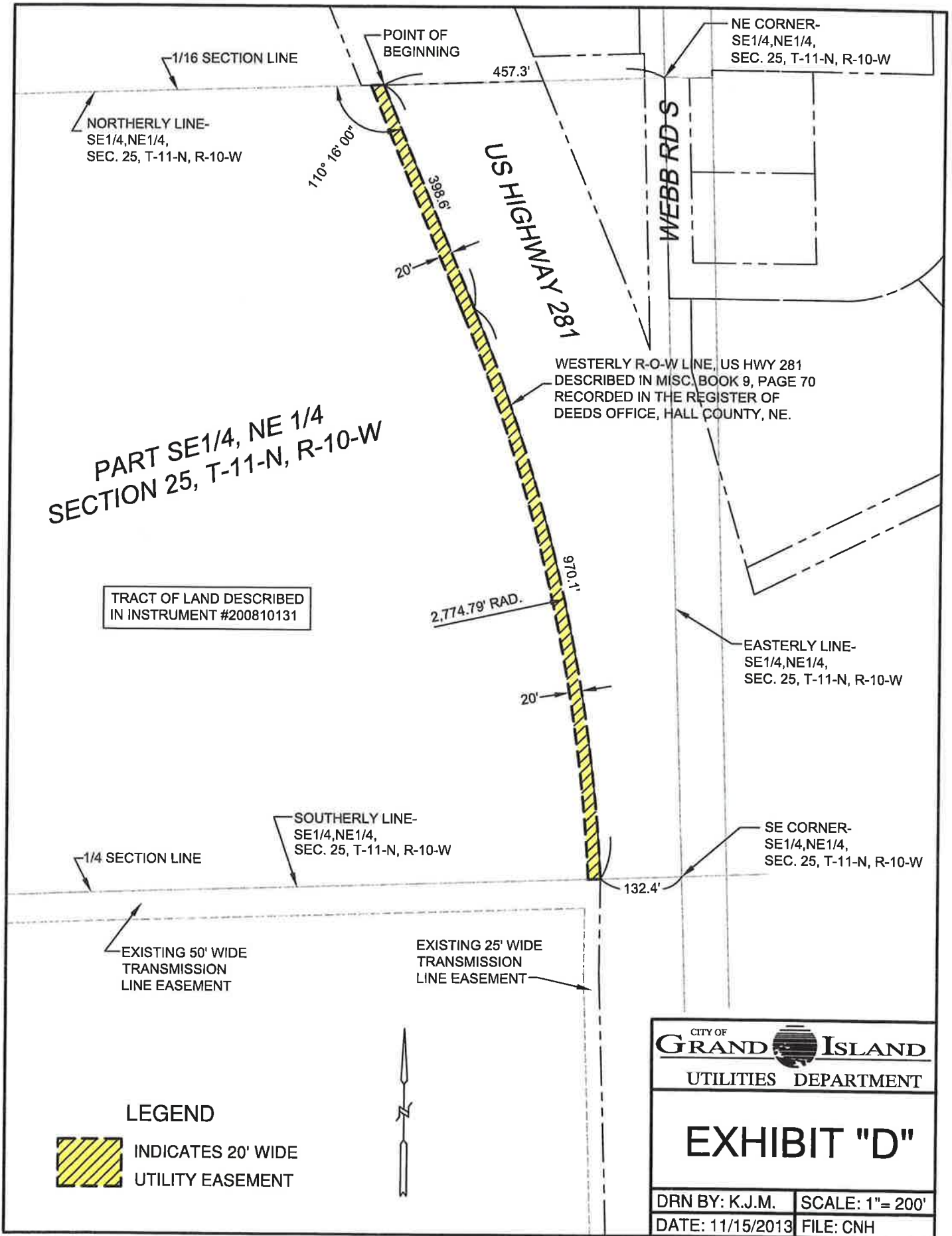
1. Make a motion to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the resolution for the acquisition of the easement.

## **Sample Motion**

Move to approve acquisition of the Utility Easement.





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-4

**Public Hearing on Acquisition of Utility Easement - On the South Side of Airport Road just East of St. Paul Road - Copart**

Staff Contact: Tim Luchsinger, Utilities Director

# **Council Agenda Memo**

**From:** Tim Luchsinger, Utilities Director

**Meeting:** August 26, 2014

**Subject:** Acquisition of Utility Easement – Copart of Connecticut, Inc. – on the South Side of Airport Road just east of St. Paul Road

**Item #'s:** E-4 & G-9

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

Nebraska State Law requires that acquisition of property must be approved by City Council. The Utilities Department needs to acquire an easement relative to the property of Copart of Connecticut, Inc., located off of Airport Road just east of St. Paul Road on the south side, in the City of Grand Island, Hall County, in order to have access to install, upgrade, maintain, and repair water lines.

## **Discussion**

This easement will be used install water lines along Airport Road to provide a loop system (or back-up) to the existing line on Skypark Road. Another benefit this loop will also improve the available firefighting capacity in the entire Airport Area.

## **Alternatives**

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

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

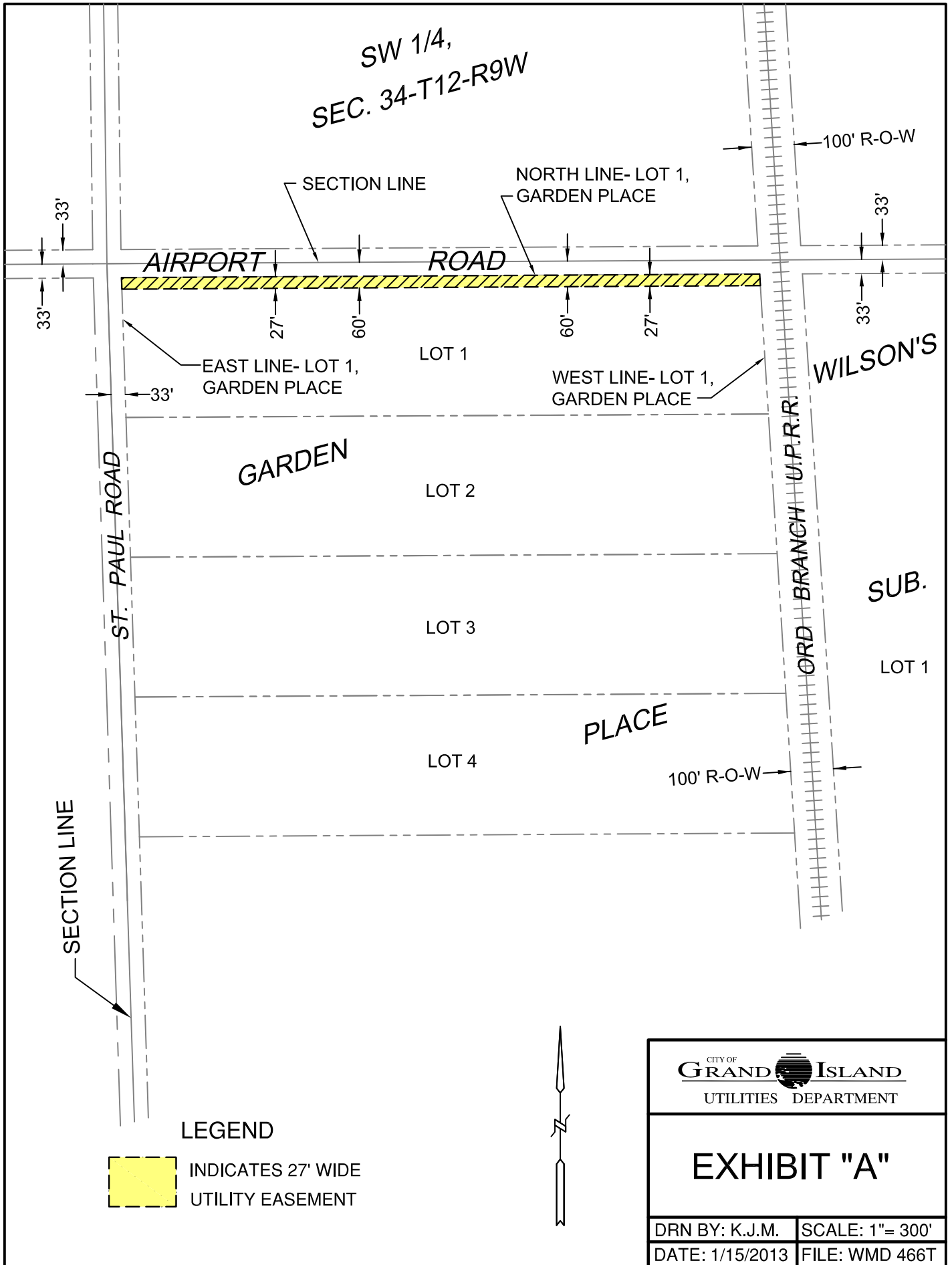
## **Recommendation**

City Administration recommends that the Council approve the resolution for the acquisition of the easement for two thousand seven hundred sixty dollars and 00/100 (\$2,760.00).

## **Sample Motion**

Move to approve acquisition of the Utility Easement.







# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-5

**Public Hearing on Acquisition of Public Utility Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (J & B Rentals, LLC)**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown PE, Assistant Public Works Director

**Meeting:** August 26, 2014

**Subject:** Public Hearing on Acquisition of Public Utility Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (J & B Rentals, LLC)

**Item #'s:** E-5 & G-14

**Presenter(s):** John Collins PE, Public Works Director

## Background

Public Works Staff in conjunction with the design engineer, Black & Veatch of Kansas City, Missouri have developed multi-year replacement plan for the City of Grand Island's large diameter gravity sanitary sewer interceptor network. The current planned interceptor, entitled the "North Interceptor" will replace aged force main sanitary sewer, reduce or eliminate current sewer pumping station(s), and provide additional capacity for existing and new growth areas of Grand Island.

The new North Interceptor route was developed to incorporate, and partner with other utilities for the Capital Avenue Widening Project, and the new Headworks Pumping Station Project at the Wastewater Treatment Plant. This project is funded by SRF Project No. C317867-01, however easements, legal fees & administrative costs are not reimbursable by these funds.

A phased approach of constructing the North Interceptor is as follows:

- Phase I - Wastewater Treatment Plant (WWTP) to 7<sup>th</sup> Street / Skypark Road
- Phase II (Part A) - 7<sup>th</sup> Street / Skypark Road to Broadwell Avenue
- Phase II (Part B) - Broadwell Avenue to Webb Road
- Phase II (Part C) - Webb Road to Diers Avenue (Lift Station No. 19)

Nebraska State Statutes stipulate that the acquisition of property requires a public hearing and approval by the City Council. Public utility easements are needed in the North Interceptor Phase II, Part A & B projects to accommodate public utilities. The easement will allow for the construction, operation, maintenance, extension, repair, replacement, and removal of public utilities within the easement.

## Discussion

A permanent easement is needed from one (1) property owner in these project areas. All documents have been signed and returned by the property owner. Authorization of the document is contingent upon City Council approval. Following is a summary of the payments, totaling \$100.00, for the property.

Tract No	Owner	Legal	Total
6	J & B Rentals, LLC	<p>A TRACT OF LAND COMPRISING PART OF LOT TWO (2) NORWOOD SUBDIVISION, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:</p> <p>COMMENCING AT THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT TWO (2) A DISTANCE OF 85.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE EASTERLY ALONG THE SOUTH LINE OF THE NORTH 85.00 FEET OF SAID LOT TWO (2) A DISTANCE OF 62.00 FEET; THENCE SOUTHERWESTERLY TO A POINT ON THE WEST LINE OF SAID LOT TWO (2), SAID POINT BEING 122.73 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE NORTHELRY ALONG SAID WEST LINE OF LOT TWO (2) A DISTANCE OF 37.73 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 1,170 SQUARE FEET OR 0.027 ACRES MORE OR LESS.</p>	\$100.00
			\$100.00

## 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 conduct a Public Hearing and approve acquisition of the Permanent Easements, in the amount of \$100.00.

## Sample Motion

Move to approve the acquisition of the Easement.

**LOCAL POLITICAL SUBDIVISION ACQUISITION CONTRACT  
PERMANENT EASEMENT – LIMITED LIABILITY COMPANY**

- Copies to:  
1. Owner  
2. Buyer

Project: North Interceptor Phase II - Capital  
Control No.:  
Tract No.: 6

THIS CONTRACT, made and entered into this 22<sup>nd</sup> day of July, 2014,  
by and between, J & B RENTALS, LLC  
organized and existing under and by virtue of the laws of the State of NEBRASKA  
Address: PO BOX 1042, GRAND ISLAND, NEBRASKA 68801-1042  
hereinafter called the OWNER, and the CITY OF GRAND ISLAND, NEBRASKA, hereinafter called the BUYER.

**PERMANENT EASEMENT**

WITNESSETH: In consideration of the payment or payments as specified below, the OWNER hereby agrees to execute to the BUYER, a Permanent Easement which will be prepared and furnished by the BUYER, to certain real estate described in:

**SEE ATTACHED EXHIBIT "A"**

It is understood that the easement area(s) may be used for the temporary relocation of utilities during the construction of the project.

The BUYER agrees to purchase the above described Permanent Easement(s) and to pay, therefore, upon the delivery of said executed Permanent Easement Deed. If the OWNER so desires, they shall have the right to receive 100% of the final payments due under this contract prior to vacating the premises being acquired.

Approximately	<u>1,170.00</u>	SF at	<u>\$</u>	<u>0.20</u>	per SF x 25%	<u>\$</u>	<u>100.00</u>	@
Approximately		acres at	<u>\$</u>		per acre	<u>\$</u>		
Approximately		acres at	<u>\$</u>		per acre	<u>\$</u>		
Moving and replacing approximately		rods of fence at	<u>\$</u>		per rod	<u>\$</u>		
Moving and replacing approximately		rods of fence at	<u>\$</u>		per rod	<u>\$</u>		
Other Damages:						<u>\$</u>		
<b>TOTAL</b>							<b>\$</b>	<b>100.00</b>

It is agreed and understood that the BUYER is hereby granted an immediate right of entry upon the premises described above.

The above payments shall cover all damages caused by the establishment and construction of the above project except for CROP DAMAGE, if any, which will be paid for in an amount based on the yield from the balance of the field less expenses of marketing and harvesting. CROP DAMAGE shall mean damage to such crops as are required to be planted annually and which were planted at the time of the signing of this contract and which are actually damaged due to construction of this project, but in no case shall damages be paid for more than one year's crop. The OWNER agrees to make a reasonable attempt to harvest any crop so as to mitigate the crop damage.

If any other party shall hold any encumbrance against the aforementioned property at the time of delivery of the aforementioned property, such payments as are due under this contract shall be made to the OWNER jointly with the party or parties holding such encumbrance, unless said party or parties holding such encumbrance shall have in writing waived their right to receive such payment.

Expenses for partial release of mortgages will be paid by the BUYER, if required.

This contract shall be binding on both parties as soon as it is executed by both parties, but should none of the above real estate be required, this contract shall terminate upon the payment of \$10.00 by the BUYER to the OWNER.

This contract may be executed in more than one copy, each copy of which, however, shall serve as an original for all purposes, but all copies shall constitute but one and the same contract.

REMARKS

THIS IS A LEGAL AND BINDING CONTRACT - READ IT.

The representative of the BUYER, in presenting this contract has given me a copy and explained all its provisions. A complete understanding and explanation has been given of the terminology, phrases, and statements contained in this contract. It is understood that no promises, verbal agreements or understanding, except as set forth in this contract, will be honored by the BUYER.

OWNER: J & B RENTALS, LLC  
Limited Liability Company

By William K. Miller member  
Managing Partner

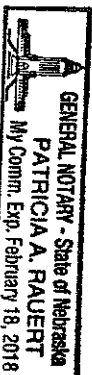
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NEBRASKA \_\_\_\_\_ )  
COUNTY OF HALL \_\_\_\_\_ ) ss.

Dated this 22<sup>nd</sup> day of July, 2014, before me, a General Notary Public duly commissioned and qualified, came William K Miller Managing Partner of J & B Rentals, LLC, a Nebraska Limited Liability Company, to me personally known to be the respective officer of said Limited Liability Company and the identical person whose name is affixed to the foregoing instrument, and acknowledged the execution thereof to be his respective voluntary act and deed as such officer and the voluntary act and deed of said Limited Liability Company.

WITNESS my hand and Notarial Seal the day and year above written.  
(SEAL)

Patricia A. Raupert  
NOTARY PUBLIC



BUYER: CITY OF GRAND ISLAND, NEBRASKA

BY: \_\_\_\_\_  
STATE OF NEBRASKA \_\_\_\_\_ )  
COUNTY OF HALL \_\_\_\_\_ ) ss.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, a General Notary Public, duly commissioned and qualified, personally came \_\_\_\_\_ to me known to be the identical person(s) whose name(s) affixed to the foregoing instrument as buyer(s) and acknowledged the same to be a voluntary act and deed.

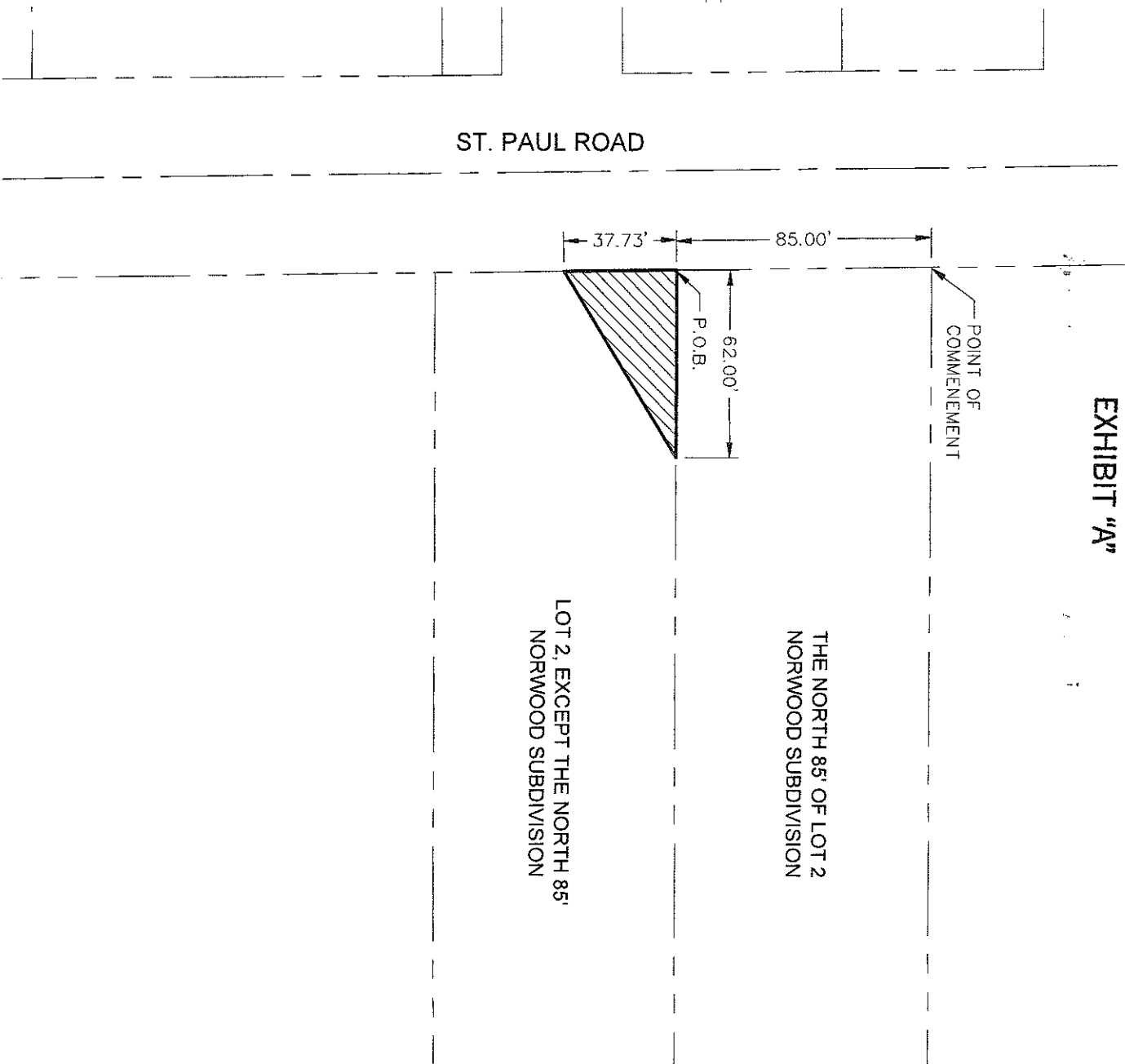
WITNESS my hand and Notarial Seal the day and year above written.  
(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

EXHIBIT "A"



NO SCALE

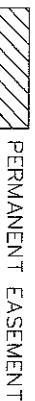


LEGAL DESCRIPTION OF PERMANENT EASEMENT

A TRACT OF LAND COMPRISING PART OF LOT TWO (2) NORWOOD SUBDIVISION, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT TWO (2) A DISTANCE OF 85.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE EASTERLY ALONG THE SOUTH LINE OF THE NORTH 85.00 FEET OF SAID LOT TWO (2) A DISTANCE OF 62.00 FEET; THENCE SOUTHWESTERLY TO A POINT ON THE WEST LINE OF SAID LOT TWO (2), SAID POINT BEING 122.73 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE NORTHERLY ALONG SAID WEST LINE OF LOT TWO (2) A DISTANCE OF 37.73 FEET TO THE POINT OF BEGINNING.

SAID TRACT CONTAINS A CALCULATED AREA OF 1,170 SQUARE FEET OR 0.027 ACRES MORE OR LESS.



PROJECT NO:	011-2347
DRAWN BY:	LH
DATE:	03/26/2014

CITY OF GRAND ISLAND  
EASEMENT



201 E. 2ND STREET  
PO BOX 1072  
GRAND ISLAND, NE 68801  
TEL 308.394.8750  
FAX 308.394.8752

EXHIBIT	A
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# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-6

**Public Hearing on Amendment to Redevelopment Plan for CRA  
Area 6 located at 620 West State Street**

Staff Contact: Chad Nabity



# Council Agenda Memo

**From:** Chad Nabity, AICP  
**Meeting:** August 26, 2014  
**Subject:** Amendment to Redevelopment Plan for CRA Area 6  
**Item #'s:** E-6 & I-5  
**Presenter(s):** Chad Nabity, AICP CRA Director

## Background

In 2007, the Grand Island City Council declared property referred to as CRA Area 6 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

Super Market Developers a subsidiary of Associated Wholesale Grocers (the developer) has submitted a proposed amendment to the redevelopment plan that would provide for site acquisition, demolition and construction of a new grocery store, in line retail space and restaurant pad site at the Five Points Location in Grand Island, Nebraska.

At their meeting on July 9, 2014 the CRA reviewed the proposed development plan and forwarded it to the Hall County Regional Planning Commission for recommendation. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on August 6, 2014. The Planning Commission approved Resolution 2014-08 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.

## **Discussion**

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment, the draft TIF contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area 6 and authorizes the CRA to execute a contract for TIF based on the plan amendment. The redevelopment plan for amendment provide for site acquisition, demolition and construction of a new grocery store, in line retail space and restaurant pad site at the Five Points Location. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. The total tax increment financing allowed for this project may not exceed \$1,600,000 during this 15 year period.

## **Alternatives**

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

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

## **Recommendation**

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

## **Sample Motion**

Move to continue approve the resolution as submitted.

**Redevelopment Plan Amendment  
Grand Island CRA Area 6  
June 2014**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 6 within the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 6.**

**Executive Summary:  
Project Description**

THE ACQUISITION OF PROPERTY AT FIVE POINTS EAST OF BROADWELL AVENUE AND NORTH OF STATE STREET BY THE DEVELOPER AND SUBSEQUENT SITE PREPARATION, DEMOLITION, UTILITY IMPROVEMENTS, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR BUILDING A NEW GROCERY STORE, INLINE RETAIL SPACE AND RESTAURANT SPACE AT THIS LOCATION.

The use of Tax Increment Financing (“TIF”) to aid in the acquisition of property, demolition of existing structures, necessary site work and installation of public utilities and street improvements necessary to redevelop this site. The use of TIF makes it feasible to complete all of the phases of the proposed project within the timeline presented. This project could not be completed without the use of TIF.

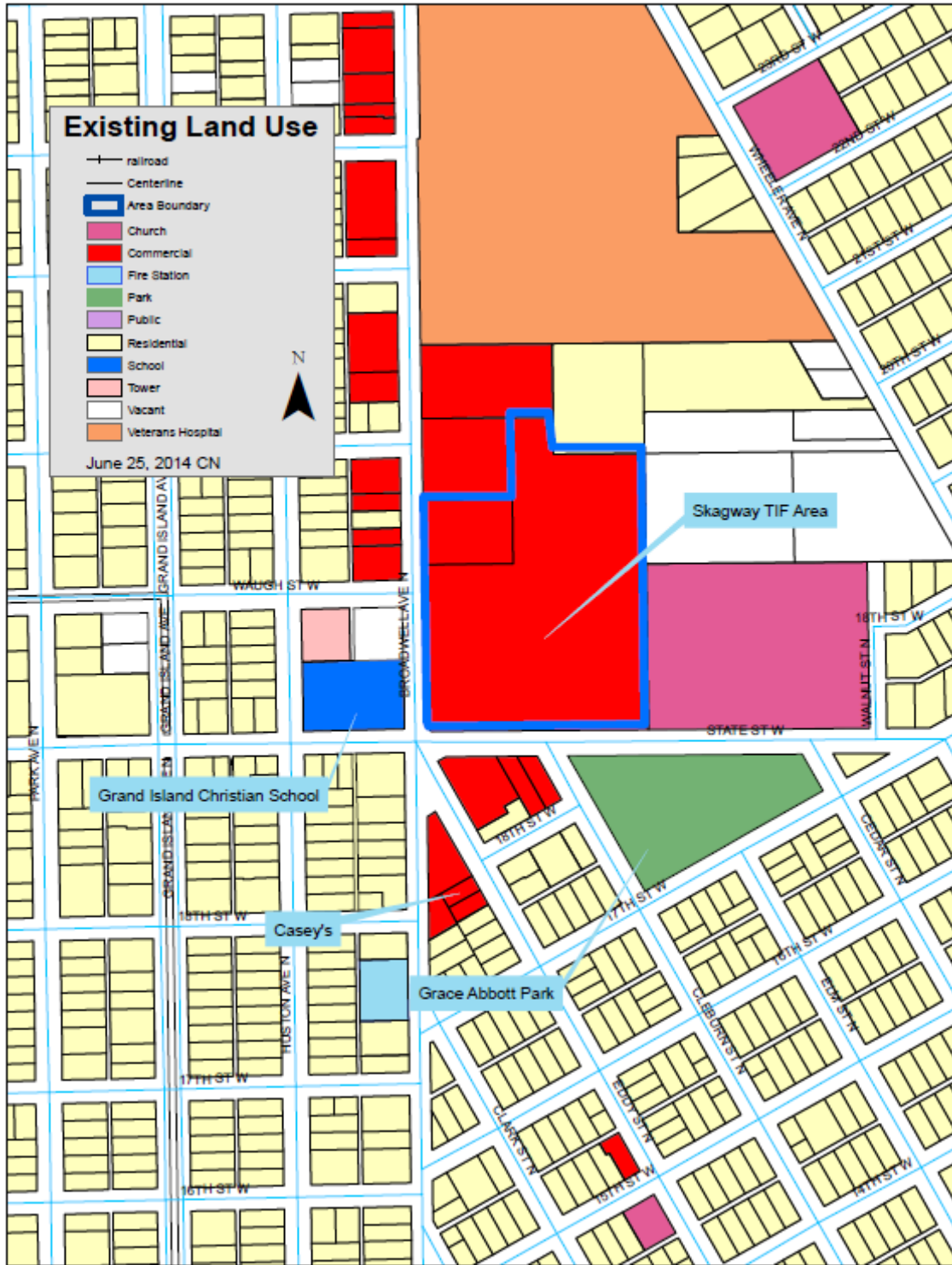
The acquisition, site work and construction of all improvements will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2016 towards the allowable costs and associated financing for the acquisition and site work.

**TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:**

**Property Description (the “Redevelopment Project Area”)**

This property is located at the northeast corner of Broadwell Avenue and State Street in northeast Grand Island including the attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 3 of Skag-Way Subdivision and Lot 1 of Skag-Way Second Subdivision.



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2017 through 2030 inclusive.**

**The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from the construction of new commercial space on this property.**

**Statutory Pledge of Taxes.**

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2016.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

Redevelopment Plan Amendment Complies with the Act:

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

**1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on October 9, 2007.[§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.**

**2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]**

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to acquire the necessary property and provide the necessary site work for the construction of a permitted use on this property.

**3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]**

***a. Land Acquisition:***

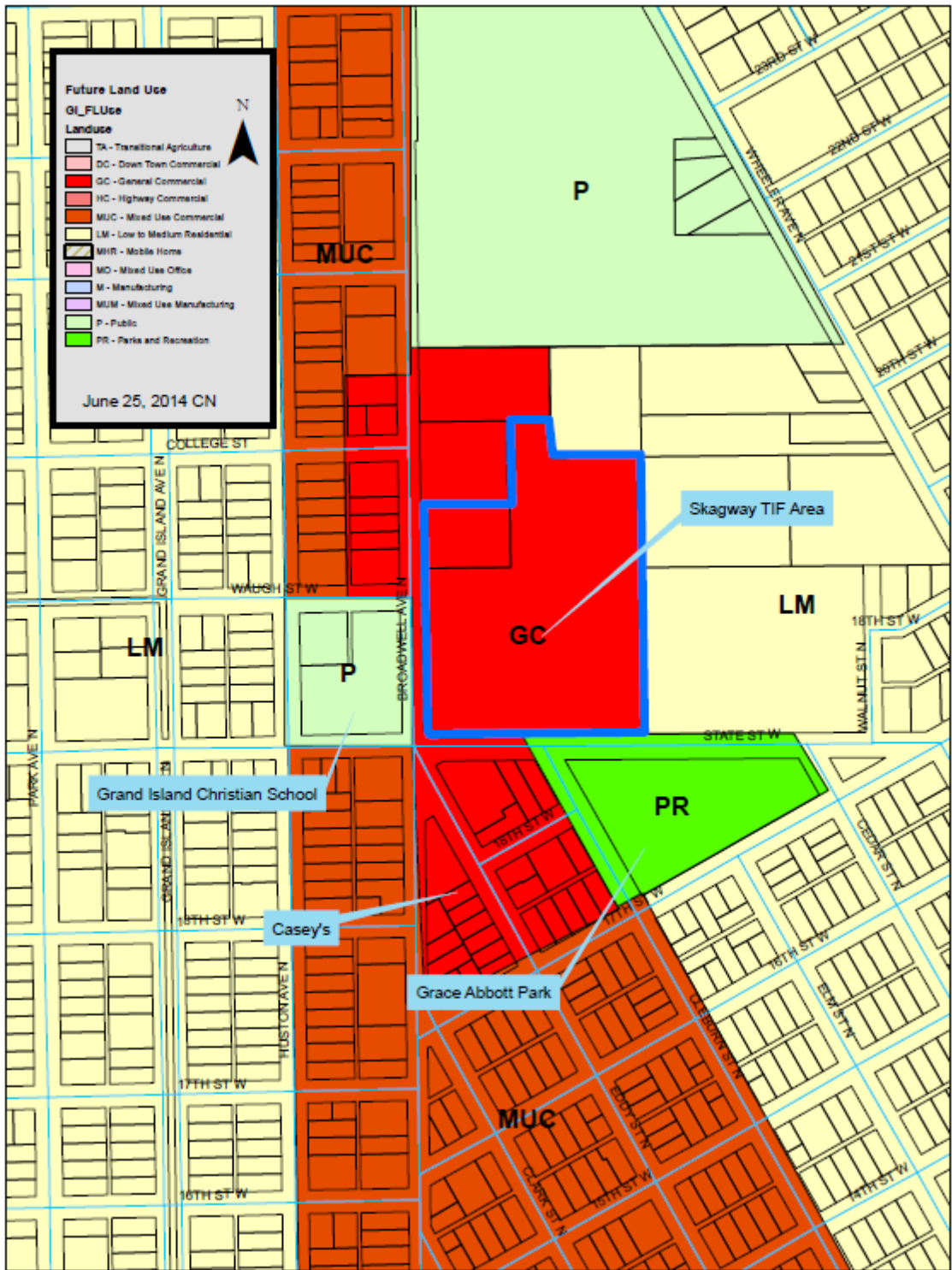
The Redevelopment Plan for Area 6 provides for real property acquisition and this plan amendment does not prohibit such acquisition. There is no proposed acquisition by the authority. The applicant will be acquiring the property from the current owner.

***b. Demolition and Removal of Structures:***

The project to be implemented with this plan does intend several structures along on the subject property to be removed or demolished. The structures to be demolished are all non-residential in nature and use.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

***d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.***

The area is zoned B2- General Business zone. No zoning changes are anticipated with this project. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. Nor are any other planning changes contemplated. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The developer is proposing remove all of the structures on the subject property in two phases. The buildings on Lot 3 of Skag-Way Subdivision will be demolished and a new grocery store will be constructed at that location, fuel pumps will be added near Broadwell Avenue and after the construction of the new store the old store will be demolished and the site will be prepared for additional retail and restaurant space to be constructed at a time when the market allows for said construction. The property is zoned B2 and could accommodate a building of up to 100% of the property [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

Sewer and water are available to support this development. Water mains will have to be extended throughout the site to support the configuration of the proposed development. New water and sewer services may be required for this building.

No other utilities would be impacted by the development.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]



**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation. This amendment does not provide for acquisition of any residences and therefore, no relocation is contemplated. [§18-2103.02]**

**5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]**

Barry Sandstrom, Chairman of the Grand Island Community Redevelopment Authority, is President of Home Federal Bank in Grand Island and Home Federal has a branch office and an ATM on the property. Mr. Sandstrom will recuse himself from action on this application.

**6. Section 18-2114 of the Act requires that the Authority consider:**

***a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.***

The developer is proposing to purchase this property for redevelopment for \$2,600,000 in October of 2014 provided that TIF is available for the project as define. The cost of property acquisition is being included as a TIF eligible expense. Costs for site preparation, utility and parking improvements are estimated at \$3,004,953 as related to the demolition and site preparation are included as a TIF eligible expense. It is estimated based on the proposed increased valuation of \$4,416,000 will result in \$1,600,000 of increment generated over a 15 year period, substantially less than the TIF allowable expenses.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

***b. Statement of proposed method of financing the redevelopment project.***

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$1,600,000 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2016 through December 2030.

***c. Statement of feasible method of relocating displaced families.***

No families will be displaced as a result of this plan.

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic at the Five Points intersection. New commercial development will raise property values and provide a stimulus to keep surrounding properties properly maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

#### **8. Time Frame for Development**

Development of phase one of this project (including construction of the new grocery store) is anticipated to be completed between October of 2014 and October of 2015. Demolition of the existing Skagway store and preparation of the eastern portion of the site for further development will occur after the opening of the new store. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year.

#### **9. Justification of Project**

Skagway has been a commercial anchor for the Five Points neighborhood since the 1950's. This redevelopment and reinvestment by AWG at this location represents a great opportunity to strengthen and sustain this neighborhood commercial development. This is infill development in an area with all city services available. This project does not propose to tear down any buildings with historic value.

**10. Cost Benefit Analysis** Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed AWG-Skagway North Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$1,600,000.00 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,430,000.00 in private sector financing; a private investment of \$9.02 for every TIF dollar investment.

<b>Use of Funds.</b>			
<b>Description</b>	<b>TIF Funds</b>	<b>Private Funds</b>	<b>Total</b>
Site Acquisition	\$1,600,000	\$1,000,000	\$2,600,000
Site preparation		\$3,004,953	
Legal and Plan			
Building Costs			
Phase 1		\$4,725,000	\$4,725,000
Phase 2		\$3,000,000	\$3,000,000
Fuel Center		\$500,000	\$500,000
Personal Property		\$1,000,000	\$1,000,000
Soft Costs		\$1,200,000	\$1,200,000
<b>TOTALS</b>	<b>\$1,600,000</b>	<b>\$14,429,953</b>	<b>\$16,029,953</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2014, valuation of approximately \$3,442,551. Based on the 2013 levy this would result in a real property tax of approximately \$75,783. It is anticipated that the assessed value will increase by \$4,416,000, upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$97,200.00 annually adjusted with a 2% appreciation in value for 15 years resulting in \$1,600,000 of increment over the 15 year period. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2014 assessed value:	\$ 3,442,551.00
Estimated value after completion	\$ 7,858,035.00
Increment value	\$ 4,415,484.00
Annual TIF generated (estimated)	\$ 97,200.00
TIF bond issue	\$ 1,600,000.00

***(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;***

The redevelopment project area currently has an estimated valuation of \$3,442,591. The proposed demolition, new parking lot and renovations at this location will result in an additional \$4,415,444 of taxable valuation based on an analysis by the Hall County

Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

***(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;***

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact schools. Fire and police protection are available and should not be impacted by this development.

***(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;***

This project will protect and enhance the existing employment within the Project Area by maintaining a grocery store at this location. Additional employment is anticipated with the inline retail and restaurant also proposed at this site. At project stabilization employment is expected to increase to 28 full time equivalent employees. Temporary construction employment will increase during the construction. The construction period is expected to exceed 12 months.

***(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and***

This facility could draw employees from other similar facilities within the City. The latest available labor statistics show that the Grand Island labor pool is 27,961 with a 3.3% unemployment rate<sup>1</sup>.

***(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.***

This will provide appropriate development at a key entrance into the City of Grand Island. Five Points is an iconic location in Grand Island. This redevelopment plan will result in substantial new construction in the neighborhood. Skagway has been a key business at the Five Points location for more than 60 years. This site has had a neighborhood grocery store since before the area to the north and east was developed. Redevelopment of this site will preserve this neighborhood commercial district and strengthen and preserve the surrounding residential values.

Personal property in the project is subject to current property tax rates. Personal property for the Project is estimated at \$1,000,000 resulting in an estimated personal property tax for the first year of operations of \$22,000. Personal property tax is not subject to TIF and

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<sup>1</sup> <https://neworks.nebraska.gov> Labor Force, Employment and Unemployment for Grand Island City in May 2014

will be paid to the normal taxing entities. There will additionally be more city sales taxes paid to the city of Grand Island as a result of new taxable sales at the restaurant and inline stores.

### **Time Frame for Development**

Development of phase 1 of this project is anticipated to be completed during between October 2014 and October of 2015. The base tax year should be calculated on the value of the property as of January 1, 2015. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years or an amount not to exceed \$1,600,000 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the purchase price of the property and estimates of the expenses of renovation activities and associated engineering fees, the developer will spend more than \$5,000,000 on TIF eligible activities.

### **See Attached Site Plan and Interior Renovation Plan**

# **TAX INCREMENT FINANCING APPLICATION**

## **GRAND ISLAND, NEBRASKA**

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### **SUBMITTED BY:**

Super Market Developers, Inc.  
5000 Kansas Avenue  
Kansas City, KS 66106

### **PREPARED BY:**

Husch Blackwell LLP  
4801 Main Street, Ste. 1000  
Kansas City, MO 64112

### **SUBMITTED TO:**

City of Grand Island, Nebraska  
Community Redevelopment Authority

June 9, 2014

## I. PROJECT REDEVELOPER INFORMATION

### A. Applicant.

Super Market Developers, Inc., a Missouri corporation  
5000 Kansas Avenue  
Kansas City, KS 66106  
913-288-1000 (phone)  
913-288-1573 (fax)

### B. Applicant's Attorney/Contact Person.

Charles Renner, Esq.  
Husch Blackwell LLP  
4801 Main Street, Suite 1000  
Kansas City, Missouri, 64112  
(816) 329-4702  
Email: charles.renner@huschblackwell.com

C. Brief Description of Applicant's Business. Super Market Developers, Inc. (the "Developer") is a wholly-owned subsidiary of Associated Wholesale Grocers, Inc. ("AWG"), a retailer-owned cooperative serving over 2,300 retail member stores with a complete assortment of grocery, fresh meat, fresh produce, specialty foods, health care, and general merchandise items. The Developer buys, sells and develops real estate in connection with grocery and retail center uses.

## II. PROJECT INFORMATION

A. Present Ownership of Proposed Project Site. Wilmar Realty, LLC, a Nebraska limited liability company ("Wilmar"), is the present owner of the project site, which is generally located at 620 W. State St., Grand Island, Nebraska (the "Property"). The Property consists of two existing tax parcels: No. 400046709 and 400046474. The Developer is under contract to purchase the Property from Wilmar.

B. Description of Proposed Project. The proposed project will include the construction of the following improvements: an approximately 63,000 square foot grocery store building, an inline retail building with approximately 16,800 square feet of retail space, a restaurant building with approximately 5,855 square feet of space, and public improvements servicing such development. An existing grocery store currently occupies the site and this store would be retained during Phase 1 of the project as the new grocery store is constructed. Once Phase 1 is complete, the old grocery store will be razed to allow for the retail building and restaurant building to be constructed in its place as part of Phase 2. Depending on market conditions, the inline retail building could be substituted for an approximately 50,000 square foot retail box building. A preliminary site plan is attached hereto as **Exhibit A**.

C. Proposed Subdivision. The Developer anticipates that the Property will be subdivided and will provide additional subdivision information as the project moves forward.

D. Estimated Project Costs. Total project costs are estimated to be \$15,029,953.00. A preliminary project budget is attached hereto as **Exhibit B**.

E. Estimated Market Value of Property at Completion. The Hall County, Nebraska Assessor's Office estimates the market value of the Property at completion will be \$7,858,035.00.

F. Sources of Financing. The Developer is proposing to finance \$13,429,952.00 or eighty-nine percent of the project costs through Developer equity and is requesting that the remaining \$1,600,000.00 or eleven percent of project costs be financed through tax increment financing.

G. Architect, Engineer and General Contractor:

Architect:

Alan Schmidt  
Hutchinson Architect's, P.C.  
4535 Normal Blvd., Suite 257  
Lincoln, NE 68506  
Phone: (402) 421-1502 ext. 2#  
Fax: (402) 421-7835  
alan\_hdpc@windstream.net

Engineer:

Matt Rief  
Olsson Associates  
201 East 2nd Street  
P.O. Box 1072  
Grand Island, NE 68802  
mrief@olssonassociates.com  
TEL 308.384.8750  
FAX 308.384.8752

General Contractor

To be determined.

H. Estimated Real Estate Taxes on Project Site Upon Completion of Project: A projection of real estate taxes and TIF revenues is attached hereto as **Exhibit C**.

I. Project Construction Schedule. Construction on Phase 1 of the Project is anticipated to commence early in the fourth quarter of 2014. The Developer expects Phase 1 to be completed with the grocery store open approximately nine months after the construction commences. The schedule and development of Phase 2 will be dictated by market conditions.

### III. TAX INCREMENT FINANCING REQUEST INFORMATION

A. Amount and Purpose of TIF Request. The Developer is requesting \$1,600,000.00 in tax increment financing assistance in order to cover certain site development and public improvement costs. Specific costs proposed for reimbursement are shown on **Exhibit B**.

B. Statement of Financial Gap and Necessity for TIF. As indicated in the letter from the Developer attached hereto as **Exhibit D**, the project is not economically viable without assistance from tax increment financing.



#### IV. MISCELLANEOUS

A. Municipal References. The Developer and AWG have worked closely with many municipalities to complete development projects within the last five years, including the following:

- *Sunrise Beach, Missouri*: The Developer partnered with the Village of Sunrise Beach, Missouri to develop a project, which, upon full build-out, will include an approximately 53,540 square foot supermarket, a 3,000 square foot retail/restaurant pad-site, an approximately 13,000 square foot strip center and public improvements. The Sunrise Beach project involved the use of tax increment financing and the formation of a community improvement district.

- Reference: Jeni Hamm  
Village Clerk, Sunrise Beach  
P.O. Box 348  
Sunrise Beach, MO 65079  
(573) 374-8782

- *Unified Government of Wyandotte County/Kansas City, Kansas*: AWG constructed a 35,000 square foot corporate office addition, which was financed, in part, through the issuance of industrial revenue bonds by the Unified Government.

- Reference: George Brajkovic  
Economic Development Director  
Unified Government of WyCo/KCK  
701 N 7th St, 4th Floor  
Kansas City, KS 66101  
(913) 573-5749  
[gbrajkovic@wycokck.org](mailto:gbrajkovic@wycokck.org)

- *St. Tammany Parish and the Town of Pearl River, Louisiana*: AWG constructed a 700,000 square foot grocery food distribution warehouse facility and worked closely with the St. Tammany Parish and the Town of Pearl River in financing the project through the issuance of Gulf Opportunity Zone revenue bonds.

- Reference: St. Tammany Parish Development District  
21489 Koop Drive, Suite 7  
Mandeville, LA 70471  
Attention: Brenda Bertus  
Telephone: (985) 809-7874  
Facsimile: (985) 809-7596

- *Platte City, Missouri:* The Developer developed the Platte City Market Center, a retail center anchored by a super market in Platte City, Missouri. The project involved the formation of a community improvement district and the issuance of community improvement district revenue bonds.

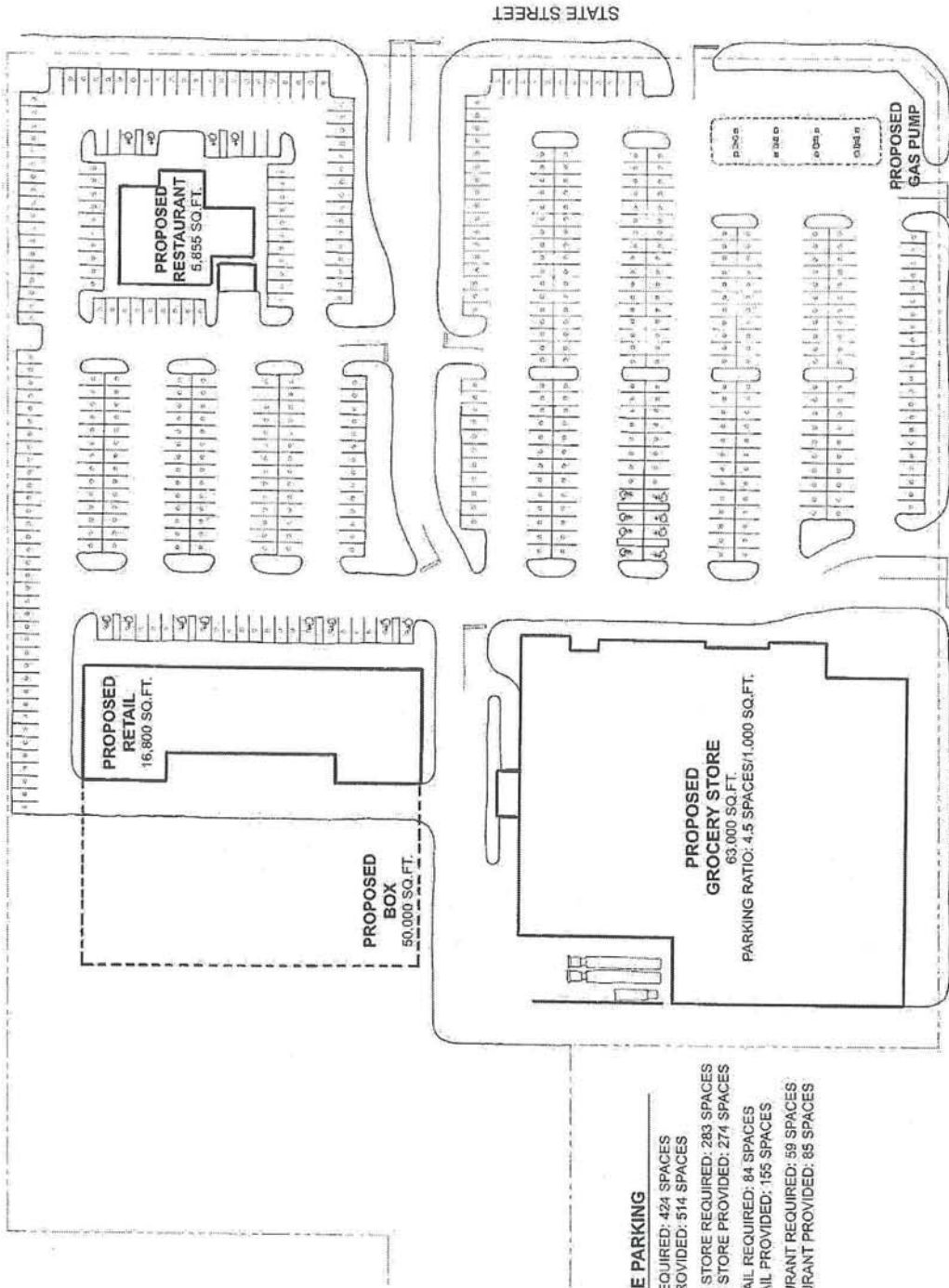
- Reference: Dennis J. Gehrt  
City Administrator  
City of Platte City  
400 Main Street  
Platte City, MO 64079  
816.858.3046 (phone)  
816.858.3715 (direct)

B. Financial Statements. The Developer is a wholly-owned subsidiary of AWG. AWG's financial statements for the last three years are attached as **Exhibit E**.

**EXHIBIT A**  
**PRELIMINARY SITE PLAN**



# CONCEPT A - GRAND ISLAND, NE



**SITE PARKING**

- OVERALL REQUIRED: 424 SPACES
- OVERALL PROVIDED: 514 SPACES
- PROPOSED GROCERY STORE REQUIRED: 283 SPACES
- PROPOSED GROCERY STORE PROVIDED: 274 SPACES
- PROPOSED RETAIL REQUIRED: 84 SPACES
- PROPOSED RETAIL PROVIDED: 155 SPACES
- PROPOSED RESTAURANT REQUIRED: 59 SPACES
- PROPOSED RESTAURANT PROVIDED: 85 SPACES

BROADWELL AVENUE

STATE STREET

**EXHIBIT B**  
**PRELIMINARY BUDGET**

KCP-4269978-1

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT B, PAGE 1 OF 3  
BUDGET**

REV6/9/2014

		Total Project Costs	Total Reimbursable Project Costs*
<b>1</b>	<b>Land Acquisition</b>	<b>\$2,600,000</b>	<b>\$0</b>
<b>2</b>	<b>Site Development &amp; Public Improvements</b>		
1	6" Concrete Pavement w/Integral Curb	\$925,000	\$430,125
2	Remove and Replace Pavement (Broadwell Ave. Storm Crossings)	\$28,125	\$13,078
3	Traffic Control (Broadwell Ave. Storm Crossings)	\$20,000	\$9,300
4	4" Concrete Sidewalk	\$52,500	\$24,413
5	Stamped Concrete Median Surfacing	\$31,250	\$14,531
6	Storm Sewer Manhole	\$20,000	\$9,300
7	Storm Sewer Curb Inlet	\$70,000	\$32,550
8	Storm Sewer Area Inlet	\$6,000	\$2,790
9	30" R.C. Storm Sewer Pipe	\$64,000	\$29,760
10	24" R.C. Storm Sewer Pipe	\$22,750	\$10,579
11	18" R.C. Storm Sewer Pipe	\$22,500	\$10,463
12	15" R.C. Storm Sewer Pipe	\$30,000	\$13,950
13	6" Water Service	\$2,000	\$930
14	6" Sanitary Sewer Service	\$1,200	\$558
15	Site Lighting	\$50,000	\$23,250
16	Landscaping	\$50,000	\$23,250
17	Pavement Removal (Phase 1)	\$212,000	\$98,580
18	Pavement Removal (Phase 2)	\$120,000	\$55,800
19	Earthwork (Phase 1)	\$75,000	\$34,875
20	Earthwork (Phase 2)	\$50,000	\$23,250
21	Subgrade Preparation	\$46,250	\$21,506
22	Building Demolition	\$450,000	\$209,250
23	Public Road Improvements	\$110,000	\$110,000
24	Combination Curb & Gutter	\$17,150	\$17,150
25	8" D.I. Water Main	\$42,000	\$42,000
26	6" D.I. Water Main	\$2,800	\$2,800
27	6" Tapping Sleeve and Valve	\$10,000	\$10,000
28	8" Gate Valve w/Box	\$6,000	\$6,000
29	Fire Hydrant Assembly	\$15,000	\$15,000
30	Bell Joint Block	\$1,000	\$1,000
31	D.I. Fittings	\$4,250	\$4,250
32	Traffic Signal (State St. & Cleburn St.)	\$175,000	\$175,000
33	Contingency	\$273,178	\$124,713
		<b>\$3,004,953</b>	<b>\$1,600,000</b>
<b>3</b>	<b>Building Costs</b>		
1	Phase 1	\$4,725,000	\$0
2	Phase 2	\$3,000,000	\$0
		<b>\$7,725,000</b>	<b>\$0</b>
<b>4</b>	<b>Fuel Center</b>	<b>\$500,000</b>	<b>\$0</b>
<b>5</b>	<b>Soft Costs</b>	<b>\$1,200,000</b>	<b>\$0</b>
	<b>Total**</b>	<b>\$15,029,953</b>	<b>\$1,600,000</b>

\* The total Reimbursable Project Costs amount shall not exceed \$1,600,000, exclusive of financing costs. Developer may shift amounts among qualified line items.

\*\* Exclusive of financing costs.

**EXHIBIT C**

**PROJECTION OF REAL PROPERTY TAXES**

KCP-4269978-1

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 1 OF 3  
AVAILABLE TIF REVENUE**

Year	Base Real Property Taxes	Post-Development Real Property Taxes	Incremental Real Property Taxes Available for Debt Service*
2015	\$75,783	\$75,783	\$0
2016	\$75,783	\$129,737	\$53,955
2017	\$75,783	\$175,578	\$99,795
2018	\$75,783	\$175,578	\$99,795
2019	\$75,783	\$179,089	\$103,307
2020	\$75,783	\$179,089	\$103,307
2021	\$75,783	\$182,671	\$106,888
2022	\$75,783	\$182,671	\$106,888
2023	\$75,783	\$186,325	\$110,542
2024	\$75,783	\$186,325	\$110,542
2025	\$75,783	\$190,051	\$114,268
2026	\$75,783	\$190,051	\$114,268
2027	\$75,783	\$193,852	\$118,069
2028	\$75,783	\$193,852	\$118,069
2029	\$75,783	\$197,729	\$121,946
2030	\$75,783	\$201,684	\$125,901
Total		\$2,820,065	\$1,607,542

\* Assumes TIF activation beginning in 2016 with fifteen year repayment.



**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 2 OF 3  
REAL PROPERTY VALUES**

Year	Base Market Value	Post-Development Market Value			Total	Total Incremental Market Value
		Grocery*	Retail*	Restaurant*		
2015	\$3,442,551		\$3,442,551		\$3,442,551	\$0
2016	\$3,442,551	\$5,893,526	\$0	\$0	\$5,893,526	\$2,450,975
2017	\$3,442,551	\$6,011,397	\$1,178,705	\$785,804	\$7,975,906	\$4,533,355
2018	\$3,442,551	\$6,011,397	\$1,178,705	\$785,804	\$7,975,906	\$4,533,355
2019	\$3,442,551	\$6,131,625	\$1,202,279	\$801,520	\$8,135,424	\$4,692,873
2020	\$3,442,551	\$6,131,625	\$1,202,279	\$801,520	\$8,135,424	\$4,692,873
2021	\$3,442,551	\$6,254,257	\$1,226,325	\$817,550	\$8,298,132	\$4,855,581
2022	\$3,442,551	\$6,254,257	\$1,226,325	\$817,550	\$8,298,132	\$4,855,581
2023	\$3,442,551	\$6,379,342	\$1,250,851	\$833,901	\$8,464,095	\$5,021,544
2024	\$3,442,551	\$6,379,342	\$1,250,851	\$833,901	\$8,464,095	\$5,021,544
2025	\$3,442,551	\$6,506,929	\$1,275,868	\$850,579	\$8,633,377	\$5,190,826
2026	\$3,442,551	\$6,506,929	\$1,275,868	\$850,579	\$8,633,377	\$5,190,826
2027	\$3,442,551	\$6,637,068	\$1,301,386	\$867,591	\$8,806,044	\$5,363,493
2028	\$3,442,551	\$6,637,068	\$1,301,386	\$867,591	\$8,806,044	\$5,363,493
2029	\$3,442,551	\$6,769,809	\$1,327,414	\$884,942	\$8,982,165	\$5,539,614
2030	\$3,442,551	\$6,905,205	\$1,353,962	\$902,641	\$9,161,808	\$5,719,257

\* Assumes 75% of value is attributable to grocery, 15% to retail and 10% to restaurant.

**SUPER MARKET DEVELOPERS  
TIF APPLICATION  
EXHIBIT C, PAGE 3 OF 3  
ASSUMPTIONS**

TAX ASSUMPTIONS	
Real Property Levy Rates	Rate
County	0.424932%
Grand Island 2	1.102000%
Grand Island 2 2nd Bond	0.057971%
Grand Island 2 4th Bond	0.061165%
Grand Island City	0.276233%
Grand Island Bond	0.047867%
ED Serv Unit 10	0.015000%
Cent Comm Coll	0.112616%
Central Platte NRD	0.042153%
Hall Co Ag Society	0.003664%
Hall Airport General	0.010395%
Hall Airport Bond	0.021357%
Comm Redvlp Auth	0.026000%
<b>Total</b>	<b>2.201353%</b>

DEVELOPMENT PROJECT ASSUMPTIONS				
Use	Sq. Ft.	Date on Property Tax Rolls	Base Market Value*	Post-Development Market Value**
Grocery Store	63,000	1-Jan-2016		
Retail	16,800	1-Jan-2017	\$3,442,551	\$7,858,035
Restaurant	5,855	1-Jan-2017		
<b>Total</b>	<b>85,655</b>		<b>\$3,442,551</b>	<b>\$7,858,035</b>

\* Combined value of existing tax parcels.

\*\* Based on estimated value from assessor's office.

Real Property Assumptions	
Bi-annual Growth/Inflation Rate	2.00%

**EXHIBIT D**  
**STATEMENT OF NECESSITY FOR TIF**

KCP-4269978-1

June 9, 2014

Chad Naby, AICP  
Director  
Hall County Regional Planning Department  
100 E 1st Street  
P.O. Box 1968  
Grand Island, NE 68802

Re: Redevelopment of 620 West State Street

Dear Chad:

As you know, Super Market Developers Inc. (the "Developer") is excited about the potential to partner with the City of Grand Island, Nebraska and its Community Redevelopment Authority in order to redevelop and greatly improve the property at 620 West State Street. In particular, the Developer is proposing to replace the existing Skagway grocery store with (i) a new, first-class 63,000 square foot super market, (ii) a 5,855 square foot restaurant and (iii) another 16,800 to 50,000 square feet of retail space. This redevelopment stands to greatly benefit the City of Grand Island and its community as a whole.

Given the operating costs associated with this type of high-quality development, the anticipated revenue stream is insufficient alone to justify the project, and, in my experience as a real estate developer, a redevelopment of this type will necessarily require some public assistance to become feasible. As such, a public-private partnership between the Developer and the City and the use of tax increment financing are essential to bringing the proposed redevelopment to fruition.

Sincerely,



KCP-4476315-1

**EXHIBIT E**  
**FINANCIAL STATEMENTS**

KCP-4269978-1

**2011**

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 31, 2011 and December 25, 2010  
(dollars in thousands)

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash and cash equivalents .....	\$ 82,186	\$ 84,428
Restricted cash .....	62,233	—
Receivables, net of allowance for doubtful accounts of \$2,698 in 2011 and \$3,167 in 2010 .....	194,020	199,384
Notes receivable from members, current maturities, net of allowance for doubtful accounts of \$87 in 2011 .....	7,378	7,318
Inventories .....	377,896	342,797
Deferred income taxes (note 11) .....	15,028	13,912
Other current assets .....	20,854	21,878
Total current assets .....	759,595	669,717
Notes receivable from members, maturing after one year, net of allowance for doubtful accounts of \$2,796 in 2011 and \$1,295 in 2010 .....	37,417	38,160
Property and equipment, net (note 6) .....	307,421	291,299
Investments .....	877	1,277
Intangibles, net of accumulated amortization of \$44,540 in 2011 and \$43,087 in 2010 (note 3) .....	10,763	10,010
Other assets .....	15,885	13,616
Total assets .....	\$ 1,131,958	\$ 1,024,079
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
Current Liabilities:		
Accounts payable .....	\$ 367,688	\$ 357,419
Cash portion of current year patronage .....	93,382	86,533
Member deposits .....	11,738	8,211
Long-term debt maturing within one year .....	114	—
Accrued expenses and other current liabilities .....	80,559	80,759
Total current liabilities .....	553,481	532,922
Long-term debt maturing after one year (note 7) .....	201,736	157,000
Deferred income taxes (note 11) .....	1,346	2,649
Deferred income and other liabilities .....	47,297	36,457
Members' patronage refund certificates maturing after one year (notes 1 and 5) .....	39,478	73,713
Total liabilities .....	843,338	802,741
Commitments and contingent liabilities (note 13)		
Members' Equity:		
Common stock, \$100 par value:		
Class A, voting; 35,000 shares authorized; 9,015 and 8,895 shares issued in 2011 and 2010 .....	900	888
Class B, nonvoting; 150,000 shares authorized; 18,265 and 19,015 shares issued in 2011 and 2010 .....	1,825	1,900
Additional paid-in capital .....	12,570	12,604
Retained earnings .....	293,849	222,329
Accumulated other comprehensive loss (notes 10 and 12) .....	(20,524)	(16,383)
Total members' equity .....	288,620	221,338
Total long-term members' patronage and equity .....	328,098	295,051
Total liabilities and members' equity .....	\$ 1,131,958	\$ 1,024,079

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
Fiscal years ended December 31, 2011, December 25, 2010, and December 26, 2009  
(dollars in thousands)

	2011	2010	2009
Net sales .....	\$ 7,766,807	\$ 7,251,719	\$ 7,057,036
Cost of goods sold .....	7,142,260	6,655,074	6,456,969
Gross profit .....	624,547	596,645	600,067
General and administrative expenses .....	444,488	417,523	430,400
Operating income .....	180,059	179,122	169,667
Other income (expenses):			
Interest income (note 1) .....	2,571	2,624	2,409
Interest expense (note 5) .....	(7,038)	(8,272)	(11,429)
Other, net .....	763	1,895	746
Income before income taxes .....	176,355	175,369	161,393
Income taxes (note 11) .....	6,828	11,351	13,628
Net income .....	\$ 169,527	\$ 164,018	\$ 147,765

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
Fiscal years ended December 31, 2011 and December 25, 2010  
(dollars in thousands)

	2011	2010
Allocated		
Balance at beginning of period .....	\$ 164,340	\$ 106,729
Patronage certificates (note 8):		
Issued .....	61,937	57,497
Redeemed .....	(25)	(77)
Reclassified (note 4) .....	(3,807)	—
Class B certificates:		
Issued .....	264	191
Balance at end of period .....	\$ 222,709	\$ 164,340
Unallocated		
Balance at beginning of period .....	\$ 57,989	\$ 40,052
Net Income .....	169,527	164,018
Less allocated earnings (note 8):		
Patronage certificates .....	(61,937)	(57,497)
Class B certificates .....	(223)	(191)
Less cash portion of current year patronage .....	(93,382)	(86,533)
Redemption and retirement of common stock .....	(834)	(1,860)
Balance at end of period .....	\$ 71,140	\$ 57,989
Total retained earnings .....	\$ 293,849	\$ 222,329

See accompanying notes to consolidated financial statements.



ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY AND COMPREHENSIVE INCOME  
Fiscal years ended December 31, 2011, December 25, 2010 and December 26, 2009  
(dollars in thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity	Comprehensive Income
Balances at December 27, 2008 ...	\$ 1,458	\$ 12,310	\$ 84,235	\$ (23,799)	\$ 74,204	
Net Income .....	—	—	147,765	—	147,765	147,765
Change in funded status of pension plan, net of \$5,548 in taxes .....	—	—	—	8,863	8,863	8,863
Change in cash flow hedge, net of \$347 in taxes .....	—	—	—	566	566	566
Patronage declared .....	—	—	(138,185)	—	(138,185)	—
Patronage in allocated earnings ...	—	—	55,070	—	55,070	—
Redemption of patronage in allocated earnings .....	—	—	(9)	—	(9)	—
Net redemption of Class B patronage certificates .....	—	—	(558)	—	(558)	—
Issuance of stock .....	179	2,663	—	—	2,842	—
2-for-1 stock dividend .....	1,379	(1,379)	—	—	—	—
Redemption and retirement of stock .....	(131)	(1,558)	(1,537)	—	(3,226)	—
Balances at December 26, 2009 ...	\$ 2,885	\$ 12,036	\$ 146,781	\$ (14,370)	\$ 147,332	\$ 157,194
Net Income .....	—	—	164,018	—	164,018	164,018
Change in funded status of pension plan, net of (\$1,527) in tax credits	—	—	—	(2,439)	(2,439)	(2,439)
Change in cash flow hedge, net of \$261 in taxes .....	—	—	—	426	426	426
Patronage declared .....	—	—	(144,221)	—	(144,221)	—
Patronage in allocated earnings ...	—	—	57,497	—	57,497	—
Redemption of patronage in allocated earnings .....	—	—	(77)	—	(77)	—
Net issuance of Class B patronage certificates .....	—	—	191	—	191	—
Issuance of stock .....	53	729	—	—	782	—
Redemption, retirement and reclass of stock .....	(150)	(161)	(1,860)	—	(2,171)	—
Balances at December 25, 2010 ...	\$ 2,788	\$ 12,604	\$ 222,329	\$ (16,383)	\$ 221,338	\$ 162,005
Net Income .....	—	—	169,527	—	169,527	169,527
Change in funded status of pension plan, net of (\$949) in tax credits	—	—	—	(5,060)	(5,060)	(5,060)
Change in cash flow hedge, net of \$546 in taxes .....	—	—	—	919	919	919
Patronage declared .....	—	—	(155,542)	—	(155,542)	—
Patronage in allocated earnings ...	—	—	61,937	—	61,937	—
Redemption and reclass of patronage in allocated earnings .....	—	—	(3,791)	—	(3,791)	—
Net issuance of Class B patronage certificates .....	—	—	223	—	223	—
Issuance of stock .....	56	803	—	—	859	—
Redemption and retirement of stock	(119)	(837)	(834)	—	(1,790)	—
Balances at December 31, 2011 ...	\$ 2,725	\$ 12,570	\$ 293,849	\$ (20,524)	\$ 288,620	\$ 165,386

See accompanying notes to consolidated financial statements.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Fiscal years ended December 31, 2011, December 25, 2010 and December 26, 2009  
(dollars in thousands)

	2011	2010	2009
Cash flows from operating activities:			
Net income .....	\$ 169,527	\$ 164,018	\$ 147,765
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization .....	38,746	40,560	38,080
Impairment of assets .....	224	2,800	1,302
Deferred income taxes .....	(2,419)	696	4,632
Loss (gain) on disposition of property and equipment .....	(1,779)	1,614	259
Changes in assets and liabilities, net of effects of acquisitions:			
Receivables .....	5,364	(17,194)	(14,504)
Inventories .....	(33,077)	(3,063)	24,170
Other assets .....	(1,245)	7,306	(10,548)
Accounts payable, accrued expenses and other liabilities .....	16,708	14,981	1,700
Net cash provided by operating activities .....	192,049	211,718	192,856
Cash flows from investing activities:			
Additions to restricted cash .....	(62,233)	—	—
Additions to intangibles .....	(255)	—	(529)
Proceeds from investments .....	400	—	—
Loans to members .....	(11,717)	(11,889)	(18,365)
Repayment of loans by members .....	12,400	8,497	8,518
Additions to property and equipment .....	(54,322)	(41,373)	(51,186)
Proceeds from sale of property and equipment .....	2,861	28,889	12,053
Acquisition of assets, net of cash acquired (note 4) .....	(4,312)	—	—
Net cash used in investing activities .....	(117,178)	(15,876)	(49,509)
Cash flows from financing activities:			
Year-end patronage distributions .....	(86,533)	(82,911)	(77,107)
Redemption of prior year's patronage refund certificates .....	(33,413)	(33,389)	(91,469)
Issuance of common stock .....	859	782	2,842
Redemption and retirement of common stock .....	(1,790)	(2,171)	(3,226)
Net borrowing (repayments) under credit facilities .....	44,850	(20,800)	35,000
Subsidiary acquisition of shareholder patronage .....	(4,613)	—	—
Net proceeds (repayments) of member deposits .....	3,527	(6,282)	(5,914)
Net cash used in financing activities .....	(77,113)	(144,771)	(139,874)
Net increase (decrease) in cash and cash equivalents .....	(2,242)	51,071	3,473
Cash and cash equivalents at beginning of period .....	84,428	33,357	29,884
Cash and cash equivalents at end of period .....	\$ 82,186	\$ 84,428	\$ 33,357
Supplemental cash flow statement information:			
Cash paid for interest, net of amount capitalized .....	\$ 8,473	\$ 10,010	\$ 13,215
Cash paid for income taxes .....	\$ 7,774	\$ 10,194	\$ 8,142

See accompanying notes to consolidated financial statements.

## **(1) Summary of Significant Accounting Policies**

### **General**

Associated Wholesale Grocers, Inc. predominately operates on a cooperative basis (see Patronage) procuring grocery merchandise for distribution to its retailer/shareholders ("Members") throughout the Midwestern, Southwestern and Southeastern United States. Non-Cooperative businesses include nonfood distribution centers and retail supermarkets that operate under the banners of Homeland and United Supermarkets. The cooperative represents approximately 80% of total net sales. "AWG" and "Company" refer to Associated Wholesale Grocers, Inc. and its subsidiaries. Certain immaterial reclassifications of prior years' amounts have been made to conform to current year presentation.

### **Principles of Consolidation and Use of Estimates**

The consolidated financial statements include the accounts of AWG, its subsidiaries and variable interest entities where the Company is considered the primary beneficiary. All significant intercompany transactions have been eliminated. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing financial statements, management makes informed judgments and estimates that affect the reported amounts of assets and liabilities as of the date of the statements and affects the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The Company's fiscal year ends on the last Saturday in December. Fiscal 2011 included 53 weeks of operations. Fiscal 2010 and 2009 both included 52 weeks of operations.

### **Variable Interest Entity**

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810, "Consolidations" ("ASC 810"), the Company consolidates any variable interest entity (VIE) in which the Company has a controlling financial interest and, therefore, is the VIE's primary beneficiary. ASC 810 states that a controlling financial interest in an entity is present when an enterprise has the power to direct the activities of a VIE that most significantly affect the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company has determined that HAC, Inc. Employee Stock Ownership Plan and Trust ("ESOP") is a VIE pursuant to certain financing provided by the Company in the sale of its retail grocery operation (see note 4) and has included the ESOP in the Company's consolidated financial statements for the fiscal year ended December 31, 2011. ESOP had four days of operations in 2011 and incurred a net loss, primarily related to transactional costs, that was de minimus to the consolidated financial statements.

### **Business and Credit Concentrations**

The majority of the Company's sales are to Members/retailers located in Kansas, Missouri, Oklahoma, Arkansas, Texas and Tennessee. No single customer accounted for more than 10% of sales in any year presented. Lease and equipment financing through AWG is available to qualified retailers for acquisition/expansion of supermarket properties. Trade and notes receivables are generally secured (see note 5) and the Company establishes an allowance for doubtful accounts based on collectibility. The Company's lending rate is generally one percent over the prime rate with borrowing terms to 10 years. For the fiscal years 2011, 2010 and 2009, the Company earned interest income on loans of \$2.0 million, \$2.0 million and \$1.6 million, respectively. Interest income is recorded when earned.

### **Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Proceeds due from credit and debit card transactions with settlement terms of less than five days are also included.

### **Restricted Cash**

In 2011, the Company received \$75 million in proceeds from the issuance of Gulf Opportunity Zone tax-exempt bonds made available by the federal government to the regions affected by Hurricanes Katrina and Rita in 2005. These variable rate bonds mature September 1, 2041, and are secured with a designated borrowing under the five-year Revolving Credit Agreement (see note 7). The proceeds from the bond issuance will be used towards the construction of the Company's new distribution center in Louisiana. At December 31, 2011, the unused proceeds are recorded in Restricted Cash in the Consolidated Balance Sheets. The unused proceeds are expected to be used in their entirety during 2012.

### **Inventories**

Merchandise is valued at the lower of cost or market. Cost for 68% of inventories in both 2011 and 2010 is determined using the last-in, first-out (LIFO) method. Cost for perishables, general merchandise, health care and retail store inventories is determined using the first-in, first-out (FIFO) method. Had all products been valued at FIFO, inventories would have increased by \$105.7 million at December 31, 2011, and \$86.2 million at December 25, 2010.

### **Sales and Cost of Goods Sold**

The Company recognizes sales of merchandise when products are shipped and promotional allowances related to selling products to customers are recorded as a reduction in sales. Fees and upfront monies received from vendors are recorded as a reduction of the cost of goods sold in the period in which they are earned, based on contractual commitments to achieve certain milestones in purchases.

**(1) Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

Property and equipment are stated at cost and include assets held for sale of \$0.2 million at December 31, 2011 and December 25, 2010, respectively. Expenditures for improvements, which significantly increase property lives, are capitalized. Interest costs incurred during the construction of facilities are included in the cost of such properties. Depreciation and amortization are calculated using the straight-line method over the assets estimated useful lives, which range from 15 to 50 years for buildings; 3 to 10 years for equipment; and 3 to 5 years for vehicles. Leasehold improvements are amortized over the respective terms of leases.

**Recently Issued Accounting Standards**

In September 2011, the FASB amended its standards related to the disclosure requirements for employers subject to multi-employer pension plans. The amended standards require additional separate disclosures for multi-employer pension plans and multi-employer other post-retirement benefit plans. For significant multi-employer plans in which an employer participates, the additional disclosures include the plan name and identifying number, contributions to the plan and whether such contributions represent 5% or more of the total contributions made to the plan by all employers, indication of funded status, minimum contribution requirements under collective-bargaining agreements and expirations of such agreements. For plans that do not have publically available information other than employer financial statements, additional qualitative and quantitative disclosures are required including the description of the nature of the plan benefits, the extent to which the employer could be responsible for the obligations of the plan and, to the extent available, total plan assets, actuarial present value of accumulated plan benefits and total contributions received by the plan as of the most recent date available. The amended standards will become effective for private entities for annual periods ending after December 15, 2012, however, early adoption is permitted and the Company has elected to include the required disclosures in 2011 (see note 14). Because the standards only affect the disclosures required for multi-employer pension plans, the standards do not have a material effect on the Company's consolidated financial statements.

In September 2011, the FASB amended its standards related to the testing of goodwill for impairment. The objective of this amendment is to simplify the annual goodwill impairment evaluation process. The amendment provides entities the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The two-step impairment test is now only required if an entity determines through this qualitative analysis that it is more likely than not that the fair value of the reporting units is less than its carrying value. The new rules will become effective for annual periods beginning after December 15, 2011. Because the measurement of potential impairment loss has not changed, the amended standards will not have an effect on the Company's consolidated financial statements.

In June 2011, the FASB amended its rules regarding the presentation of comprehensive income. The objective of this amendment is to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. Specifically, this amendment requires that all non-owner shareholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The new rules will become effective for private entities for annual periods ending after December 15, 2012. Because the standards only affect the display of comprehensive income and do not affect what is included in comprehensive income, the standards will not have a material effect on the Company's consolidated financial statements.

In May 2011, the FASB amended its standards related to fair value measurements and disclosures. The objective of the amendment is to improve the comparability of fair value measurements presented and disclosed in the financial statements prepared in accordance with GAAP and International Financial Reporting Standards. This amendment primarily changed the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. In addition, the amendment clarified the FASB's intent about the application of existing fair value measurement requirements. The new rules will become effective for annual periods beginning after December 15, 2011. While the Company is still finalizing its evaluation of the effect of this amended standard, the Company believes the new standard will not have a material effect on its consolidated financial statements.

**Investments**

The Company has all investments stated at cost.

**Patronage**

Income from cooperative operations, less a nominal amount authorized by the Board of Directors to be retained, is returned to the Members in the form of year-end patronage. At each year-end, a percentage of net income to be distributed is paid in cash (60%) with the remainder paid in the form of patronage certificates (see notes 5 and 8). Such amounts are apportioned to the Members based on qualifying warehouse purchases.

**Income Taxes**

AWG and its subsidiaries file a consolidated federal income tax return. Deferred income taxes are accounted for under the asset and liability method. Patronage distributions from cooperative operations are deductible for income tax purposes. Deferred income taxes result primarily from differences in financial reporting bases for net receivables, inventory, depreciation, insurance, intangibles, deferred compensation and pension liability.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

## (2) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair value measurements as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 – Unobservable inputs in which little or no market activity exists, requiring an entity to develop its own assumptions about the assumptions that market participants would use in valuing.

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivables and accounts payable, the fair values approximate book values due to their short term maturities.

Property and equipment and intangible assets are reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. Recoverability of assets held and used is assessed based on the undiscounted future cash flows. Assets to be disposed of are presented at the lower of cost or fair value less costs of disposal. During the fiscal years ended December 31, 2011 and December 25, 2010, the Company recorded \$0.2 million and \$2.8 million of property, equipment and software impairment charges, respectively, which were measured at fair value using Level 3 inputs. The impairment charges are a component of the general and administrative expenses in the consolidated statements of operations.

The carrying amounts of the Company's long-term debt reported on the consolidated balance sheets approximate fair value since their interest rates are periodically adjusted to reflect market conditions.

Changes in the fair value of derivatives (Level 2 inputs) should be reported in earnings or other comprehensive income depending on the use of derivatives and whether they qualify for hedge accounting. Derivatives that are not hedges must be recorded at fair value through earnings.

## (3) Intangible Assets

The Company has intangible assets subject to amortization with original useful lives of 15 years relating to the acquisition of wholesale volume agreements. The Company has no recorded goodwill at December 31, 2011 and December 25, 2010. Amortization expense for intangible assets was \$1.5 million in 2011, \$1.8 million in 2010 and \$2.9 million in 2009. Amortization expense for the next five fiscal years is estimated to be as follows (in millions): 2012 - \$1.4; 2013 - \$1.3; 2014 - \$1.3; 2015 - \$1.3; and 2016 - \$1.3.

## (4) Acquisitions, Divestitures and Certain Transactions with Members

In December 2011, the Company sold its subsidiary retail grocery operation, Associated Retail Grocers, Inc. ("ARG"), whose only asset consisted of an investment in HAC, Inc. The operation is commonly referred to as Homeland Stores, which operates grocery stores situated in Oklahoma (72), Texas (4) and Kansas (1). The purchaser, ESOP (see Variable Interest Entity in note 1), bought 100% of the controlling stock of ARG in a transaction valued at \$145 million. The Company provided financing in a series of loan tranches, with maturity dates of 5 to 11 years, as follows:

Tranche A – \$60 million, due in weekly payments (subject to floating rate adjustments based on Prime + 0% margin) representing principal and an initial 3.25% all-in interest rate. The loan amortizes based on a ten-year life and a balloon payment due December 26, 2016.

Tranche B – \$50 million, due in weekly payments (subject to floating rate adjustments based on Prime + 1% margin) representing an initial 4.25% all-in interest-only payment until the earlier of: (i) December 26, 2016, or (ii) the repayment of the Tranche-A obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a ten-year life and a balloon payment due December 26, 2021.

Tranche C – \$35 million, due in weekly payments representing a fixed rate of 11% and interest-only payments until the earlier of: (i) December 26, 2019, or (ii) the repayment of the Tranche-B obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a five-year life and a balloon payment due December 26, 2022. Only Tranche-C is subject to an early termination penalty from early redemption. The borrower can, under certain circumstances, lower the fixed rate if certain performance targets are achieved.

Beneficial terms of the transaction require ESOP to maintain its purchase concentration of current and future stores for a stated period beyond the final repayment of all the outstanding obligations. In addition, the Company provides ESOP access to a line of credit up to \$15 million to manage its seasonal borrowing needs at a borrowing rate of Prime. Additional commitments beyond the initial transaction relate to assisting HAC, Inc. to borrow up to \$10 million to meet its obligations from withdrawing from its sponsoring participation in several UFCW multi-employer pension plans.

ESOP is considered a VIE, requiring its continuing operations to be combined with the Company's consolidated financial statements. Therefore, the Company will not reflect the gain on the sale of the subsidiary until such time as the Company determines it is no longer the primary beneficiary of ESOP.

**(4) Acquisitions, Divestitures and Certain Transactions with Members (continued)**

In September 2011, AVT Grocery, Inc. (formerly Minyard Foods Stores, Inc.) assigned \$4.6 million of outstanding issued and allocated patronage certificates to HAC, Inc., which at the time of the assignment was a subsidiary of AWG. At December 31, 2011, these certificates were reclassified and eliminated in the Company's consolidated financial statements.

In September 2011, Super Market Developers, Inc., a subsidiary of AWG, purchased a supermarket property in Iowa from Dahl's Holdings I, LLC (Dahl's) and assumed a fixed-term loan associated with the property. The principal amount of the loan was \$5.6 million (see note 7). Concurrent with the transaction, the Company subleased the property back to Foods, Inc., an affiliate of Dahl's.

In August 2011, HAC, Inc., a subsidiary of the Company, purchased equipment and inventory for three supermarkets located in Texas from North Texas Supersave, LP and one supermarket located in Texas from Weatherford Super Save, Inc. The aggregate cash purchase price for all four stores was \$4.3 million.

**(5) Patronage Refund Certificates and Deposits**

Patronage Refund Certificates have been issued to Members in the past as part of annual distributions of net income from cooperative operations. In 2008, new non-maturing certificates began being issued (see note 8). The pertinent provisions of Patronage Refund Certificates (issued prior to 2008) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) the Board of Directors of AWG has the authority to set the interest rate on these certificates, subject to the maintenance of an interest rate of at least 4%, but not in excess of 8%; and (d) the certificates are subordinate to the claims of all creditors of AWG. As of December 31, 2011, the interest rate was 4%. All outstanding Patronage Refund Certificates issued mature five years from the date of issuance. At December 31, 2011, Patronage Refund Certificates maturing over the next five years are as follows (in millions): 2013 - \$39.5.

Member deposits represent interest-bearing accounts that may be required to collateralize weekly purchases of products. Interest expense incurred on patronage certificates, member deposits, and member savings in 2011, 2010 and 2009 was \$2.9 million, \$4.3 million and \$5.9 million, respectively. Since there is no market for Patronage Refund Certificates and Member Deposits, it is impractical to assess whether the carrying amounts, which are reported on the consolidated balance sheets for these items, approximate fair value.

**(6) Property and Equipment**

Property and equipment are summarized as follows (dollars in thousands):

	2011	2010
Land .....	\$ 31,119	\$ 18,233
Buildings and leasehold improvements .....	276,867	263,759
Equipment .....	257,063	254,258
Construction in progress and other .....	5,294	1,191
	\$ 570,343	\$ 537,441
Less accumulated depreciation .....	(262,922)	(246,142)
Property and equipment, net .....	\$ 307,421	\$ 291,299

Depreciation expense incurred in 2011, 2010, and 2009 was (in millions) \$37.4, \$38.8 and \$35.2, respectively. In 2011, 2010 and 2009, the Company capitalized an aggregate total of (in millions) \$0.1 of capitalized construction period interest.

**(7) Long-term Debt**

In September 2011, the Company assumed a term-loan with a principal balance of \$5.6 million relating to the purchase of a supermarket property. The terms of the loan include fixed monthly payments, a fixed interest rate of 6.75% and a maturity date of January 1, 2034. At December 31, 2011, the outstanding principal amount of this loan was \$5.6 million.

In July 2011, an eleven-month Revolving Credit Agreement was signed, which includes a "term-out" feature to extend the maturity to June 15, 2013, and provides an \$85 million credit facility. At December 31, 2011, total borrowings and outstanding letters of credit were \$51.8 million. Variable interest rates are based on the Fed Funds rate and ranged from 0.69% to 1.16% during 2011 (which included a base rate mark-up charged by the lender). Daily borrowings during 2011 averaged \$24.7 million and overall annual borrowings and repayments were approximately \$225 million. At December 31, 2011, the Company had an additional \$33.2 million available for borrowing under this agreement.

In May 2011, the Company amended its five-year Revolving Credit Agreement, which extends the maturity to May 2016 and provides a \$275 million credit facility. At December 31, 2011, total borrowings and outstanding letters of credit were \$162.6 million, which includes a \$75 million tax-exempt bond loan (see Restricted Cash in note 1). Variable interest rates are based on the London Interbank Borrowing Rate and ranged from 0.71% to 3.25% during 2011 (which included a base rate mark-up charged by the lenders). Daily borrowings during 2011 averaged \$77.7 million and overall annual borrowings and repayments were approximately \$2.3 billion. At December 31, 2011, the Company had an additional \$112.4 million available for borrowing under this agreement.

The Company's credit facilities share certain financial covenants related to cash flow leverage, minimum tangible net worth and interest coverage. The Company was in compliance with all covenants at December 31, 2011.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(8) Allocated Earnings**

At December 31, 2011, \$62.0 million of the current year non-maturing patronage has been allocated within Retained Earnings. The pertinent provisions of these Patronage Certificates (issued in 2008 or after) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) no interest is accrued on outstanding certificates; (d) the certificates have no stated maturity date, and (e) the certificates are subordinate to the claims of all creditors of AWG.

In July 2005, the Board of Directors created another form of patronage certificate ("Class B Certificates") for members who are delinquent with their obligations owed to the Company. The Class B Certificates are non-interest bearing and have no maturity date. These certificates are only redeemed upon the dissolution of the Company and the redemption of all other patronage certificates. The Class B Certificates are included in Retained Earnings and amounted to \$0.7 million and \$0.5 million as of December 31, 2011 and December 25, 2010, respectively.

**(9) Equity**

All members of the cooperative are required to hold 15 shares of Class A Common Stock. The by-laws of AWG contain restrictions concerning the transfer of common stock, which serves as collateral to secure members' indebtedness. Each member holding Class A Common Stock is entitled to one vote in shareholder matters. The Board of Directors of the Company declared a 2-for-1 stock dividend effective March 22, 2009 for shareholders of record, whereby every shareholder of A and B stock received additional shares in the form of B stock. All issuances and redemptions since March 20, 2011 have been made at \$1,570 per share. Issuances and redemptions between March 21, 2010 and March 19, 2011 were made at \$1,510 per share. Issuances and redemptions between March 22, 2009 and March 20, 2010 were made at \$1,450 per share.

The changes in common stock for the fiscal years ended December 31, 2011 and December 25, 2010 were as follows (dollars in thousands):

	Class A	Class B	Total Common Stock	Members
Balances at December 26, 2009				589
Shares .....	8,835	20,042	28,877	
Dollar Value .....	\$ 882	\$ 2,003	\$ 2,885	
Issued				35
Shares .....	525	—	525	
Dollar Value .....	\$ 53	\$ —	\$ 53	
Redeemed				(31)
Shares .....	(465)	(1,027)	(1,492)	
Dollar Value .....	\$ (47)	\$ (103)	\$ (150)	
Balances at December 25, 2010				593
Shares .....	8,895	19,015	27,910	
Dollar Value .....	\$ 888	\$ 1,900	\$ 2,788	
Issued				37
Shares .....	555	—	555	
Dollar Value .....	\$ 56	\$ —	\$ 56	
Redeemed				(29)
Shares .....	(435)	(750)	(1,185)	
Dollar Value .....	\$ (44)	\$ (75)	\$ (119)	
Balances at December 31, 2011				601
Shares .....	9,015	18,265	27,280	
Dollar Value .....	\$ 900	\$ 1,825	\$ 2,725	

**(10) Derivative Financial Instruments and Hedging Activities**

The Company's use of derivative financial instruments is limited to interest rate swaps entered into with financial institutions. The objective is to reduce AWG's exposure to interest rate fluctuations (rate risk) for a portion of its variable rate bank debt and to lower overall borrowing costs. Reset dates and the floating rate indices on the swaps match those of the underlying bank debt. Accordingly, any change in market value associated with the swaps is offset by the opposite market impact on the related debt.

The Company accounts for an interest rate swap as a cash flow hedge and accordingly, gains and losses on an interest rate swap (dependent upon the movement in interest rates) are deferred in a component of equity (accumulated other comprehensive income or loss - "AOCI") to the extent the hedging relationship is effective. During the year ended December 31, 2011, the Company reclassified \$1.9 million from AOCI related to its interest rate swaps and recognized that amount as a loss, which is included in interest expense. At December 31, 2011, the Company had no interest rate swaps in effect.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(11) Income Taxes**  
(dollars in thousands)

The significant components of income tax expense are summarized as follows:

	2011	2010	2009
Federal:			
Current .....	\$ 4,348	\$ 7,660	\$ 8,422
Deferred .....	1,867	3,024	3,019
Total federal .....	<u>\$ 6,215</u>	<u>\$ 10,684</u>	<u>\$ 11,441</u>
State:			
Current .....	\$ 2,294	\$ 1,729	\$ 1,433
Deferred .....	(1,681)	(1,062)	754
Total state .....	<u>\$ 613</u>	<u>\$ 667</u>	<u>\$ 2,187</u>
Total income tax .....	<u><u>\$ 6,828</u></u>	<u><u>\$ 11,351</u></u>	<u><u>\$ 13,628</u></u>

The effects of temporary differences and other items that give rise to deferred income tax assets and liabilities are presented below:

	2011	2010
Deferred income tax assets:		
Pension .....	\$ 8,076	\$ 6,818
Insurance .....	3,477	4,435
Compensation .....	7,283	7,448
Accounts receivable .....	1,986	1,733
Inventory .....	815	948
Contribution carryovers .....	2,217	—
State credit carryover .....	3,174	3,510
Other .....	1,443	1,174
Deferred income tax assets .....	<u>28,471</u>	<u>26,066</u>
Valuation allowance .....	(3,310)	(2,535)
Total deferred income tax assets .....	<u><u>\$ 25,161</u></u>	<u><u>\$ 23,531</u></u>
Deferred income tax liabilities:		
Fixed assets .....	\$ 8,528	\$ 10,131
Prepaid expenses .....	2,054	2,137
Other .....	897	—
Total deferred income tax liabilities .....	<u>\$ 11,479</u>	<u>\$ 12,268</u>
Net deferred income tax assets .....	<u><u>\$ 13,682</u></u>	<u><u>\$ 11,263</u></u>

As of December 31, 2011, a \$3,310 valuation allowance was required to reduce the deferred income tax assets to a level, which more likely than not, will be realized as future benefits. The Company is currently in various stages of audits or other methods of review with taxing authorities from various taxing jurisdictions. Based on the information available, the Company does not anticipate significant additional changes to unrecognized tax benefits. In general, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for fiscal years ending December 29, 2007 and prior. The Company recognizes interest and penalties related to income tax deficiencies separately from the tax expense. As of December 31, 2011, the Company had a \$114 liability related to accrued interest and penalties for uncertain tax positions recorded on its balance sheet.



ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(12) Employee Benefit Plans**  
(dollars in thousands)

Substantially all employees of the Company and its subsidiaries are covered by various contributory and non-contributory pension or profit sharing plans. Union employees participate in multi-employer retirement plans under collective bargaining agreements, unless the collective bargaining agreement provides for participation in plans sponsored by the Company. The Company sponsors a defined benefit pension plan, both qualified and non-qualified (the DB Plan), and several defined contribution pension plans. The DB Plan covers 1,638 and 1,609 participants for the fiscal year ended December 31, 2011, and December 25, 2010, respectively, which is comprised mainly of non-union warehouse, clerical and managerial employees. The Company provides no health care, life insurance, nor disability plans to former and inactive employees after retirement under post-employment benefit plans.

The benefit obligation (which is the projected benefit obligation or "PBO"), fair value of plan assets, and funded status of the Company's DB Plan is as follows:

	2011	2010
<b>Change in benefit obligation (PBO)</b>		
Benefit obligation at beginning of year .....	\$ 115,522	\$ 94,383
Service cost .....	10,452	9,727
Interest cost .....	6,132	5,469
Benefits paid .....	(5,950)	(8,926)
Actuarial loss .....	11,028	14,869
Benefit obligation at end of year .....	\$ 137,184	\$ 115,522
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year .....	\$ 91,156	\$ 79,998
Actual return on plan assets .....	(563)	12,003
Employer contributions .....	23,374	8,081
Benefits paid .....	(5,950)	(8,926)
Fair value of plan assets at end of year .....	\$ 108,017	\$ 91,156
<b>Funded status, end of year</b>	<b>\$ (29,167)</b>	<b>\$ (24,366)</b>

Benefit calculations for the Company's sponsored DB Plan for primarily non-union eligible participants are generally based on years of service and the participants' highest compensation during five consecutive years during the last ten years of employment. The Company's accumulated benefit obligation for the DB Plan was \$93,987 and \$77,524 at December 31, 2011 and December 25, 2010, respectively. At December 31, 2011 and December 25, 2010, the fair value of the DB Plan assets exceeded the accumulated benefit obligation.

The amounts recognized for the DB Plan in the Company's accumulated other comprehensive loss consisted of the following:

	2011	2010
Prior service cost .....	\$ (2,212)	\$ (2,749)
Net actuarial loss .....	(31,160)	(22,394)
Total recognized in AOCI, before tax .....	\$ (33,372)	\$ (25,143)
Total recognized in AOCI, net of tax .....	\$ (20,524)	\$ (15,463)

The estimated future benefit payments to be paid from the DB Plan, which reflect expected future service, are as follows:

<b>Fiscal year</b>	<b>DB Plan Benefits</b>
2012 .....	\$ 11,421
2013 .....	10,113
2014 .....	10,949
2015 .....	32,305
2016 .....	20,543
Years 2017-2020 .....	76,459

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(12) Employee Benefit Plans (continued)**

Net periodic benefit expense for the DB Plan consisted of the following:

	2011	2010
Service cost -- benefits earned during the period .....	\$ 10,453	\$ 9,727
Interest cost on projected benefit obligations .....	6,132	5,469
Expected return on plan assets .....	(7,350)	(6,052)
Amortization of prior service cost .....	537	537
Amortization of net actuarial loss .....	10,174	4,414
Net periodic benefit expense .....	<u>\$ 19,946</u>	<u>\$ 14,095</u>

The estimated prior service cost and net actuarial loss that will be amortized from accumulated other comprehensive income/loss into net periodic benefit cost for the DB Plan over the next fiscal year are \$537 and \$6,130, respectively. The majority of the unfunded non-qualified portion of the plan has been expensed.

Weighted average assumptions used for the DB Plan are as follows:

	2011	2010
Weighted-average assumptions used to determine benefit obligations:		
Discount rate .....	4.75%	5.50%
Rate of compensation increase .....	3.50%	4.00%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate .....	5.50%	5.80%
Rate of compensation increase .....	4.00%	4.25%
Expected return on plan assets .....	8.00%	8.00%

The fair value of the Company's DB Plan assets at the end of 2011, by asset category, are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities .....	\$ 65,558	\$ 65,558	\$ —	\$ —
Debt securities .....	30,453	30,453	—	—
Other, including cash and cash equivalents .....	12,006	12,006	—	—
Totals .....	<u>\$ 108,017</u>	<u>\$ 108,017</u>	<u>\$ —</u>	<u>\$ —</u>

The Company's investment policy reflects the nature of the DB Plan's funding obligations. The assets are invested to provide the opportunity for both income and growth of principal. This objective is pursued as a goal designed to provide required benefits for participants without undue risk. It is expected that this objective can be achieved through a well-diversified asset portfolio. Investment managers are directed to maintain equity portfolios at a risk level approximately equivalent to that of the specific benchmark established for the portfolio. The expected rate of return on DB Plan assets was determined based on expectations of future returns for the DB Plan's investments based on the target asset allocation of the DB Plan's investments. The Company expects to contribute approximately \$13.0 million to the DB Plan during 2012.

The Company also makes contributions to its defined contribution plans. The total expense for these plans amounted to (in millions) \$3.8, \$5.4 and \$5.2 in 2011, 2010 and 2009, respectively.

**(13) Commitments and Contingent Liabilities**

The Company is obligated as lessee under various noncancelable long-term supermarket property leases with minimum annual rentals of approximately \$44.9 million. These leases have an average remaining life of 6 years. It is expected in the ordinary course of business that these leases will be renewed or replaced. The Company has subleased the majority of its supermarket properties to Members (except for properties operated by the Company's subsidiaries) for substantially the same lease terms and rental amounts. Rental income received was \$40.1 million. Rents charged to general and administrative expenses for operating leases, other than supermarket properties, were (in millions) \$2.4, \$1.8 and \$1.6 in 2011, 2010 and 2009 respectively. Operating lease rent expense, expected to be incurred over the next five years, is approximately \$2.5 million per year.

The Company is involved in various claims and litigation arising in the normal course of business. In the opinion of management, the ultimate resolution of these actions will not have a material adverse effect on the Company's consolidated financial statements.

**(14) Multi-employer Plans**  
(dollars in thousands)

The Company contributes to a single multi-employer defined benefit pension plan under the terms of the collective-bargaining agreements that cover its union-represented employees. The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in its multi-employer plan, then it may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in this plan for the annual period ended December 31, 2011, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2011 and 2010 is for the plan's year-end at December 31, 2010 and December 31, 2009, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreements to which the plan is subject. Finally, there have been no significant changes that affect the comparability of 2011, 2010 and 2009 contributions.

Pension Fund	EIN and Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Implemented	Company Contributions			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreements
		2011	2010		2011	2010	2009		
Central States, Southeast and Southwest Areas Pension Fund	36-6044243 Plan 001	Red	Red	Yes	\$11,944	\$11,023	\$10,473	Yes	April 4, 2015

The Company was not listed in the plan's Form 5500 as providing more than 5% of the total contributions for the plan years ending in 2010 and 2009. At the date the Company's consolidated financial statements were issued, the plan's Form 5500 was not available for the plan year ending in 2011.

**(15) Subsequent Events**

Subsequent events have been evaluated through March 6, 2012, which is the date the financial statements were available to be issued, and there were no material events requiring recognition or disclosure.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
The Board of Directors  
Associated Wholesale Grocers, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Associated Wholesale Grocers, Inc. and subsidiaries as of December 31, 2011 and December 25, 2010 and the related consolidated statements of operations, retained earnings, members' equity and comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Associated Wholesale Grocers, Inc. and subsidiaries as of December 31, 2011 and December 25, 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Kansas City, Missouri  
March 6, 2012

**2012**

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 29, 2012 and December 31, 2011  
(dollars in thousands)

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current Assets:		
Cash and cash equivalents .....	\$ 103,391	\$ 82,186
Restricted cash .....	18,024	62,233
Receivables, net of allowance for doubtful accounts of \$2,634 in 2012 and \$2,698 in 2011 .....	199,093	194,020
Notes receivable from members, current maturities, net of allowance for doubtful accounts of \$0 in 2012 and \$87 in 2011 .....	7,130	7,378
Inventories .....	375,891	377,896
Deferred income taxes (note 11) .....	15,425	15,028
Other current assets .....	36,832	20,854
Total current assets .....	755,786	759,595
Notes receivable from members, maturing after one year, net of allowance for doubtful accounts of \$3,073 in 2012 and \$2,796 in 2011 .....	20,470	37,417
Property and equipment, net (note 6) .....	375,160	307,421
Investments .....	677	877
Intangibles, net of accumulated amortization of \$46,439 in 2012 and \$44,540 in 2011 (note 3) .....	11,052	10,763
Other assets .....	21,952	15,885
Total assets .....	\$ 1,185,097	\$ 1,131,958
 <u>LIABILITIES AND MEMBERS' EQUITY</u>		
Current Liabilities:		
Accounts payable .....	\$ 371,076	\$ 367,688
Cash portion of current year patronage .....	100,643	93,382
Member deposits .....	9,309	11,738
Long-term debt maturing within one year .....	125	114
Accrued expenses and other current liabilities .....	94,001	80,559
Total current liabilities .....	575,154	553,481
Long-term debt maturing after one year (note 7) .....	196,108	201,736
Deferred income taxes (note 11) .....	1,021	1,346
Deferred income and other liabilities .....	46,961	47,297
Members' patronage refund certificates maturing after one year (notes 1 and 5) .....	—	39,478
Total liabilities .....	819,244	843,338
 Commitments and contingent liabilities (note 13)		
Members' Equity:		
Common stock, \$100 par value:		
Class A, voting; 35,000 shares authorized; 8,835 and 9,015 shares issued in 2012 and 2011 .....	882	900
Class B, nonvoting; 150,000 shares authorized; 16,945 and 18,265 shares issued in 2012 and 2011 .....	1,693	1,825
Additional paid-in capital .....	12,363	12,570
Retained earnings .....	367,214	293,723
Accumulated other comprehensive loss (notes 9 and 12) .....	(14,274)	(20,524)
Total AWG members' equity .....	367,878	288,494
Noncontrolling interest .....	(2,025)	126
Total members' equity .....	365,853	288,620
Total liabilities and members' equity .....	\$ 1,185,097	\$ 1,131,958

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME  
Fiscal years ended December 29, 2012, December 31, 2011, and December 25, 2010  
(dollars in thousands)

	2012	2011	2010
Net sales .....	\$ 7,852,006	\$ 7,766,807	\$ 7,251,719
Cost of goods sold .....	<u>7,218,733</u>	<u>7,142,260</u>	<u>6,655,074</u>
Gross profit .....	633,273	624,547	596,645
General and administrative expenses .....	<u>456,760</u>	<u>444,488</u>	<u>417,523</u>
Operating income .....	176,513	180,059	179,122
Other income (expenses):			
Interest income (note 1) .....	5,789	2,571	2,624
Interest expense (note 5) .....	<u>(4,721)</u>	<u>(7,038)</u>	<u>(8,272)</u>
Other, net .....	1,069	763	1,895
Income before income taxes .....	<u>178,650</u>	<u>176,355</u>	<u>175,369</u>
Income taxes (note 11) .....	<u>2,701</u>	<u>6,828</u>	<u>11,351</u>
Net income .....	<u>175,949</u>	<u>169,527</u>	<u>164,018</u>
Other comprehensive income (loss)			
Change in funded status of pension plan, net of taxes .....	6,250	(5,060)	(2,439)
Change in cash flow hedge, net of taxes .....	—	919	426
Comprehensive income .....	<u>\$ 182,199</u>	<u>\$ 165,386</u>	<u>\$ 162,005</u>
Amounts attributable to noncontrolling interest			
Comprehensive income .....	\$ 182,199	\$ 165,386	\$ 162,005
Comprehensive (income) loss attributable to noncontrolling interest ..	2,151	(126)	—
Comprehensive income attributable to AWG, Inc. and subsidiaries ..	<u>\$ 184,350</u>	<u>\$ 165,260</u>	<u>\$ 162,005</u>
Net income .....	\$ 175,949	\$ 169,527	\$ 164,018
Net (income) loss attributable to noncontrolling interest .....	2,151	(126)	—
Net income attributable to AWG, Inc. and subsidiaries .....	<u>\$ 178,100</u>	<u>\$ 169,401</u>	<u>\$ 164,018</u>

See accompanying notes to consolidated financial statements.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
Fiscal years ended December 29, 2012 and December 31, 2011  
(dollars in thousands)

	2012	2011
<b>Allocated</b>		
Balances at beginning of year .....	\$ 222,709	\$ 164,340
Patronage certificates (note 8):		
Issued .....	63,920	61,937
Redeemed .....	(1,426)	(25)
Reclassified (note 4) .....	—	(3,807)
Class B certificates:		
Issued .....	110	264
Redeemed .....	(542)	—
Balances at end of year .....	\$ 284,771	\$ 222,709
<b>Unallocated</b>		
Balances at beginning of year .....	\$ 71,014	\$ 57,989
Net income .....	175,949	169,527
Net (income) loss attributable to noncontrolling interest .....	2,151	(126)
Less allocated earnings (note 8):		
Patronage certificates .....	(63,920)	(61,937)
Class B certificates .....	(110)	(223)
Less cash portion of current year patronage .....	(100,643)	(93,382)
Redemption and retirement of common stock .....	(1,998)	(834)
Balances at end of year .....	\$ 82,443	\$ 71,014
Total retained earnings .....	\$ 367,214	\$ 293,723



ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Fiscal years ended December 29, 2012, December 31, 2011, and December 25, 2010  
(dollars in thousands)

	2012	2011	2010
Cash flows from operating activities:			
Net income .....	\$ 175,949	\$ 169,527	\$ 164,018
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization .....	37,946	38,746	40,560
Impairment of assets .....	—	224	2,800
Deferred income taxes .....	(72)	(2,419)	696
Loss (gain) on disposition of property and equipment .....	(2,333)	(1,779)	1,614
Changes in assets and liabilities, net of effects of acquisitions:			
Receivables .....	(5,073)	5,364	(17,194)
Inventories .....	2,005	(33,077)	(3,063)
Other assets .....	(22,045)	(1,245)	7,306
Accounts payable, accrued expenses and other liabilities .....	22,094	16,708	14,981
Net cash provided by operating activities .....	208,471	192,049	211,718
Cash flows from investing activities:			
Reductions in (additions to) restricted cash .....	44,209	(62,233)	—
Additions to intangibles .....	(2,188)	(255)	—
Proceeds from investments .....	200	400	—
Loans to members .....	(5,355)	(11,717)	(11,889)
Repayment of loans by members .....	22,550	12,400	8,497
Additions to property and equipment .....	(104,182)	(54,322)	(41,373)
Proceeds from sale of property and equipment .....	2,729	2,861	28,889
Acquisition of assets, net of cash acquired (note 4) .....	—	(4,312)	—
Net cash used in investing activities .....	(42,037)	(117,178)	(15,876)
Cash flows from financing activities:			
Year-end patronage distributions .....	(93,382)	(86,533)	(82,911)
Redemption of prior year's patronage refund certificates .....	(41,446)	(33,413)	(33,389)
Issuance of common stock .....	774	859	782
Redemption and retirement of common stock .....	(3,129)	(1,790)	(2,171)
Net borrowing (repayments) under credit facilities .....	(5,617)	44,850	(20,800)
Subsidiary acquisition of shareholder patronage .....	—	(4,613)	—
Net proceeds (repayments) of member deposits .....	(2,429)	3,527	(6,282)
Net cash used in financing activities .....	(145,229)	(77,113)	(144,771)
Net increase (decrease) in cash and cash equivalents .....	21,205	(2,242)	51,071
Cash and cash equivalents at beginning of year .....	82,186	84,428	33,357
Cash and cash equivalents at end of year .....	\$ 103,391	\$ 82,186	\$ 84,428
Supplemental cash flow statement information:			
Cash paid for interest, net of amount capitalized .....	\$ 6,360	\$ 8,473	\$ 10,010
Cash paid for income taxes .....	\$ 5,324	\$ 7,774	\$ 10,194

See accompanying notes to consolidated financial statements.

**(1) Summary of Significant Accounting Policies**

**General**

Associated Wholesale Grocers, Inc. predominately operates on a cooperative basis (see Patronage) procuring grocery merchandise for distribution to its retailer/shareholders ("Members") throughout the Midwestern, Southwestern and Southeastern United States. Non-Cooperative businesses include nonfood distribution centers, military distribution and retail supermarkets that operate under the banners of Homeland and United Supermarkets. The cooperative represents approximately 81% of total net sales. "AWG" and "Company" refer to Associated Wholesale Grocers, Inc. and its subsidiaries. Certain immaterial reclassifications of prior years' amounts have been made to conform to current year presentation.

**Principles of Consolidation and Use of Estimates**

The consolidated financial statements include the accounts of AWG, its subsidiaries and variable interest entities where the Company is considered the primary beneficiary. All significant intercompany transactions have been eliminated. The financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing financial statements, management makes informed judgments and estimates that affect the reported amounts of assets and liabilities as of the date of the statements and affects the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The Company's fiscal year ends on the last Saturday in December. Fiscal 2011 included 53 weeks of operations. Fiscal 2012 and 2010 both included 52 weeks of operations.

**Variable Interest Entity**

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810, "Consolidations" ("ASC 810"), the Company consolidates any variable interest entity ("VIE") in which the Company has a controlling financial interest and, therefore, is the VIE's primary beneficiary. ASC 810 states that a controlling financial interest in an entity is present when an enterprise has the power to direct the activities of a VIE that most significantly affect the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company has determined that HAC, Inc. Employee Stock Ownership Plan and Trust ("ESOP") is a VIE pursuant to certain financing provided by the Company in the sale of its retail grocery operation (see note 4) and has included the ESOP in the Company's consolidated financial statements for the fiscal years ended December 29, 2012 and December 31, 2011.

**Business and Credit Concentrations**

The majority of the Company's sales are to Members/retailers located in Kansas, Missouri, Oklahoma, Arkansas, Texas and Tennessee. No single customer accounted for more than 10% of sales in any year presented. Lease and equipment financing through AWG is available to qualified retailers for acquisition/expansion of supermarket properties. Trade and notes receivables are generally secured (see note 5) and the Company establishes an allowance for doubtful accounts based on collectibility. The Company's lending rate is generally one percent over the prime rate with borrowing terms to 10 years. For the fiscal years 2012, 2011 and 2010, the Company earned interest income on loans of \$1.5 million, \$2.0 million and \$2.0 million, respectively. Interest income is recorded when earned.

**Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Proceeds due from credit and debit card transactions with settlement terms of less than five days are also included.

**Restricted Cash**

In 2011, the Company received \$75 million in proceeds from the issuance of Gulf Opportunity Zone tax-exempt bonds made available by the federal government to the regions affected by Hurricanes Katrina and Rita in 2005. These variable rate bonds mature September 1, 2041, and are secured with a designated borrowing under the five-year Revolving Credit Agreement (see note 7). The proceeds from the bond issuance have been used towards the construction of the Company's new distribution center in Louisiana. At December 29, 2012 and December 31, 2011, the unused proceeds are recorded in Restricted Cash in the Consolidated Balance Sheets. The unused proceeds are expected to be used in their entirety during 2013.

**Inventories**

Merchandise is valued at the lower of cost or market. Cost for 69% and 68% of inventories in 2012 and 2011, respectively, is determined using the last-in, first-out (LIFO) method. Cost for perishables, general merchandise, health care and retail store inventories is determined using the first-in, first-out (FIFO) method. Had all products been valued at FIFO, inventories would have increased by \$107.4 million at December 29, 2012, and \$105.7 million at December 31, 2011.

**Sales and Cost of Goods Sold**

The Company recognizes sales of merchandise when products are shipped and promotional allowances related to selling products to customers are recorded as a reduction in sales. Fees and upfront monies received from vendors are recorded as a reduction of the cost of goods sold in the period in which they are earned, based on contractual commitments to achieve certain milestones in purchases.

**(1) Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

Property and equipment are stated at cost and include assets held for sale of \$0.2 million at December 29, 2012 and December 31, 2011, respectively. Expenditures for improvements, which significantly increase property lives, are capitalized. Interest costs incurred during the construction of facilities are included in the cost of such properties. Depreciation and amortization are calculated using the straight-line method over the assets estimated useful lives, which range from 15 to 50 years for buildings; 3 to 10 years for equipment; and 3 to 5 years for vehicles. Leasehold improvements are amortized over the respective lease terms.

**Recently Adopted and Recently Issued Authoritative Accounting Standards**

In June 2011, the FASB and the International Accounting Standards Board ("IASB") issued ASU No. 2011-05, "*Comprehensive Income (Topic 220): Presentation of Comprehensive Income*" ("ASU No. 2011-05"). ASU International Financial Reporting Standards ("IFRS") increase the prominence of other comprehensive income in the financial statements. ASU No. 2011-05 allows for the option of presenting either one continuous statement of net income and other comprehensive income or two consecutive statements. Further, an entity will be required to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. The standard does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. ASU No. 2011-05 is effective for fiscal years, beginning after December 15, 2011. Early adoption is permitted. In December 2011, the FASB issued ASU No. 2011-12, "*Deferral of the Effective Date for Amendments to the Presentation of Reclassifications Out of Accumulated Other Comprehensive Income in ASU No. 2011-05*" ("ASU No. 2011-12"). ASU No. 2011-12 indefinitely defers only the specific provision requiring companies to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement where net income is presented and the statement where other comprehensive income is presented. The Company formally adopted ASU No. 2011-05 commencing in 2012.

In May 2011, the FASB and the IASB issued ASU No. 2011-04, "*Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*" ("ASU No. 2011-04"). ASU No. 2011-04 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within U.S. GAAP or IFRS. The amendments in ASU No. 2011-04 change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Amendments in ASU No. 2011-04 include those that (1) clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements; and (2) change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For many of the requirements, the FASB does not intend for the amendments in ASU No. 2011-04 to result in a change in the application of the requirements in Topic 820. ASU No. 2011-04 is effective during interim and annual periods beginning after December 15, 2011. Accordingly, the Company adopted ASU No. 2011-04 commencing in 2012. Adoption of ASU No. 2011-04 did not have an impact on the Company's consolidated financial statements.

**Investments**

The Company has all investments stated at cost.

**Patronage**

Income from cooperative operations, less a nominal amount authorized by the Board of Directors to be retained, is returned to the Members in the form of year-end patronage. In 2012, an additional \$8.1 million was authorized to be retained of interest income generated from financing the sale of the retail subsidiary (see note 4). At each year-end, a percentage of net income to be distributed is paid in cash (60%) with the remainder paid in the form of patronage certificates (see notes 5 and 8). Such amounts are apportioned to the Members based on qualifying warehouse purchases.

**Income Taxes**

AWG and its subsidiaries file a consolidated federal income tax return. Deferred income taxes are accounted for under the asset and liability method. Patronage distributions from cooperative operations are deductible for income tax purposes. Deferred income taxes result primarily from differences in financial reporting bases for net receivables, inventory, depreciation, insurance, intangibles, deferred compensation and pension liability.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

**(2) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair value measurements as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 – Unobservable inputs in which little or no market activity exists, requiring an entity to develop its own assumptions about the assumptions that market participants would use in valuation.

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivables and accounts payable; the fair values approximate book values due to their short term maturities.

Property and equipment and intangible assets are reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. Recoverability of assets held and used is assessed based on the undiscounted future cash flows. Assets to be disposed of are presented at the lower of cost or fair value less costs of disposal. During the fiscal years ended December 29, 2012, December 31, 2011, and December 25, 2010, the Company recorded (in millions) \$0, \$0.2, and \$2.8 respectively, property, equipment and software impairment charges, which were measured at fair value using Level 3 inputs. The impairment charges are a component of the general and administrative expenses in the consolidated statements of operations.

The carrying amounts of the Company's long-term debt reported on the consolidated balance sheets approximate fair value since their interest rates are periodically adjusted to reflect market conditions.

Changes in the fair value of derivatives (Level 2 inputs) should be reported in earnings or other comprehensive income depending on the use of derivatives and whether they qualify for hedge accounting. Derivatives that are not hedges must be recorded at fair value through earnings. There were no derivatives at December 29, 2012 and December 31, 2011.

**(3) Intangible Assets**

The Company has intangible assets subject to amortization with original useful lives of 15 years relating to the acquisition of wholesale volume agreements. The Company has \$1.9 million of recorded goodwill at December 29, 2012 and December 31, 2011. Amortization expense for intangible assets was \$1.9 million in 2012, \$1.5 million in 2011 and \$1.8 million in 2010. Amortization expense for the next five fiscal years is estimated to be as follows (in millions): 2013 - \$1.8; 2014 - \$1.8; 2015 - \$1.7; 2016 - \$1.7; and 2017 - \$1.3.

**(4) Acquisitions, Divestitures and Certain Transactions with Members**

In December 2011, the Company sold its subsidiary retail grocery operation, Associated Retail Grocers, Inc. ("ARG"), whose only asset consisted of an investment in HAC, Inc. The operation is commonly referred to as Homeland Stores, which operated grocery stores situated in Oklahoma (72), Texas (4) and Kansas (1) at the time of the transaction. The purchaser, ESOP (see Variable Interest Entity in note 1), bought 100% of the controlling stock of ARG in a transaction valued at \$145 million. The Company provided financing in a series of loan tranches, with maturity dates of 5 to 11 years, as follows:

Tranche A – \$60 million, due in weekly payments (subject to floating rate adjustments based on Prime + 0% margin) representing principal and an initial 3.25% all-in interest rate. The loan amortizes based on a ten-year life and a balloon payment due December 26, 2016. The loan balance outstanding at December 29, 2012 is \$54.7 million.

Tranche B – \$50 million, due in weekly payments (subject to floating rate adjustments based on Prime + 1% margin) representing an initial 4.25% all-in interest-only payment until the earlier of: (i) December 26, 2016, or (ii) the repayment of the Tranche-A obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a ten-year life and a balloon payment due December 26, 2021.

Tranche C – \$35 million, due in weekly payments representing a fixed rate of 11% and interest-only payments until the earlier of: (i) December 26, 2019, or (ii) the repayment of the Tranche-B obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a five-year life and a balloon payment due December 26, 2022. Only Tranche-C is subject to an early termination penalty from early redemption. The borrower can, under certain circumstances, lower the fixed rate if certain performance targets are achieved.

Beneficial terms of the transaction require ESOP to maintain its purchase concentration of current and future stores for a stated period beyond the final repayment of all the outstanding obligations. In addition, the Company provides ESOP access to a line of credit up to \$15 million to manage its seasonal borrowing needs at a borrowing rate of Prime, which is currently drawn at \$4.5 million at December 29, 2012. Additional commitments beyond the initial transaction relate to assisting HAC, Inc. to borrow up to \$10 million to meet its obligations from withdrawing from its sponsoring participation in several UFCW multi-employer pension plans. The Company had loaned HAC an additional \$2.8 million, of which \$2.7 million is outstanding at December 29, 2012.

ESOP is considered a VIE, requiring its continuing operations to be combined with the Company's consolidated financial statements. Therefore, the Company will not reflect the gain on the sale of the subsidiary until such time as the Company determines it is no longer the primary beneficiary of ESOP.

**(4) Acquisitions, Divestitures and Certain Transactions with Members (continued)**

In September 2011, AVT Grocery, Inc. (formerly Minyard Foods Stores, Inc.) assigned \$4.6 million of outstanding issued and allocated patronage certificates to HAC, Inc., which at the time of the assignment was a subsidiary of AWG. At December 31, 2011, these certificates were reclassified and eliminated in the Company's consolidated financial statements.

In September 2011, Super Market Developers, Inc., a subsidiary of AWG, purchased a supermarket property in Iowa from Dahl's Holdings I, LLC ("Dahl's") and assumed a fixed-term loan associated with the property. The principal amount of the loan was \$5.6 million (see note 7). Concurrent with the transaction, the Company subleased the property back to Foods, Inc., an affiliate of Dahl's.

In August 2011, HAC, Inc., a subsidiary of the Company, purchased equipment and inventory for three supermarkets located in Texas from North Texas Supersave, LP and one supermarket located in Texas from Weatherford Super Save, Inc. The aggregate cash purchase price for all four stores was \$4.3 million.

**(5) Patronage Refund Certificates and Deposits**

Patronage Refund Certificates have been issued to Members in the past as part of annual distributions of net income from cooperative operations. In 2008, new non-maturing certificates began being issued (see note 8). The pertinent provisions of Patronage Refund Certificates (issued prior to 2008) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) the Board of Directors of AWG has the authority to set the interest rate on these certificates, subject to the maintenance of an interest rate of at least 4%, but not in excess of 8%; and (d) the certificates are subordinate to the claims of all creditors of AWG. During 2012, interest accrued at 4%, however, all Patronage Refund Certificates had matured as of December 29, 2012.

Member deposits represent interest-bearing accounts that may be required to collateralize weekly purchases of products. Interest expense incurred on patronage certificates, member deposits, and member savings in 2012, 2011 and 2010 was \$1.5 million, \$2.9 million and \$4.3 million, respectively. Since there is no market for Patronage Refund Certificates and Member Deposits, it is impractical to assess whether the carrying amounts, which are reported on the consolidated balance sheets for these items, approximate fair value.

**(6) Property and Equipment**

Property and equipment are summarized as follows (dollars in thousands):

	2012	2011
Land .....	\$ 36,569	\$ 31,119
Buildings and leasehold improvements .....	298,302	276,867
Equipment .....	276,142	257,063
Construction in progress and other .....	55,111	5,294
	<u>\$ 666,124</u>	<u>\$ 570,343</u>
Less accumulated depreciation .....	(290,964)	(262,922)
Property and equipment, net .....	<u>\$ 375,160</u>	<u>\$ 307,421</u>

Depreciation expense incurred in 2012, 2011, and 2010 was (in millions) \$36.0, \$37.4 and \$38.8, respectively. In 2012, 2011 and 2010, the Company capitalized an aggregate total of (in millions) \$0.2, \$0.1 and \$0.1, respectively, of capitalized construction period interest.

**(7) Long-term Debt**

In September 2011, the Company assumed a term-loan with a principal balance of \$5.6 million relating to the purchase of a supermarket property. The terms of the loan include fixed monthly payments, a fixed interest rate of 6.75%, and a maturity date of January 1, 2034. At December 29, 2012 and December 31, 2011, the outstanding principal amount of this loan was \$5.6 and \$5.7 million, respectively.

In May 2012, a 365-day Revolving Credit Agreement was amended, which includes a "term-out" feature to extend the maturity to June 15, 2014, and provides an \$85 million credit facility. At December 29, 2012, total borrowings and outstanding letters of credit were \$42.8 million. Variable interest rates are based on the Fed Funds rate and ranged from 1.07% to 1.17% during 2012 (which included a base rate mark-up charged by the lender). Daily borrowings during 2012 averaged \$30.3 million and overall annual borrowings and repayments were approximately \$2.75 billion. At December 29, 2012, the Company had an additional \$42.2 million available for borrowing under this agreement.

In May 2011, the Company amended its five-year Revolving Credit Agreement, which extends the maturity to May 2016 and provides a \$275 million credit facility. At December 29, 2012, total borrowings and outstanding letters of credit were \$161.9 million, which includes a \$75 million tax-exempt bond loan (see Restricted Cash in note 1). Variable interest rates are based on the London Interbank Borrowing Rate and ranged from 0.84% to 1.30% during 2012 (which included a base rate mark-up charged by the lenders). Daily borrowings during 2012 averaged \$126.3 million and overall annual borrowings and repayments were approximately \$153 million. At December 29, 2012, the Company had an additional \$113.1 million available for borrowing under this agreement.

The Company's credit facilities share certain financial covenants related to cash flow leverage, minimum tangible net worth and interest coverage. The Company was in compliance with all covenants at December 29, 2012.

In December 2012, the Company negotiated a \$6.5 million taxable industrial revenue bond with the Unified Government of Wyandotte County/Kansas City, KS ("Unified Government") with a term of 10 years. The bonds have a stipulated interest rate of 5% per annum. AWG purchased all the bonds and collects all interest. The bonds allowed the Company to receive PILOT payments (payments in lieu of taxes) on the new addition, which freezes the cost of improvements the Unified Government assesses on the property for the duration of the bonds. The balance outstanding as of December 29, 2012, was \$5.7 million.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(8) Allocated Earnings**

At December 29, 2012, \$63.9 million of the current year non-maturing patronage has been allocated within Retained Earnings. The pertinent provisions of these Patronage Certificates (issued in 2008 or after) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) no interest is accrued on outstanding certificates; (d) the certificates have no stated maturity date, and (e) the certificates are subordinate to the claims of all creditors of AWG.

In July 2005, the Board of Directors created another form of patronage certificate ("Class B Certificates") for members who are delinquent with their obligations owed to the Company. The Class B Certificates are non-interest bearing and have no maturity date. These certificates are only redeemed upon the dissolution of the Company and the redemption of all other patronage certificates. The Class B Certificates are included in Retained Earnings and amounted to \$0.3 million and \$0.7 million as of December 29, 2012 and December 31, 2011, respectively.

**(9) Equity**

All members of the cooperative are required to hold 15 shares of Class A Common Stock. The by-laws of AWG contain restrictions concerning the transfer of common stock, which serves as collateral to secure members' indebtedness. Each member holding Class A Common Stock is entitled to one vote in shareholder matters. The Board of Directors of the Company declared a 2-for-1 stock dividend effective March 22, 2009 for shareholders of record, whereby every shareholder of A and B stock received additional shares in the form of B stock. All issuances and redemptions since March 18, 2012 have been made at \$1,635 per share. Issuances and redemptions between March 20, 2011 and March 17, 2012 were made at \$1,570 per share. Issuances and redemptions between March 24, 2010 and March 19, 2011 were made at \$1,510 per share.

The changes in common stock for the fiscal years ended December 29, 2012 and December 31, 2011 were as follows (dollars in thousands):

	Class A	Class B	Total Common Stock	Members
Balances at December 25, 2010				
Shares .....	8,895	19,015	27,910	593
Dollar Value .....	\$ 888	\$ 1,900	\$ 2,788	
Issued				
Shares .....	555	—	555	37
Dollar Value .....	\$ 56	\$ —	\$ 56	
Redeemed				
Shares .....	(435)	(750)	(1,185)	(29)
Dollar Value .....	\$ (44)	\$ (75)	\$ (119)	
Balances at December 31, 2011				
Shares .....	9,015	18,265	27,280	601
Dollar Value .....	\$ 900	\$ 1,825	\$ 2,725	
Issued				
Shares .....	480	—	480	32
Dollar Value .....	\$ 48	\$ —	\$ 48	
Redeemed				
Shares .....	(660)	(1,320)	(1,980)	(44)
Dollar Value .....	\$ (66)	\$ (132)	\$ (198)	
Balances at December 29, 2012				
Shares .....	8,835	16,945	25,780	589
Dollar Value .....	\$ 882	\$ 1,693	\$ 2,575	

**Accumulated Other Comprehensive Income**

Changes in accumulated other comprehensive income (loss) attributable to the Company for the fiscal years ended December 29, 2012 and December 31, 2011 were as follows:

	2012	2011
Balances, beginning of year .....	\$ (20,524)	\$ (16,383)
Change in funded states of pension plan, net of \$3,913 in taxes and \$(949) in tax credits ..	6,250	(5,060)
Change in cash flow hedge, net of \$546 in taxes .....	—	919
Balances, end of year .....	\$ (14,274)	\$ (20,524)

During the fiscal years ending in December 29, 2012 and December 31, 2011, there were adjustments to accumulated other comprehensive (loss) due to noncontrolling interests.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(9) Equity (continued)**

**Noncontrolling Interest**

Changes in noncontrolling interest for the years ended December 29, 2012 and December 31, 2011, were as follows:

	2012	2011
Balances, beginning of year.....	\$ 126	\$ —
Income (loss) attributable to noncontrolling interest.....	(2,151)	126
Balances, end of year.....	<u>\$ (2,025)</u>	<u>\$ 126</u>

**(10) Derivative Financial Instruments and Hedging Activities**

The Company's use of derivative financial instruments is limited to interest rate swaps entered into with financial institutions. The objective is to reduce AWG's exposure to interest rate fluctuations (rate risk) for a portion of its variable rate bank debt and to lower overall borrowing costs. Reset dates and the floating rate indices on the swaps match those of the underlying bank debt. Accordingly, any change in market value associated with the swaps is offset by the opposite market impact on the related debt.

The Company accounts for an interest rate swap as a cash flow hedge and accordingly, gains and losses on an interest rate swap (dependent upon the movement in interest rates) are deferred in a component of equity (accumulated other comprehensive income or loss - "AOCI") to the extent the hedging relationship is effective. During the year ended December 31, 2011, the Company reclassified \$1.9 million from AOCI related to its interest rate swaps and recognized that amount as a loss, which is included in interest expense. At December 29, 2012 and December 31, 2011, the Company had no interest rate swaps in effect.

**(11) Income Taxes**

(dollars in thousands)

The significant components of income tax expense are summarized as follows:

	2012	2011	2010
Federal:			
Current.....	\$ 6,863	\$ 4,348	\$ 7,660
Deferred.....	(3,085)	1,867	3,024
Total federal.....	<u>\$ 3,778</u>	<u>\$ 6,215</u>	<u>\$ 10,684</u>
State:			
Current.....	\$ 963	\$ 2,294	\$ 1,729
Deferred.....	(2,040)	(1,681)	(1,062)
Total state.....	<u>\$ (1,077)</u>	<u>\$ 613</u>	<u>\$ 667</u>
Total income tax.....	<u>\$ 2,701</u>	<u>\$ 6,828</u>	<u>\$ 11,351</u>

The effects of temporary differences and other items that give rise to deferred income tax assets and liabilities are presented below:

	2012	2011
Deferred income tax assets:		
Pension.....	\$ 7,419	\$ 8,076
Insurance.....	2,845	3,477
Compensation.....	7,752	7,283
Accounts receivable.....	2,062	1,986
Inventory.....	733	815
Contribution carryovers.....	2,406	2,217
State credit carryover.....	3,079	3,174
Other.....	1,977	1,443
Deferred income tax assets.....	<u>28,273</u>	<u>28,471</u>
Valuation allowance.....	(2,744)	(3,310)
Total deferred income tax assets.....	<u>\$ 25,529</u>	<u>\$ 25,161</u>
Deferred income tax liabilities:		
Fixed assets.....	\$ 10,519	\$ 8,528
Prepaid expenses.....	1,934	2,054
Other.....	924	897
Total deferred income tax liabilities.....	<u>\$ 13,377</u>	<u>\$ 11,479</u>
Net deferred income tax assets.....	<u>\$ 12,152</u>	<u>\$ 13,682</u>

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(11) Income Taxes (continued)**

As of December 29, 2012, a \$2,744 valuation allowance was required to reduce the deferred income tax assets to a level, which more likely than not, will be realized as future benefits. Based on the information available, the Company does not anticipate significant additional changes to unrecognized tax benefits. In general, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for fiscal years ending December 27, 2008 and prior. The Company recognizes interest and penalties related to income tax deficiencies separately from the tax expense. As of December 29, 2012, the Company had an \$81 liability related to accrued interest and penalties for uncertain tax positions recorded on its balance sheet.

**(12) Employee Benefit Plans**

(dollars in thousands)

Substantially all employees of the Company and its subsidiaries are covered by various contributory and non-contributory pension or profit sharing plans. Union employees participate in multi-employer retirement plans under collective bargaining agreements, unless the collective bargaining agreement provides for participation in plans sponsored by the Company. The Company sponsors a defined benefit pension plan, both qualified and non-qualified ("the DB Plan"), and several defined contribution pension plans. The DB Plan covers 1,659 and 1,638 participants for the fiscal years ended December 29, 2012, and December 31, 2011, respectively, which is comprised mainly of non-union warehouse, clerical and managerial employees. Beginning November 1, 2012, the Company's DB Plan was closed to new employees and replaced with an enhanced contribution to the existing defined contribution plan. At present, the Company continues to accrue service costs for eligible participants of the DB Plan. The Company provides no health care, life insurance, nor disability plans to former and inactive employees after retirement under post-employment benefit plans.

The benefit obligation (which is the projected benefit obligation or "PBO"), fair value of plan assets, and funded status of the Company's DB Plan is as follows:

<b>Change in benefit obligation (PBO)</b>	2012	2011
Benefit obligation at beginning of year .....	\$ 137,184	\$ 115,522
Service cost .....	11,946	10,452
Interest cost .....	6,426	6,132
Benefits paid .....	(10,202)	(5,950)
Actuarial loss .....	6,134	11,028
Benefit obligation at end of year .....	<u>\$ 151,488</u>	<u>\$ 137,184</u>
 <b>Change in plan assets</b>		
Fair value of plan assets at beginning of year .....	\$ 108,017	\$ 91,156
Actual return on plan assets .....	11,865	(563)
Employer contributions .....	22,513	23,374
Benefits paid .....	(10,202)	(5,950)
Fair value of plan assets at end of year .....	<u>\$ 132,193</u>	<u>\$ 108,017</u>
 <b>Funded status, end of year</b>	 <u>\$ (19,295)</u>	 <u>\$ (29,167)</u>

Benefit calculations for the Company's sponsored DB Plan for primarily non-union eligible participants are generally based on years of service and the participants' highest compensation during five consecutive years during the last ten years of employment. The Company's accumulated benefit obligation for the DB Plan was \$105,650 and \$93,987 at December 29, 2012 and December 31, 2011, respectively. At December 29, 2012 and December 31, 2011, the fair value of the DB Plan assets exceeded the accumulated benefit obligation.

The amounts recognized for the DB Plan in the Company's accumulated other comprehensive loss consisted of the following:

	2012	2011
Prior service cost .....	\$ (1,676)	\$ (2,212)
Net actuarial loss .....	(21,534)	(31,160)
Total recognized in AOCI, before tax .....	<u>\$ (23,210)</u>	<u>\$ (33,372)</u>
Total recognized in AOCI, net of tax .....	<u>\$ (14,274)</u>	<u>\$ (20,524)</u>



ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

**(12) Employee Benefit Plans (continued)**

The estimated future benefit payments to be paid from the DB Plan, which reflect expected future service, are as follows:

Fiscal year	DB Plan Benefits
2013 .....	\$ 18,965
2014 .....	26,596
2015 .....	19,005
2016 .....	17,528
2017 .....	16,271
Years 2018-2022 .....	76,419

Net periodic benefit expense for the DB Plan consisted of the following:

	2012	2011
Service cost — benefits earned during the period .....	\$ 11,946	\$ 10,453
Interest cost on projected benefit obligations .....	6,426	6,132
Expected return on plan assets .....	(7,991)	(7,350)
Amortization of prior service cost .....	537	537
Amortization of net actuarial loss .....	11,886	10,174
Net periodic benefit expense .....	<u>\$ 22,804</u>	<u>\$ 19,946</u>

The estimated prior service cost and net actuarial loss that will be amortized from accumulated other comprehensive income/loss into net periodic benefit cost for the DB Plan over the next fiscal year are \$537 and \$3,043, respectively. The majority of the unfunded non-qualified portion of the plan has been expensed.

Weighted average assumptions used for the DB Plan are as follows:

	2012	2011
Weighted-average assumptions used to determine benefit obligations:		
Discount rate .....	4.25%	4.75%
Rate of compensation increase .....	3.00%	3.50%
Weighted-average assumptions used to determine net periodic benefit cost:		
Discount rate .....	4.75%	5.50%
Rate of compensation increase .....	3.50%	4.00%
Expected return on plan assets .....	7.50%	8.00%

The fair value of the Company's DB Plan assets at the end of the 2012 calendar year, by asset category, are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities .....	\$ 78,792	\$ 78,792	\$ —	\$ —
Debt securities .....	33,196	33,196	—	—
Other, including cash and cash equivalents .....	13,680	13,680	—	—
Totals .....	<u>\$ 125,668</u>	<u>\$ 125,668</u>	<u>\$ —</u>	<u>\$ —</u>

Subsequent to the Company's fiscal year end, certain benefit payments were made, which lower the fair value of assets from the amount disclosed in Employee Benefit Plans (note 12).

The fair value of the DB Plan assets at the end of the 2011 calendar year, which coincided with the fiscal year end, by asset category, are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities .....	\$ 65,558	\$ 65,558	\$ —	\$ —
Debt securities .....	30,453	30,453	—	—
Other, including cash and cash equivalents .....	12,006	12,006	—	—
Totals .....	<u>\$ 108,017</u>	<u>\$ 108,017</u>	<u>\$ —</u>	<u>\$ —</u>

**(12) Employee Benefit Plans (continued)**

The Company's investment policy reflects the nature of the DB Plan's funding obligations. The assets are invested to provide the opportunity for both income and growth of principal. This objective is pursued as a goal designed to provide required benefits for participants without undue risk. It is expected that this objective can be achieved through a well-diversified asset portfolio. Investment managers are directed to maintain equity portfolios at a risk level approximately equivalent to that of the specific benchmark established for the portfolio. The expected rate of return on DB Plan assets was determined based on expectations of future returns for the DB Plan's investments based on the target asset allocation of the DB Plan's investments. The Company expects to contribute approximately \$15.0 million to the DB Plan during 2013.

The Company also makes contributions to its defined contribution plans. The total expense for these plans amounted to (in millions) \$3.7, \$3.8 and \$5.4 in 2012, 2011 and 2010, respectively.

**(13) Commitments and Contingent Liabilities**

The Company is obligated as lessee under various noncancelable long-term supermarket property leases with minimum annual rentals of approximately \$39.7 million. These leases have an average remaining life of 7 years. It is expected in the ordinary course of business that these leases will be renewed or replaced. The Company has subleased the majority of its supermarket properties to Members (except for properties operated by the Company's subsidiaries) for substantially the same lease terms and rental amounts. Rental income received was \$41.2 million. Rents charged to general and administrative expenses for operating leases, other than supermarket properties, were (in millions) \$3.0, \$2.4 and \$1.8 in 2012, 2011 and 2010 respectively. Operating lease rent expense, expected to be incurred over the next five years, is approximately \$2.2 million per year.

The Company is involved in various claims and litigation arising in the normal course of business. In the opinion of management, the ultimate resolution of these actions will not have a material adverse effect on the Company's consolidated financial statements.

**(14) Multi-employer Plans**

(dollars in thousands)

The Company contributes to a single multi-employer defined benefit pension plan under the terms of the collective-bargaining agreements that cover its union-represented employees. The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in its multi-employer plan, then it may be required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in this plan for the annual period ended December 31, 2012, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2012 and 2011 is for the plan's year-end at December 31, 2011 and December 31, 2010, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreements to which the plan is subject. Finally, there have been no significant changes that affect the comparability of 2012, 2011 and 2010 contributions.

Pension Fund	EIN and Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Implemented	Company Contributions			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreements
		2012	2011		2012	2011	2010		
Central States, Southeast and Southwest Areas Pension Fund	36-6044243 Plan 001	Red	Red	Yes	\$12,104	\$11,944	\$11,023	No	April 4, 2020

The Company was not listed in the plan's Form 5500 as providing more than 5% of the total contributions for the plan years ending in 2011 and 2010. At the date the Company's consolidated financial statements were issued, the plan's Form 5500 was not available for the plan year ending in 2012.

**(15) Subsequent Events**

Subsequent events have been evaluated through March 7, 2013, which is the date the financial statements were available to be issued, and there were no material events requiring recognition or disclosure.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
Notes to Consolidated Financial Statements—(Continued)

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Associated Wholesale Grocers, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Associated Wholesale Grocers, Inc. (a Kansas corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 29, 2012 and December 31, 2011, and the related consolidated statements of operations and comprehensive income, retained earnings, and cash flows for each of the years in the three-year period ended December 29, 2012, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Associated Wholesale Grocers, Inc. and subsidiaries as of December 29, 2012 and December 31, 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended December 29, 2012 in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

Kansas City, Missouri  
March 7, 2013

**2013**

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
December 28, 2013 and December 29, 2012  
(dollars in thousands)

ASSETS	2013	2012
Current Assets:		
Cash and cash equivalents	\$ 59,986	\$ 81,294
Restricted cash	—	18,024
Receivables, net of allowance for doubtful accounts of \$2,647 in 2013 and \$2,634 in 2012	225,631	199,083
Notes receivable from members, current maturities, net of allowance for doubtful accounts of \$0 in 2013 and \$0 in 2012	6,961	7,130
Inventories	457,110	375,891
Deferred income taxes (note 11)	17,713	15,425
Other current assets	18,631	15,886
Total current assets	785,432	712,743
Notes receivable from members, maturing after one year, net of allowance for doubtful accounts of \$4,487 in 2013 and \$3,073 in 2012	22,627	20,470
Property and equipment, net (note 6)	379,758	375,160
Investments	677	677
Intangibles, net of accumulated amortization of \$15,029 in 2013 and \$12,966 in 2012 (note 3)	9,815	11,052
Other assets	51,988	30,272
Total assets	\$ 1,249,897	\$ 1,150,374

LIABILITIES AND EQUITY

Current Liabilities:		
Accounts payable	\$ 425,268	\$ 348,979
Cash portion of current year patronage	104,534	100,643
Member deposits	10,946	9,309
Long-term debt maturing within one year	134	125
Accrued expenses and other current liabilities	93,114	81,375
Total current liabilities	634,896	540,431
Long-term debt maturing after one year (note 7)	148,913	196,108
Deferred income taxes (note 11)	5,247	1,021
Other liabilities	47,728	46,961
Total liabilities	836,784	784,521
Commitments and contingent liabilities (note 13)		
Equity:		
Common stock, \$100 par value:		
Class A, voting, 35,000 shares authorized; 9,045 and 8,835 shares issued in 2013 and 2012	903	882
Class B, nonvoting, 150,000 shares authorized; 16,359 and 16,945 shares issued in 2013 and 2012	1,634	1,693
Additional paid-in capital	12,363	12,363
Retained earnings	395,424	367,214
Accumulated other comprehensive loss (notes 9 and 12)	(4,956)	(14,274)
Total members' equity	405,584	367,878
Noncontrolling interest	7,529	(2,025)
Total equity	413,113	365,853
Total liabilities and equity	\$ 1,249,897	\$ 1,150,374

See accompanying notes to consolidated financial statements.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME  
Fiscal years ended December 28, 2013, December 29, 2012, and December 31, 2011  
(dollars in thousands)

	2013	2012	2011
Net sales	\$ 8,380,214	\$ 7,852,006	\$ 7,766,807
Cost of goods sold	7,715,466	7,218,733	7,142,260
Gross profit	664,748	633,273	624,547
General and administrative expenses	463,342	456,760	444,488
Operating income	201,406	176,513	180,059
Other income (expenses):			
Interest income (note 1)	1,360	5,789	2,571
Interest expense (note 7)	(3,255)	(4,721)	(7,038)
Other, net	(769)	1,069	763
Income before income taxes	198,742	178,650	176,355
Income taxes (note 11)	6,252	2,701	6,828
Net income	192,490	175,949	169,527
Other comprehensive income (loss)			
Change in funded status of pension plan, net of taxes	9,318	6,250	(5,060)
Change in cash flow hedge, net of taxes	—	—	919
Comprehensive income	\$ 201,808	\$ 182,199	\$ 165,386

Amounts attributable to noncontrolling interest

Comprehensive income	\$ 201,808	\$ 182,199	\$ 165,386
Comprehensive (income) loss attributable to noncontrolling interest	(9,554)	2,151	(126)
Comprehensive income attributable to AWG, Inc. and subsidiaries	\$ 192,254	\$ 184,350	\$ 165,260
Net income	\$ 192,490	\$ 175,949	\$ 169,527
Net (income) loss attributable to noncontrolling interest	(9,554)	2,151	(126)
Net income attributable to AWG, Inc. and subsidiaries	\$ 182,936	\$ 178,100	\$ 169,401

See accompanying notes to consolidated financial statements.

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS  
Fiscal years ended December 28, 2013 and December 29, 2012  
(dollars in thousands)

	2013	2012
<b>Allocated</b>		
Balances at beginning of year	\$ 284,771	\$ 222,709
Patronage certificates (note 8):		
Issued	69,690	63,920
Redeemed	(48,223)	(1,426)
Class B certificates:		
Issued	—	110
Redeemed	(204)	(542)
Balances at end of year	<u>\$ 305,034</u>	<u>\$ 284,771</u>
<b>Unallocated</b>		
Balances at beginning of year	\$ 82,443	\$ 71,014
Net income	192,490	175,949
Net (income) loss attributable to noncontrolling interest	(9,554)	2,151
Less allocated earnings (note 8):		
Patronage certificates	(69,690)	(63,920)
Class B certificates	—	(110)
Less cash portion of current year patronage	(104,534)	(100,643)
Redemption and retirement of common stock	(765)	(1,998)
Balances at end of year	<u>\$ 90,390</u>	<u>\$ 82,443</u>
Total retained earnings	<u>\$ 395,424</u>	<u>\$ 367,214</u>

ASSOCIATED WHOLESALE GROCERS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Fiscal years ended December 28, 2013, December 29, 2012 and December 31, 2011  
(dollars in thousands)

	2013	2012	2011
<b>Cash flows from operating activities:</b>			
Net income	\$ 192,490	\$ 175,949	\$ 169,527
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	42,275	37,946	38,746
Impairment of assets	2,000	—	224
Deferred income taxes	1,938	(72)	(2,419)
Gain on disposition of property and equipment	(2,076)	(2,333)	(1,779)
Changes in assets and liabilities, net of effects of acquisitions:			
Receivables	(26,538)	(5,074)	5,364
Inventories	(78,372)	2,007	(33,077)
Other assets	(23,965)	(1,245)	(1,245)
Accounts payable, accrued expenses and other liabilities	98,880	(4)	16,708
Net cash provided by operating activities	<u>206,632</u>	<u>186,374</u>	<u>192,049</u>
<b>Cash flows from investing activities:</b>			
Reductions in (additions to) restricted cash	18,024	44,209	(62,233)
Additions to intangibles	(993)	(2,188)	(256)
Proceeds from investments	—	200	400
Loans to members	(17,884)	(5,355)	(11,717)
Repayment of loans by members	15,896	22,550	12,400
Additions to property and equipment	(69,891)	(104,182)	(54,322)
Proceeds from sale of property and equipment	28,782	2,729	2,861
Acquisition of assets, net of cash acquired (note 4)	(6,568)	—	(4,312)
Net cash used in investing activities	<u>(32,234)</u>	<u>(42,037)</u>	<u>(117,178)</u>
<b>Cash flows from financing activities:</b>			
Year-end patronage distributions	(100,643)	(93,382)	(86,533)
Redemption of prior year's patronage refund certificates	(49,427)	(41,446)	(33,413)
Issuance of common stock	1,461	774	859
Redemption and retirement of common stock	(2,046)	(3,129)	(1,790)
Net borrowing (repayments) under credit facilities	(47,186)	(5,617)	44,850
Subsidiary acquisition of shareholder patronage	—	—	(4,613)
Net proceeds (repayments) of member deposits	1,537	(2,429)	3,527
Net cash used in financing activities	<u>(196,306)</u>	<u>(145,229)</u>	<u>(77,113)</u>
Net decrease in cash and cash equivalents	(27,908)	(892)	(2,242)
Cash and cash equivalents at beginning of year	81,294	82,186	84,428
Cash and cash equivalents at end of year	<u>\$ 59,386</u>	<u>\$ 81,294</u>	<u>\$ 82,186</u>
<b>Supplemental cash flow statement information:</b>			
Cash paid for interest, net of amount capitalized	\$ 3,263	\$ 6,360	\$ 8,473
Cash paid for income taxes	\$ 5,178	\$ 5,324	\$ 7,774

See accompanying notes to consolidated financial statements.

**(1) Summary of Significant Accounting Policies**

**General**

Associated Wholesale Grocers, Inc. predominantly operates on a cooperative basis (see Patronage) procuring grocery merchandise for distribution to its retailer/sharholders ("Members") throughout the Midwestern, Southwestern and Southeastern United States. Non-Cooperative businesses include nonfood distribution centers, military distribution and retail supermarkets that operate under the banners of Homeland and United Supermarkets. The cooperative represents approximately 81% of total net sales. "AWG" and "Company" refer to Associated Wholesale Grocers, Inc. and its subsidiaries. Certain immaterial reclassifications of prior years' amounts have been made to conform to current year presentation.

**Principles of Consolidation and Use of Estimates**

The consolidated financial statements include the accounts of AWG, its subsidiaries and variable interest entities where the Company is considered the primary beneficiary. All significant intercompany transactions have been eliminated. The financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America. In preparing financial statements, management makes informed judgments and estimates that affect the reported amounts of assets and liabilities as of the date of the statements and affects the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates. The Company's fiscal year ends on the last Saturday in December. Fiscal 2011 included 53 weeks of operations. Fiscal 2012 and 2013 both included 52 weeks of operations.

**Variable Interest Entity**

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 810, "Consolidations" ("ASC 810"), the Company consolidates any variable interest entity ("VIE") in which the Company has a controlling financial interest and, therefore, is the VIE's primary beneficiary. ASC 810 states that a controlling financial interest in an entity is present when an enterprise has the power to direct the activities of a VIE that most significantly affect the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company has determined that HAC, Inc. Employee Stock Ownership Plan and Trust ("ESOP") is a VIE pursuant to certain financing provided by the Company in the sale of its retail grocery operation (see note 4) and has included the ESOP in the Company's consolidated financial statements for the fiscal years ended December 28, 2013 and December 29, 2012.

**Business and Credit Concentrations**

The majority of the Company's sales are to Members/retailers located in Kansas, Missouri, Oklahoma, Arkansas, Texas, Louisiana, Mississippi, Kentucky, Alabama and Tennessee. No single customer accounted for more than 10% of sales in any year presented. Lease and equipment financing through AWG is available to qualified retailers for acquisition/expansion of supermarket properties. Trade and notes receivables are generally secured (see note 5) and the Company establishes an allowance for doubtful accounts based on collectibility. The Company's lending rate is generally one percent over the prime rate with borrowing terms to 10 years. For the fiscal years 2013, 2012 and 2011, the Company earned interest income on loans of \$1.3 million, \$1.5 million and \$2.0 million, respectively. Interest income is recorded when earned.

**Cash Equivalents**

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Proceeds due from credit and debit card transactions with settlement terms of less than five days are also included. The Company maintains cash balances at major financial institutions. At times such cash balances may be in excess of the Federal Deposit Insurance Corporation coverage limit.

**Restricted Cash**

In 2011, the Company received \$75 million in proceeds from the issuance of Gulf Opportunity Zone tax-exempt bonds made available by the federal government to the regions affected by Hurricanes Katrina and Rita in 2005. These variable rate bonds mature September 1, 2017, and are secured with a designated borrowing under the five-year Revolving Credit Agreement (see note 7). The proceeds from the bond issuance have been used towards the construction of the Company's new distribution center in Louisiana. At December 29, 2012, the unused proceeds were recorded in Restricted Cash in the Consolidated Balance Sheets. After returning \$2.9 million to the bondholders, the remaining proceeds were used in their entirety during 2013.

**Inventories**

Merchandise is valued at the lower of cost or market. Cost for 71% and 69% of inventories in 2013 and 2012, respectively, is determined using the last-in, first-out (LIFO) method. Cost for perishables, general merchandise, health care and retail store inventories is determined using the first-in, first-out (FIFO) method. Had all products been valued at FIFO, inventories would have increased by \$107.9 million at December 28, 2013, and \$107.4 million at December 29, 2012.

**Sales and Cost of Goods Sold**

The Company recognizes sales of merchandise when products are shipped and promotional allowances related to selling products to customers are recorded as a reduction in sales. Fees and upfront monies received from vendors are recorded as a reduction of the cost of goods sold in the period in which they are earned, based on contractual commitments to achieve certain milestones in purchases or prorated over the duration of the agreement.

**(1) Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

Property and equipment are stated at cost and include assets held for sale of \$0.2 million at December 28, 2013 and December 29, 2012, respectively. Expenditures for improvements, which significantly increase property lives, are capitalized. Interest costs incurred during the construction of facilities are included in the cost of such properties. Depreciation and amortization are calculated using the straight-line method over the assets' estimated useful lives, which range from 15 to 50 years for buildings; 3 to 10 years for equipment; and 3 to 5 years for vehicles. Leasehold improvements are amortized over the respective lease terms.

**Recently Adopted and Recently Issued Authoritative Accounting Standards**

On January 16, 2014, the FASB issued Accounting Standard Update (ASU) No. 2014-02, *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill*. This ASU permits a private company to subsequently amortize goodwill on a straight-line basis over a period of ten years, or less if the company demonstrates that another useful life is more appropriate. It also permits a private company to apply a simplified impairment model to goodwill. This ASU is a consensus of the Private Company Council (PCC) that was endorsed by the FASB. Under the goodwill accounting alternative, goodwill should be tested for impairment when a triggering event occurs that indicates that the fair value of a company (or a reporting unit) may be below its carrying amount. A private company that elects the accounting alternative is further required to make an accounting policy election to test goodwill for impairment at either the company level or the reporting unit level.

The accounting alternative, if elected, should be applied prospectively to goodwill existing as of the beginning of the period of adoption and to new goodwill recognized in annual periods beginning after December 15, 2014, and in interim periods within annual periods beginning after December 15, 2015. Early application is permitted, including application to any period for which the entity's annual or interim financial statements have not been made available for issuance. ESOP has formally adopted ASU No. 2014-2 commencing in 2013.

**Investments**

The Company has all investments stated at cost, fair value is not estimable or practical to estimate.

**Patronage**

Income from cooperative operations, less a nominal amount authorized by the Board of Directors to be retained, is returned to the Members in the form of year-end patronage. In 2013 and 2012, an additional \$7.8 million and \$8.1 million, respectively, was authorized to be retained of interest income generated from financing the sale of the Company's retail subsidiary (see note 4). At each year-end, a percentage of net income to be distributed is paid in cash (60%) with the remainder paid in the form of patronage certificates (see notes 5 and 8). Such amounts are apportioned to the Members based on qualifying warehouse purchases.

**Income Taxes**

AWG and its subsidiaries file a consolidated federal income tax return. Deferred income taxes are accounted for under the asset and liability method. Patronage distributions from cooperative operations are deductible for income tax purposes. Deferred income taxes result primarily from differences in financial reporting bases for net receivables, depreciation, insurance, deferred compensation, and the deferred gain on the sale of HAC not yet recognized in the financial statements.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

**(2) Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are categorized using defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair value measurements as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities;

Level 2 — Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;

Level 3 — Unobservable inputs in which little or no market activity exists, requiring an entity to develop its own assumptions about the assumptions that market participants would use in valuation.

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivables and accounts payable, the fair values approximate book values due to their short term maturities.

(dollars in thousands unless otherwise indicated)

**(2) Fair Value Measurements (continued)**

Property and equipment and intangible assets are reviewed for impairment whenever events or circumstances indicate the carrying amount may not be recoverable. Recoverability of assets held and used is assessed based on the undiscounted future cash flows. Assets to be disposed of are presented at the lower of cost or fair value less costs of disposal. During the fiscal years ended December 29, 2013, December 29, 2012, and December 31, 2011, the Company recorded (in millions) \$2.0, \$0, and \$0.2, respectively, property, equipment and software impairment charges, which were measured at fair value using Level 3 inputs. The impairment charges are a component of the general and administrative expenses in the consolidated statements of operations.

The carrying amounts of the Company's long-term debt reported on the consolidated balance sheets approximate fair value since their interest rates are periodically adjusted to reflect market conditions.

Changes in the fair value of derivatives (Level 2 inputs) should be reported in earnings or other comprehensive income depending on the use of derivatives and whether they qualify for hedge accounting. Derivatives that are not hedges must be recorded at fair value through earnings. There were no derivatives at December 28, 2013 and December 29, 2012.

**(3) Intangible Assets**

The Company has intangible assets subject to amortization with original useful lives of 15 years relating to the acquisition of wholesale volume agreements. The Company has \$1.9 million of recorded goodwill at December 28, 2013 and December 29, 2012. Amortization expense for intangible assets was \$2.1 million in 2013, \$1.9 million in 2012 and \$1.5 million in 2011. Amortization expense for the next five fiscal years is estimated to be as follows (in millions): 2014 - \$2.1; 2015 - \$2.0; 2016 - \$2.0; 2017 - \$1.6; and 2018 - \$1.1.

**(4) Acquisitions, Divestitures and Certain Transactions with Members**

In December 2011, the Company sold its subsidiary retail grocery operation, Associated Retail Grocers, Inc. ("ARG"), whose only asset consisted of an investment in HAC, Inc. The operation is commonly referred to as Homeland Stores, which operated grocery stores situated in Oklahoma (72), Texas (4) and Kansas (1) at the time of the transaction. The purchaser, ESOP (see Variable Interest Entity in note 1), bought 100% of the controlling stock of ARG in a transaction valued at \$145 million subject to a working capital adjustment of \$10.1 million. The Company provided financing in a series of loan tranches, with maturity dates of 5 to 11 years, as follows:

Tranche A - \$80 million, due in weekly payments (subject to floating rate adjustments based on Prime + 0% margin) representing principal and an initial 3.25% all-in interest rate. The loan amortizes based on a ten-year life and a balloon payment due December 26, 2016. The loan balance outstanding at December 28, 2013 and December 29, 2012 was (in millions) \$49.4 and \$54.7, respectively.

Tranche B - \$50 million, due in weekly payments (subject to floating rate adjustments based on Prime + 1% margin) representing an initial 4.25% all-in interest-only payment until the earlier of: (i) December 26, 2016, or (ii) the repayment of the Tranche-A obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a ten-year life and a balloon payment due December 26, 2021. The loan balance outstanding at December 28, 2013 and December 29, 2012 was (in millions) \$48.2 and \$50.0, respectively.

Tranche C - \$35 million, due in weekly payments representing a fixed rate of 11% and interest-only payments until the earlier of: (i) December 26, 2019, or (ii) the repayment of the Tranche-B obligation. Estimated weekly payments of principal and interest will then begin, with principal amortization based on a five-year life and a balloon payment due December 26, 2022. Only Tranche-C is subject to an early termination penalty from early redemption. The borrower can, under certain circumstances, lower the fixed rate if certain performance targets are achieved.

Beneficial terms of the transaction require ESOP to maintain its purchase concentration of current and future stores for a stated period beyond the final repayment of all the outstanding obligations. In addition, the Company provides ESOP access to a line of credit up to \$15 million to manage its seasonal borrowing needs at a borrowing rate of Prime, which was drawn at \$4.5 million at December 29, 2012 and is currently drawn at \$2.5 million at December 28, 2013. Additional commitments beyond the initial transaction relate to assisting HAC, Inc. to borrow up to \$10 million to meet its obligations from withdrawing from its sponsoring participation in several UFDW multi-employer pension plans. The Company had loaned HAC an additional \$2.8 million in both 2013 and 2012, of which \$4.9 million is outstanding at December 28, 2013 and \$2.7 million was outstanding at December 29, 2012.

ESOP is considered a VIE, requiring its continuing operations to be combined with the Company's consolidated financial statements. Therefore, the Company will not reflect the gain on the sale of the subsidiary until such time as the Company determines it is no longer the primary beneficiary of ESOP. In September 2013, the U.S. Bankruptcy Court for the Northern District of Alabama approved the Company's stalking horse bid for the purchase of certain assets of the estate of Belle Foods, Inc. The closing transactions for all store locations with the new owners occurred prior to the end of October 2013, the aggregate purchase price paid of \$24.5 million included \$16.1 million of fixtures and equipment, \$8.2 million of inventory and a nominal amount for lease designation rights. The purchase represented 43 stores located in Alabama, Georgia and Mississippi, 7 of which were immediately liquidated and the underlying leases rejected. In addition, the consideration included the ability for the new owners to reject any of the stores prior to the end of January 2014, 2 of which were subsequently rejected. Of the 34 remaining stores to be operated, the Company acted as both outright buyer and aggregator of 27 stores for 8 members and 7 stores for third parties not currently purchasing goods from the Company. Purchase price loan financing was provided by the Company to some of the members for a total of \$14.2 million, while the Company, some members and the 2 third parties provided their own cash and financing for the balance of \$10.3 million.

(dollars in thousands unless otherwise indicated)

**(4) Acquisitions, Divestitures and Certain Transactions with Members (continued)**

In September 2011, Super Market Developers, Inc., a subsidiary of AWG, purchased a supermarket property in Iowa from Dan's Holdings I, LLC ("Dan's") and assumed a fixed-term loan associated with the property. The principal amount of the loan was \$5.8 million (see note 7). Concurrent with the transaction, the Company subleased the property back to Foods, Inc., an affiliate of Dan's.

In August 2011, HAC, Inc., a subsidiary of the Company, purchased equipment and inventory for three supermarkets located in Texas from North Texas Superstore, LP and one supermarket located in Texas from Weatherford Super Save, Inc. The aggregate cash purchase price for all four stores was \$4.3 million.

**(5) Patronage Refund Certificates and Deposits**

Patronage Refund Certificates have been issued to Members in the past as part of annual distributions of net income from cooperative operations. In 2008, new non-maturing certificates began being issued (see note 8). The pertinent provisions of Patronage Refund Certificates (issued prior to 2008) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) the Board of Directors of AWG has the authority to set the interest rate on these certificates, subject to the maintenance of an interest rate of at least 4%, but not in excess of 8%; and (d) the certificates are subordinate to the claims of all creditors of AWG. During 2012, interest accrued at 4%, however, all Patronage Refund Certificates had matured and been paid as of December 29, 2012.

Member deposits represent interest-bearing accounts that may be required to collateralize weekly purchases of products. Interest expense incurred on patronage certificates, member deposits, and member savings in 2013, 2012 and 2011 was \$0.2 million, \$1.5 million and \$2.9 million, respectively. Since there is no market for Patronage Refund Certificates and Member Deposits, it is impractical to assess whether the carrying amounts, which are reported on the consolidated balance sheets for these items, approximate fair value.

**(6) Property and Equipment**

Property and equipment are summarized as follows:

	2013	2012
Land	\$ 45,438	\$ 36,589
Buildings and leasehold improvements	344,363	298,302
Equipment	307,400	276,142
Construction in progress and other	6,038	55,111
Less accumulated depreciation	\$ 703,239	\$ 666,124
Property and equipment, net	(323,481)	(290,954)
	\$ 379,758	\$ 375,180

Depreciation expense incurred in 2013, 2012, and 2011 was (in millions) \$40.0, \$36.0 and \$37.4, respectively. In 2013, 2012 and 2011, the Company capitalized an aggregate total of (in millions) \$0.1, \$0.2 and \$0.1, respectively, of capitalized construction period interest.

**(7) Long-term Debt**

In September 2011, the Company assumed a term-loan with a principal balance of \$5.6 million relating to the purchase of a supermarket property. The terms of the loan include fixed monthly payments, a fixed interest rate of 6.75%, and a maturity date of January 1, 2034. At December 28, 2013 and December 29, 2012, the outstanding principal amount of this loan was (in millions) \$5.5 and \$5.6, respectively.

In May 2013, a 365-day Revolving Credit Agreement was amended, which includes a "term-out" feature to extend the maturity to June 15, 2014. In December 2013, another amendment increased the credit facility to \$100 million. Total borrowings and outstanding letters of credit were \$39.6 million at December 28, 2013 and \$42.8 million at December 29, 2012. Variable interest rates are based on the Fed Funds rate and ranged from 1.07% to 1.17% during 2013 (which included a base rate mark-up charged by the lender). Daily borrowings during 2013 averaged \$31.5 million and overall annual borrowings and repayments were approximately \$2.76 billion. At December 28, 2013 and December 29, 2012, the Company had an additional \$60.4 million and \$42.2 million, respectively, available for borrowing under this agreement.

In May 2011, the Company amended its five-year Revolving Credit Agreement, which extends the maturity to May 2016 and provides a \$725 million credit facility. At December 28, 2013, total borrowings and outstanding letters of credit were \$119.0 million, which includes a \$72.1 million tax-exempt bond loan (see Restricted Cash in note 1). At December 29, 2012, total borrowings and outstanding letters of credit were \$161.9 million, which included \$75 million of the aforementioned bond loan. Variable interest rates are based on the London Interbank Borrowing Rate and ranged from 0.80% to 1.21% during 2013 (which included a base rate mark-up charged by the lenders). Daily borrowings during 2013 averaged \$123.3 million and overall annual borrowings and repayments were approximately \$350 million. At December 28, 2013 and December 29, 2012, the Company had an additional \$158 million and \$113.1 million, respectively, available for borrowing under this agreement.

The Company's credit facilities share certain financial covenants related to cash flow leverage, minimum tangible net worth and interest coverage. The Company was in compliance with all covenants at December 28, 2013.



**(8) Allocated Earnings**

At December 28, 2013, \$69.7 million of the current-year non-maturing patronage has been allocated within Retained Earnings. The pertinent provisions of these Patronage Certificates (issued in 2008 or after) are as follows: (a) the certificates are not transferable; (b) AWG has the right to offset, but the certificate holder does not; (c) no interest is accrued on outstanding certificates; (d) the certificates have no stated maturity date, and (e) the certificates are subordinate to the claims of all creditors of AWG.

In July 2005, the Board of Directors created another form of patronage certificate ("Class B Certificates") for members who are delinquent with their obligations owed to the Company. The Class B Certificates are non-interest bearing and have no maturity date. These certificates are only redeemed upon the dissolution of the Company and the redemption of all other patronage certificates. The Class B Certificates are included in Retained Earnings and amounted to \$0.1 million and \$0.3 million as of December 28, 2013 and December 29, 2012, respectively.

**(9) Equity**

All members of the cooperative are required to hold 15 shares of Class A Common Stock. The by-laws of AWG contain restrictions concerning the transfer of common stock, which serves as collateral to secure members' indebtedness. Each member holding Class A Common Stock is entitled to one vote in shareholder matters. The Board of Directors of the Company declared a 2-for-1 stock dividend effective March 22, 2009 for shareholders of record, whereby every shareholder of A and B stock received additional shares in the form of B stock. All issuances and redemptions since March 24, 2013 have been made at \$1,700 per share. Issuances and redemptions between March 18, 2012 and March 23, 2013 were made at \$1,635 per share. Issuances and redemptions between March 20, 2011 and March 17, 2012 were made at \$1,570 per share.

The changes in common stock for the fiscal years ended December 28, 2013 and December 29, 2012, were as follows:

	Class A		Class B		Total Common Stock		Members
	Shares	Dollar Value	Shares	Dollar Value	Shares	Dollar Value	
Balances at December 31, 2011							
Shares	9,015	\$ 18,265	—	\$ —	27,280	\$ 27,280	601
Dollar Value	900	\$ 1,825	—	\$ —	2,725	\$ 2,725	
Issued							
Shares	480	\$ —	—	\$ —	480	\$ 480	32
Dollar Value	48	\$ —	—	\$ —	48	\$ 48	
Redeemed							
Shares	(660)	\$ (1,320)	—	\$ —	(1,960)	\$ (1,960)	(44)
Dollar Value	(66)	\$ (132)	—	\$ —	(198)	\$ (198)	
Balances at December 29, 2012							
Shares	8,835	\$ 16,945	—	\$ —	25,780	\$ 25,780	589
Dollar Value	882	\$ 1,653	—	\$ —	2,575	\$ 2,575	
Issued							
Shares	825	\$ 44	44	\$ 869	869	\$ 869	55
Dollar Value	83	\$ 4	4	\$ 87	87	\$ 87	
Redeemed							
Shares	(615)	\$ (630)	—	\$ —	(1,245)	\$ (1,245)	(41)
Dollar Value	(62)	\$ (63)	—	\$ —	(125)	\$ (125)	
Balances at December 28, 2013							
Shares	9,045	\$ 16,359	—	\$ 25,404	25,404	\$ 25,404	603
Dollar Value	903	\$ 1,634	—	\$ 2,537	2,537	\$ 2,537	

**Accumulated Other Comprehensive Loss**

Changes in accumulated other comprehensive loss attributable to the Company for the fiscal years ended December 28, 2013 and December 29, 2012 were as follows:

	2013	2012
Balances, beginning of year	\$ (14,274)	\$ (20,524)
Change in funded status of pension plan, net of \$5,633 in taxes and \$3,913 in taxes	9,318	6,250
Balances, end of year	\$ (4,956)	\$ (14,274)

**(9) Equity (Continued)  
Noncontrolling Interest**

	Changes in noncontrolling interest for the years ended December 28, 2013 and December 29, 2012, were as follows:	
	2013	2012
Balances, beginning of year	\$ (2,025)	\$ 126
Income (loss) attributable to noncontrolling interest	9,554	(2,151)
Balances, end of year	\$ 7,529	\$ (2,025)

**(10) Derivative Financial Instruments and Hedging Activities**

The Company's use of derivative financial instruments is limited to interest rate swaps entered into with financial institutions. The objective is to reduce AWG's exposure to interest rate fluctuations (rate risk) for a portion of its variable rate bank debt and to lower overall borrowing costs. Reset dates and the floating rate indices on the swaps match those of the underlying bank debt. Accordingly, any change in market value associated with the swaps is offset by the opposite market impact on the related debt.

The Company accounts for an interest rate swap as a cash flow hedge and accordingly, gains and losses on an interest rate swap (dependent upon the movement in interest rates) are deferred in a component of equity (accumulated other comprehensive income or loss - "AOCI") to the extent the hedging relationship is effective. During the year ended December 31, 2011, the Company reclassified \$1.9 million from AOCI related to its interest rate swaps and recognized that amount as a loss, which is included in interest expenses. At December 28, 2013 and December 29, 2012, the Company had no interest rate swaps in effect.

**(11) Income Taxes**

The significant components of income tax expense are summarized as follows:

	2013		2012	
Federal:				
Current	\$ 7,651	\$ 6,863	\$ 4,348	\$ 4,348
Deferred	(4,254)	(3,085)	1,867	1,867
Total federal	\$ 3,397	\$ 3,778	\$ 6,215	\$ 6,215
State:				
Current	\$ 2,004	\$ 963	\$ 2,294	\$ 2,294
Deferred	851	(2,040)	(1,681)	(1,681)
Total state	\$ 2,855	\$ (1,077)	\$ 613	\$ 613
Total income tax	\$ 6,252	\$ 2,701	\$ 6,828	\$ 6,828

The effects of temporary differences and other items that give rise to deferred income tax assets and liabilities are presented below:

	2013		2012	
Deferred income tax assets:				
Gain on sale of subsidiary	\$ 4,476	\$ 4,476	\$ 2,661	\$ 2,661
Pension	1,502	1,502	7,419	7,419
Insurance	3,392	3,392	2,845	2,845
Compensation	8,679	8,679	7,752	7,752
Accounts receivable	2,629	2,629	2,062	2,062
Inventory	495	495	733	733
Contribution carryovers	2,792	2,792	2,406	2,406
State credit carryover	3,016	3,016	3,079	3,079
Other	1,842	1,842	2,060	2,060
Deferred income tax assets	28,824	31,017	31,017	31,017
Valuation allowance	(3,700)	(3,700)	(2,744)	(2,744)
Total deferred income tax assets	\$ 25,124	\$ 28,273	\$ 28,273	\$ 28,273
Deferred income tax liabilities:				
Fixed assets	\$ 10,004	\$ 10,004	\$ 10,519	\$ 10,519
Prepaid expenses	1,958	1,958	1,934	1,934
Other	686	686	924	924
Total deferred income tax liabilities	\$ 12,658	\$ 13,377	\$ 13,377	\$ 13,377
Net deferred income tax assets	\$ 12,466	\$ 14,896	\$ 14,896	\$ 14,896

**(11) Income Taxes (continued)**

As of December 28, 2013 and December 29, 2012, valuation allowances of \$3,700 and \$2,744, respectively, were required to reduce the deferred income tax assets to a level, which more likely than not, will be realized as future benefits. Based on the information available, the Company does not anticipate significant additional changes to unrecognized tax benefits. In general, the Company is no longer subject to U.S. federal, state or local income tax examinations by tax authorities for fiscal years ending December 26, 2009 and prior. The Company recognizes interest and penalties related to income tax deficiencies separately from the tax expense. As of December 28, 2013 and December 29, 2012, the Company had liabilities of \$0 and \$81, respectively, related to accrued interest and penalties for uncertain tax positions recorded on its balance sheet.

**(12) Employee Benefit Plans**

Substantially all employees of the Company and its subsidiaries are covered by various contributory and non-contributory pension or profit sharing plans. Union employees participate in multi-employer retirement plans under collective bargaining agreements, unless the collective bargaining agreement provides for participation in plans sponsored by the Company. The Company sponsors a defined benefit pension plan, both qualified and non-qualified ("the DB Plan"), and several defined contribution pension plans. The DB Plan covers 1,654 and 1,659 participants for the fiscal years ended December 28, 2013, and December 29, 2012, respectively, which is comprised mainly of non-union warehouse, clerical and managerial employees. Beginning November 1, 2012, the Company's DB Plan was closed to new employees and replaced with an enhanced contribution to the existing defined contribution plan. At present, the Company continues to accrue service costs for eligible participants of the DB Plan. The Company provides no health care, life insurance, nor disability plans to former and inactive employees after retirement under post-employment benefit plans.

The benefit obligation (which is the projected benefit obligation or "PBO"), fair value of plan assets, and funded status of the Company's DB Plan is as follows:

	2013	2012
<b>Change in benefit obligation (PBO)</b>		
Benefit obligation at beginning of year	\$ 151,488	\$ 137,184
Service cost	11,983	11,946
Interest cost	6,159	6,426
Benefits paid	(16,121)	(10,202)
Actuarial (gain)/loss	(1,867)	6,134
Benefit obligation at end of year	\$ 151,642	\$ 151,488
<b>Change in plan assets</b>		
Fair value of plan assets at beginning of year	\$ 132,193	\$ 108,017
Actual return on plan assets	19,890	11,865
Employer contributions	16,731	22,513
Benefits paid	(21,123)	(10,202)
Fair value of plan assets at end of year	\$ 147,691	\$ 132,193
<b>Funded status, end of year</b>	\$ (3,951)	\$ (19,295)

Benefit calculations for the Company's sponsored DB Plan for primarily non-union eligible participants are generally based on years of service and the participants' highest compensation during five consecutive years during the last ten years of employment. The Company's accumulated benefit obligation for the DB Plan was \$130,634 and \$126,854 at December 28, 2013 and December 29, 2012, respectively. At December 28, 2013 and December 29, 2012, the fair value of the DB Plan assets exceeded the accumulated benefit obligation.

The amounts recognized for the DB Plan in the Company's accumulated other comprehensive loss consisted of the following:

	2013	2012
Prior service cost	\$ (1,139)	\$ (1,676)
Net actuarial loss	(6,520)	(21,534)
Total recognized in AOCI, before tax	\$ (8,059)	\$ (23,210)
Total recognized in AOCI, net of tax	\$ (4,958)	\$ (14,274)

The estimated future benefit payments to be paid from the DB Plan, which reflect expected future service, are as follows:

Fiscal year	DB Plan Benefits
2014	\$ 21,639
2015	28,013
2016	21,691
2017	14,107
2018	17,462
Years 2019-2023	75,953

**(12) Employee Benefit Plans (continued)**

Net periodic benefit expense for the DB Plan consisted of the following:

	2013	2012
Service cost — benefits earned during the period	\$ 11,983	\$ 11,946
Interest cost on projected benefit obligations	6,159	6,426
Expected return on plan assets	(9,417)	(7,991)
Amortization of prior service cost	537	537
Amortization of net actuarial loss	6,520	11,866
Settlement loss	756	—
Net periodic benefit expense	\$ 16,538	\$ 22,804

The estimated prior service cost and net actuarial loss that will be amortized from accumulated other comprehensive income/loss into net periodic benefit cost for the DB Plan over the next fiscal year are \$500 and \$3,000, respectively. The majority of the unfunded non-qualified portion of the plan has been expensed.

Weighted average assumptions used for the DB Plan are as follows:

	2013	2012
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	5.10%	4.25%
Rate of compensation increase	3.00%	3.00%

Weighted-average assumptions used to determine net periodic benefit cost:

Discount rate	4.25%	4.75%
Rate of compensation increase	3.00%	3.50%
Expected return on plan assets	7.50%	7.50%

The fair value of the Company's DB Plan assets at the end of the 2013 calendar year, by asset category, are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 87,270	\$ 87,270	\$ —	\$ —
Debt securities	40,617	29,039	11,578	—
Other, including cash and cash equivalents	13,781	1,462	—	12,319
Totals	\$ 141,668	\$ 117,771	\$ 11,578	\$ 12,319

Subsequent to the Company's fiscal year end, certain benefit payments were made, which lower the fair value of assets from the amount disclosed in Employee Benefit Plans.

The fair value of the DB Plan assets at the end of the 2012 calendar year, by asset category, are as follows:

Asset Category	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 78,792	\$ 78,792	\$ —	\$ —
Debt securities	33,196	15,837	17,359	—
Other, including cash and cash equivalents	13,680	7,940	—	5,740
Totals	\$ 125,668	\$ 102,569	\$ 17,359	\$ 5,740

The Company's investment policy reflects the nature of the DB Plan's funding obligations. The assets are invested to provide the opportunity for both income and growth of principal. This objective is pursued as a goal designed to provide benefits for participants without undue risk. It is expected that this objective can be achieved through a well-diversified asset portfolio. Investment managers are directed to maintain equity portfolios at a risk level approximately equivalent to that of the specific benchmark established for the portfolio. The expected rate of return on DB Plan assets was determined based on expectations of future returns for the DB Plan's investments based on the target asset allocation of the DB Plan's investments. The Company expects to contribute approximately \$17.0 million to the DB Plan during 2014.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
Associated Wholesale Grocers, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Associated Wholesale Grocers, Inc. (a Kansas Corporation) and subsidiaries, which comprise the consolidated balance sheets as of December 28, 2013 and December 29, 2012, and the related consolidated statements of operations and comprehensive income, retained earnings, and cash flows for each of the three years in the period ended December 28, 2013, and the related notes to the financial statements.

Management is responsible for the financial statements.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Associated Wholesale Grocers, Inc. and subsidiaries as of December 28, 2013 and December 29, 2012, and the results of their operations and their cash flows for each of the three years in the period ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thomas LLP*

Kansas City, Missouri  
March 7, 2014

(12) Employee Benefit Plans (continued)

The Company also makes contributions to its defined contribution plans. The total expense for these plans amounted to (in millions) \$4.0, \$3.7 and \$3.8 in 2013, 2012 and 2011, respectively.

The 2005 Non-Qualified Deferred Compensation Plan is available for officers of the Company to elect, by the required deadlines in the preceding year, to have a designated portion of their wages set aside for their own personal tax planning purposes, in a trust held by JP Morgan. At the time of election, the date for future distribution of wages to the participant is established, according to allowable parameters within the plan documents.

(13) Commitments and Contingent Liabilities

The Company is obligated as lessee under various noncancelable long-term supermarket property leases with minimum annual rentals of approximately \$41.8 million. These leases have an average remaining life of 7 years. It is expected in the ordinary course of business that these leases will be renewed or replaced. The Company has subleased the majority of its supermarket properties to Members (except for properties operated by the Company's subsidiaries) for substantially the same lease terms and rental amounts. Rental income received was (in millions) \$42.9, \$41.2 and \$40.1 in 2013, 2012 and 2011, respectively. Rents charged to general and administrative expenses for operating leases, other than supermarket properties, were (in millions) \$3.8, \$3.0 and \$2.4 in 2013, 2012 and 2011, respectively. Operating lease rent expense, expected to be incurred over the next five years, is approximately \$2.5 million per year. The Company is a guarantor of a line of credit issued to a member in the amount of \$6.0 million.

The Company is involved in various claims and litigation arising in the normal course of business. In the opinion of management, the ultimate resolution of these actions will not have a material adverse effect on the Company's consolidated financial statements.

(14) Multi-employer Plans

The Company contributes to a single multi-employer defined benefit pension plan under the terms of the collective-bargaining agreements that cover its union-represented employees. The risks of participating in a multi-employer plan are different from single-employer plans in the following aspects:

- a. Assets contributed to the multi-employer plan by one employer are used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan are borne by the remaining participating employers.
- c. If the Company chooses to stop participating in its multi-employer plan, then it is required to pay that plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in this plan for the annual period ended December 31, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2013 and 2012 is for the plan's year-end at December 31, 2012 and December 31, 2011, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded and plans in the green zone are at least 80 percent funded. The "FP/PP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreements to which the plan is subject. Finally, there have been no significant changes that affect the comparability of 2013, 2012 and 2011 contributions.

Pension Fund	EIN and Pension Plan Number	Pension Protection Act Zone Status		FP/PP Status Implemented	Company Contributions 2013	Company Contributions 2012	Surcharge Imposed 2011	Expiration Date of Collective-Bargaining Agreements
		2013	2012					
Central States, Southeast and Southwest Areas Pension Fund	36-6044243 Plan 001	Red	Red	Yes	\$12,762	\$12,104	\$11,944	No April 4, 2020

The Company was not listed in the plan's Form 5500 as providing more than 5% of the total contributions for the plan years ending in 2012 and 2011. At the date the Company's consolidated financial statements were issued, the plan's Form 5500 was not available for the plan year ending in 2013.

(15) Subsequent Events

Subsequent events have been evaluated through March 7, 2014, which is the date the financial statements were available to be issued, and there were no material events requiring recognition or disclosure.

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF THE CITY OF GRAND ISLAND, NEBRASKA**

**RESOLUTION NO. 178**

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED  
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING  
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

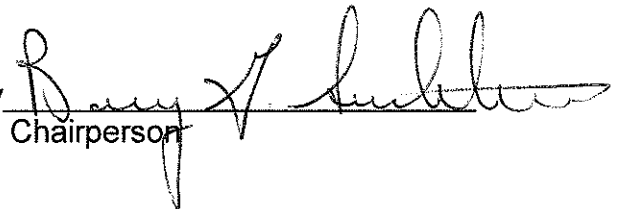
WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

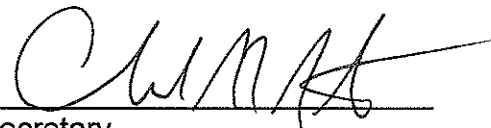
The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 9<sup>th</sup> day of July, 2014.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA.

By   
Chairperson

ATTEST:

  
Secretary

620 W State Street

**COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA**

**RESOLUTION NO. 179**

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), has received an Application for Tax Increment Financing under the Nebraska Community Development Law (the "Act") on a project within redevelopment area 6, from Super Market Developers, Inc., (The "Developer") for redevelopment of an area within the city limits of the City of Grand Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a project within redevelopment area 6;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**Section 1.** In compliance with section 18-2114 of the Act, the Authority hereby gives the governing body of the City notice that it intends to enter into the Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed appropriate by the Authority, after approval of the redevelopment plan amendment related to the redevelopment project described in the Redevelopment Contract, and after the passage of 30 days from the date hereof.

**Section 2.** The Secretary of the Authority is directed to file a copy of this resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this 9<sup>th</sup> day of July, 2014.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA

By   
Chairperson

ATTEST:

  
Secretary

620 W State Street

Resolution Number 2014-08

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the "Commission") a copy of which is attached hereto as Exhibit "A" for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: August 6, 2014.

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: [Signature]  
Chair

By: [Signature]  
Secretary

Super Saver at 5 Points



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item E-7

**Public Hearing on Amendment to Redevelopment Plan for CRA  
Area 9 located at 2228 N. Webb Road**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Chad Nabity, AICP

**Meeting:** August 26, 2014

**Subject:** Amendment to Redevelopment Plan for CRA Area #9

**Item #'s:** E-7 & I-6

**Presenter(s):** Chad Nabity, AICP CRA Director

## Background

In 2012, the Grand Island City Council declared property referred to as CRA Area 9 as blighted and substandard and approved a generalized redevelopment plan for the property. The generalized redevelopment plan authorized the use of Tax Increment Financing (TIF) for the acquisition of property, redevelopment of property, site preparation including demolition, landscaping and parking. TIF can also be used for improvements to and expansion of existing infrastructure including but not limited to: streets, water, sewer, drainage.

The developer intends to use Tax Increment Financing to aid in renovation of the existing retail space at this site. This project would not be possible without the use of TIF. The property is located within Redevelopment Area 9 at 2228 N Webb Road, Lot 10 of Grand Island Mall Eighth Subdivision and Lot 2 of the Grand Island Mall Fifteenth Subdivision in Grand Island, Nebraska.

The CRA reviewed the proposed development plan on July 9, 2014 and forwarded it to the Hall County Regional Planning Commission for recommendation at their meeting on August 6, 2014. The CRA also sent notification to the City Clerk of their intent to enter into a redevelopment contract for this project pending Council approval of the plan amendment.

The Hall County Regional Planning Commission held a public hearing on the plan amendment at a meeting on August 6, 2014. The Planning Commission approved Resolution 2014-07 in support of the proposed amendment, declaring the proposed amendment to be consistent with the Comprehensive Development Plan for the City of Grand Island.



## **Discussion**

Tonight, Council will hold a public hearing to take testimony on the proposed plan amendment (including the cost benefit analysis that was performed regarding this proposed project) and to enter into the record a copy of the plan amendment, the draft TIF contract under consideration by the CRA.

Council is being asked to approve a resolution approving the cost benefit analysis as presented in the redevelopment plan along with the amended redevelopment plan for CRA Area 9 and authorizes the CRA to execute a contract for TIF based on the plan amendment. This includes the renovation, reconfiguration and expansion of existing retail space located with the Grand Island Mall property north of Shopko and south of Dollar Tree at 2828 N Webb Road. The cost benefit analysis included in the plan finds that this project meets the statutory requirements for as eligible TIF project and that it will not negatively impact existing services within the community or shift additional costs onto the current residents of Grand Island and the impacted school districts. The total tax increment financing allowed for this project may not exceed \$6,447,250 during this 15 year period.

## **Alternatives**

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

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

## **Recommendation**

The CRA and Hall County Regional Planning Commission recommend that the Council approve the Resolution necessary for the adoption and implementation of this plan.

## **Sample Motion**

Move to approve the resolution as submitted.

**Site Specific Redevelopment Plan  
Grand Island CRA Area 9  
June 2014**

**The Community Redevelopment Authority (CRA) of the City of Grand Island intends to amend the Redevelopment Plan for Area 9 with in the city, pursuant to the Nebraska Community Development Law (the “Act”) and provide for the financing of a specific infrastructure related project in Area 9.**

**Executive Summary:  
Project Description**

THE RENOVATION AND REDEVELOPMENT OF THE GRAND ISLAND MALL AT 2228 N WEBB ROAD LOT 10 OF GRAND ISLAND MALL EIGHTH SUBDIVISION AND LOT 2 OF GRAND ISLAND MALL FIFTHTEEN SUBDIVISION. THE SUBSEQUENT SITE WORK, UTILITY, ENGINEERING, LANDSCAPING AND PARKING IMPROVEMENTS NECESSARY FOR REDEVELOPMENT AND RENOVATION AT THIS LOCATION.

The developer intends to use Tax Increment Financing to aid in renovation and conversion of 128,000 square feet of leasable ‘open air’ tenant space and the development of out parcels on the existing mall property. The developer intends to connect a drive between the east and west sides of the mall by opening a vehicle and pedestrian plaza through the center of the mall creating additional tenant spaces with exterior entrances. The developer is trying to attract national retailers as an anchor to the shopping center. This project would not be possible in an affordable manner without the use of TIF.

The site is owned by the developer. All site work, demolition and utilities will be paid for by the developer. The developer is responsible for and has provided evidence that they can secure adequate debt financing to cover the costs associated with the acquisition, site work and remodeling. The Grand Island Community Redevelopment Authority (CRA) intends to pledge the ad valorem taxes generated over the 15 year period beginning January 1, 2016 towards the allowable costs and associated financing for the remodeling and site work.

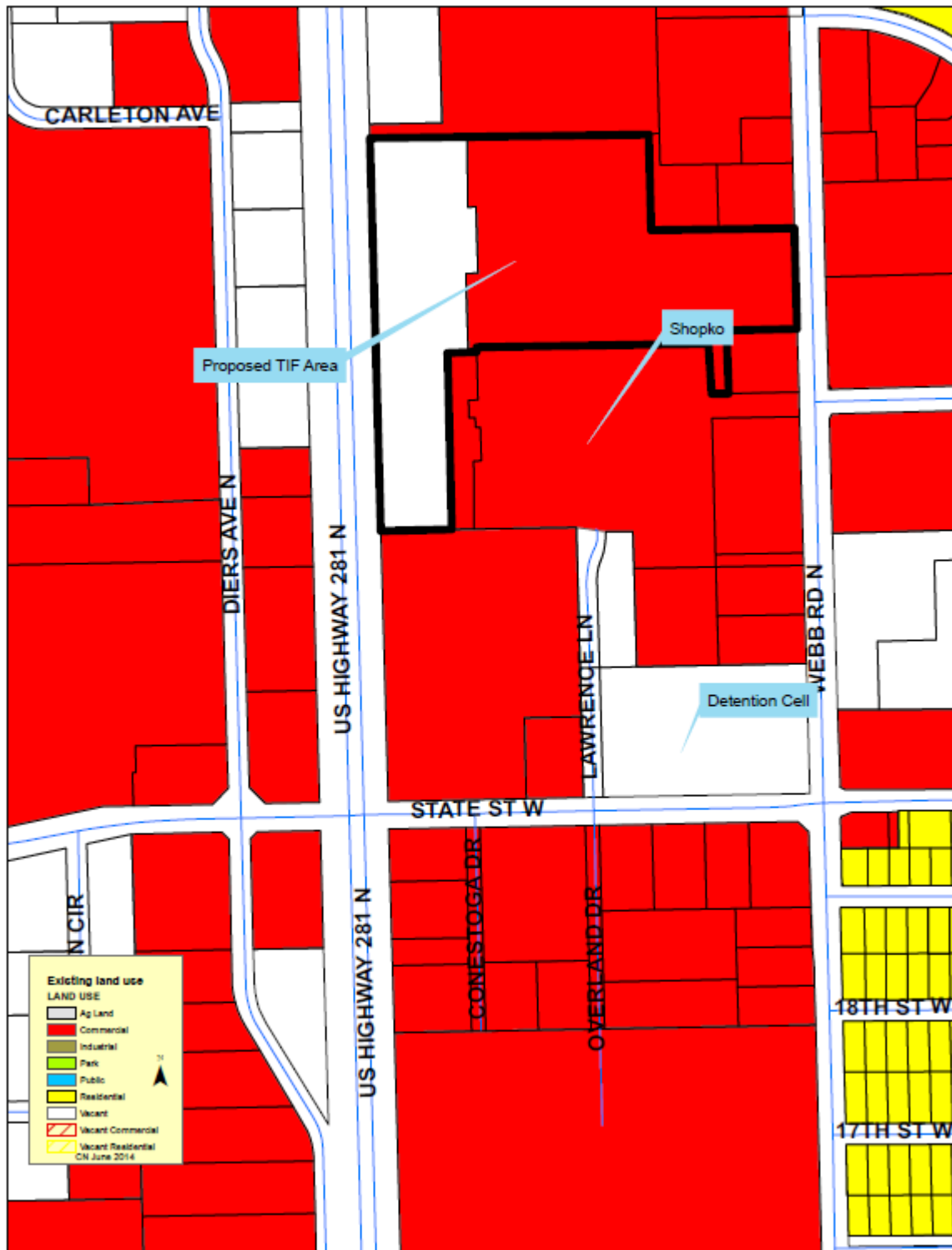
**TAX INCREMENT FINANCING TO PAY FOR THE ACQUISITION OF THE PROPERTY AND RELATED SITE WORK WILL COME FROM THE FOLLOWING REAL PROPERTY:**

**Property Description (the “Redevelopment Project Area”)**

This property is located between State Street and Capital Avenue and between U.S. Highway 281 and Webb Road in northwest Grand Island. The attached map identifies the subject property and the surrounding land uses:

- **Legal Descriptions** Lot 10 of Grand Island Mall Eighth Subdivision and Lot 2 of the Grand Island Mall Fifteenth Subdivision in the City of Grand Island, Hall

County, Nebraska. It is anticipated that these will be replatted to facilitate the redevelopment.



**The tax increment will be captured for the tax years the payments for which become delinquent in years 2016 through 2030 inclusive.**

**The real property ad valorem taxes on the current valuation will continue to be paid to the normal taxing entities. The increase will come from rehabilitation of the vacant commercial space into smaller tenant spaces.**

**Statutory Pledge of Taxes.**

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property in the Redevelopment Project Area shall be divided, for the period not to exceed 15 years after the effective date of the provision, which effective date shall be January 1, 2015.

a. That portion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the redevelopment project valuation shall be paid into the funds, of each such public body in the same proportion as all other taxes collected by or for the bodies; and

b. That portion of the ad valorem tax on real property in the redevelopment project in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of; the interest on, and any premiums due in connection with the bonds, loans, notes, or advances on money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, a redevelopment project. When such bonds, loans, notes, advances of money, or indebtedness including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such redevelopment project shall be paid into the funds of the respective public bodies.

Pursuant to Section 18-2150 of the Act, the ad valorem tax so divided is hereby pledged to the repayment of loans or advances of money, or the incurring of any indebtedness, whether funded, refunded, assumed, or otherwise, by the CRA to finance or refinance, in whole or in part, the redevelopment project, including the payment of the principal of, premium, if any, and interest on such bonds, loans, notes, advances, or indebtedness.

**Redevelopment Plan Amendment Complies with the Act:**

The Community Development Law requires that a Redevelopment Plan and Project consider and comply with a number of requirements. This Plan Amendment meets the statutory qualifications as set forth below.

**1. The Redevelopment Project Area has been declared blighted and substandard by action of the Grand Island City Council on April 24, 2012. [§18-2109] Such declaration was made after a public hearing with full compliance with the public notice requirements of §18-2115 of the Act.**

**2. Conformation to the General Plan for the Municipality as a whole. [§18-2103 (13) (a) and §18-2110]**

Grand Island adopted a Comprehensive Plan on July 13, 2004. This redevelopment plan amendment and project are consistent with the Comprehensive Plan, in that no changes in the Comprehensive Plan elements are intended. This plan merely provides funding for the developer to rehabilitate an existing conforming use on this property.

**3. The Redevelopment Plan must be sufficiently complete to address the following items: [§18-2103(13) (b)]**

***a. Land Acquisition:***

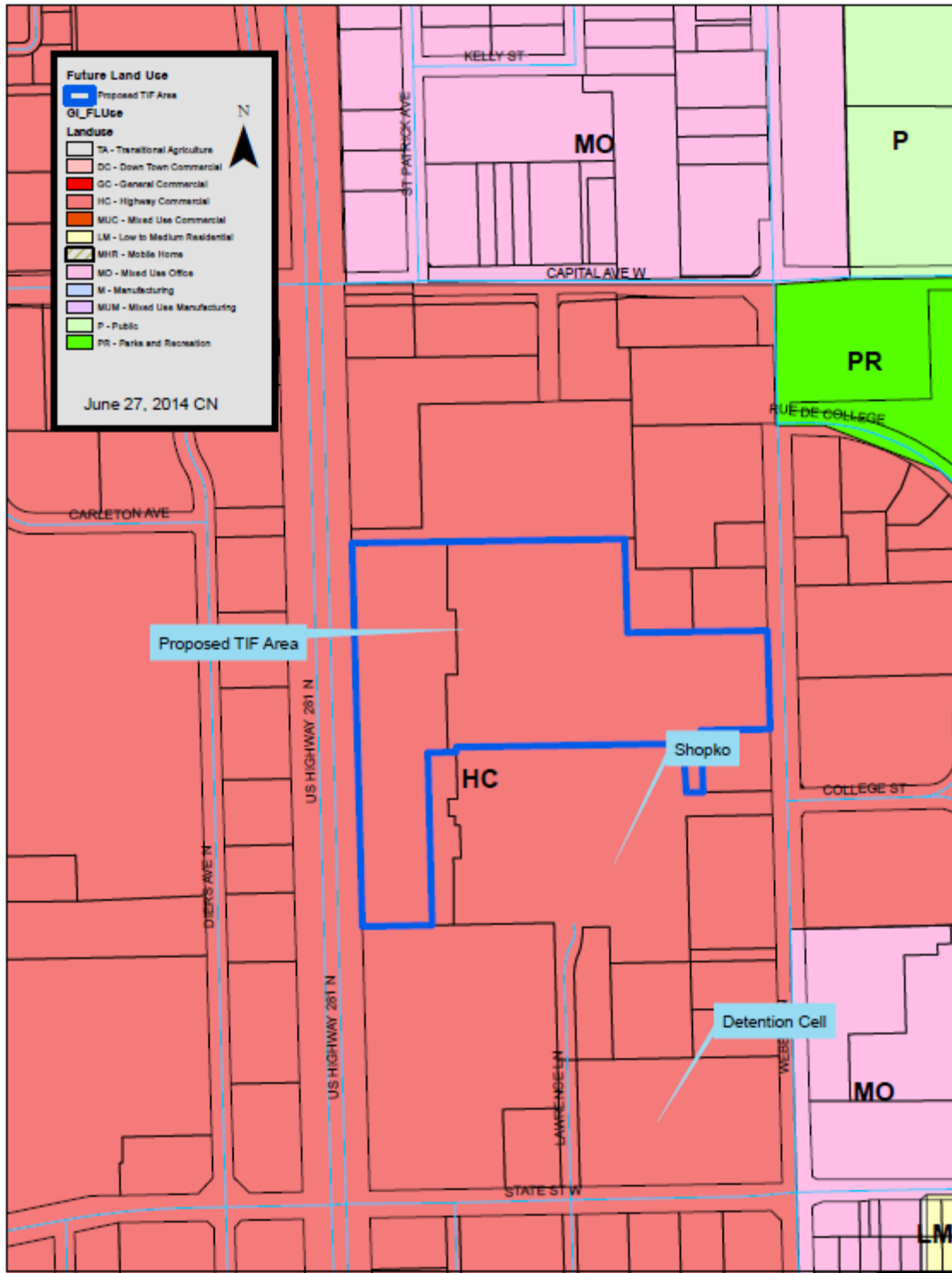
There is no proposed acquisition by the authority or the developer.

***b. Demolition and Removal of Structures:***

The project to be implemented with this plan amendment does not call for the demolition and removal of any existing structures. Partial demolition and renovation of the existing Grand Island Mall will be necessary to facilitate the planned development and vehicular and pedestrian plaza between the east and west sides of the Mall.

***c. Future Land Use Plan***

See the attached map from the 2004 Grand Island Comprehensive Plan. The site is planned for highway commercial development. [§18-2103(b) and §18-2111] The attached map also is an accurate site plan of the area after redevelopment. [§18-2111(5)]



City of Grand Island Future Land Use Map

***d. Changes to zoning, street layouts and grades or building codes or ordinances or other Planning changes.***

The area is zoned CD Commercial Development zone. The CD zone is a planned unit development with the look, style placement and size of the buildings approved by with a Development Plan approved by the Grand Island City Council. The proposed redevelopment will require a revised development plan for the Grand Island Mall Commercial Development zone. No changes are anticipated in street layouts or grades. No changes are anticipated in building codes or ordinances. No other planning changes are contemplated. The proposed use for commercial retail space is permitted in the CD zoning district. [§18-2103(b) and §18-2111]

***e. Site Coverage and Intensity of Use***

The developer is proposing rehabilitate the existing structure a conforming structure and use in the CD zoning district and add additional structures as may be permitted with a revised development plan. [§18-2103(b) and §18-2111]

***f. Additional Public Facilities or Utilities***

This site has full service to municipal utilities. No utilities would be impacted by the development. It is anticipated that the developer will need to extend sewer and water to various new lots to be created on this property. All improvements will be paid for by the developer.

The developer will be responsible for replacing any sidewalks damaged during construction of the project.

No other utilities would be impacted by the development. [§18-2103(b) and §18-2111]

**4. The Act requires a Redevelopment Plan provide for relocation of individuals and families displaced as a result of plan implementation.**

This property, owned by the developer is maintained as retail center. The proposed use of this property would continue as a retail commercial space. No individuals or families will be relocated as a result of this project.[§18-2103.02]

**5. No member of the Authority, nor any employee thereof holds any interest in any property in this Redevelopment Project Area. [§18-2106]**

**6. Section 18-2114 of the Act requires that the Authority consider:**

***a. Method and cost of acquisition and preparation for redevelopment and estimated proceeds from disposal to redevelopers.***

The developer has owned the property since 2013 it was acquired at a cost of \$1,818,000. The cost of property acquisition is not being included as a TIF eligible expense. Costs for rehabilitation of the existing structure are estimated at \$10,009,805. The cost of onsite improvements including the extension of utilities is estimated at \$3,165,805. Fees and reimbursement to the City and the CRA will be included as a TIF eligible expense.

No property will be transferred to redevelopers by the Authority. The developer will provide and secure all necessary financing.

***b. Statement of proposed method of financing the redevelopment project.***

The developer will provide all necessary financing for the project. The Authority will assist the project by granting the sum of \$6,447,250 from the proceeds of the TIF Indebtedness issued by the Authority. This indebtedness will be repaid from the Tax Increment Revenues generated from the project. TIF revenues shall be made available to repay the original debt and associated interest after January 1, 2016 through December 31, 2030.

***c. Statement of feasible method of relocating displaced families.***

No families will be displaced as a result of this plan.

**7. Section 18-2113 of the Act requires:**

Prior to recommending a redevelopment plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted, and harmonious development of the city and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development, including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations or conditions of blight.

The Authority has considered these elements in proposing this Plan Amendment. This amendment, in and of itself will promote consistency with the Comprehensive Plan, in that it will allow for the utilization of and redevelopment of commercial lots. This will not significantly impact traffic at this location. Renovated commercial development will raise property values and provide a stimulus to keep surrounding properties properly



maintained. This will have the intended result of preventing recurring elements of unsafe buildings and blighting conditions.

## **8. Time Frame for Development**

Development of this project (including demolition, site preparation and new construction) is anticipated to be completed between October 2014 and June of 2016. Additional buildings will be added as the market permits. Excess valuation should be available for this project for 15 years beginning with the 2016 tax year.

## **9. Justification of Project**

The U.S. Highway 281 Corridor is a major entrance for the City of Grand Island from the north and from I-80. The majority of the new commercial development in Grand Island in the past 10 years has occurred along this stretch of highway. The Grand Island Mall area was one of the first pieces in this corridor to develop. The pattern that has been most successful with buildings facing onto U.S. 281 was not as obvious a pattern for success as it is today. The opportunity to partner with owners of key building along this corridor as they redevelop and reinvest in their properties is important to making those favorable first impressions. Buildings to both the north and the south of this property have been redeveloped with faces toward both U.S. 281 and Webb Road. The completion of this project will transform this area.

**10. Cost Benefit Analysis** Section 18-2113 of the Act, further requires the Authority conduct a cost benefit analysis of the plan amendment in the event that Tax Increment Financing will be used. This analysis must address specific statutory issues.

As authorized in the Nebraska Community Development Law, §18-2147, *Neb. Rev. Stat.* (2012), the City of Grand Island has analyzed the costs and benefits of the proposed Grand Island Mall Redevelopment Project, including:

**Project Sources and Uses.** Approximately \$6,447,250 in public funds from tax increment financing provided by the Grand Island Community Redevelopment Authority will be required to complete the project. This investment by the Authority will leverage \$14,638,399 in private sector financing; a private investment of \$2.27 for every TIF dollar investment.<sup>1</sup>

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<sup>1</sup> This does not include any investment in personal property at this time.

<b>Use of Funds.</b>			
<b>Description</b>	<b>TIF Funds</b>	<b>Private Funds</b>	<b>Total</b>
Site Acquisition		\$1,818,000	\$1,818,000
Site preparation		\$3,165,805	\$3,165,805
Legal and Plan*			
Building Costs			
Renovation Phase 1	\$6,447,250	\$3,562,555	\$10,009,805
Out Parcels Phase 2		\$2,657,000	\$2,657,000
General Conditions		\$805,630	\$805,630
Personal Property			
Soft Costs		\$2,629,409	\$2,629,409
<b>TOTALS</b>	<b>\$6,447,250</b>	<b>\$14,638,399</b>	<b>\$21,570,029</b>

**Tax Revenue.** The property to be redeveloped is anticipated to have a January 1, 2014, valuation of approximately \$2,044,858. Based on the 2013 levy this would result in a real property tax of approximately \$45,015. It is anticipated that the assessed value will increase by \$19,525,171, upon full completion, as a result of the site redevelopment. This development will result in an estimated tax increase of over \$429,818.00 annually. The tax increment gained from this Redevelopment Project Area would not be available for use as city general tax revenues, for a period of 15 years, or such shorter time as may be required to amortize the TIF bond, but would be used for eligible private redevelopment costs to enable this project to be realized.

Estimated 2014 assessed value:	\$ 2,044,858.00
Estimated value after completion	\$ 21,570,029.00
Increment value	\$ 19,525,399.00
Annual TIF generated (estimated)	\$ 429,818.00
TIF bond issue	\$ 6,447,250.00

***(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;***

The redevelopment project area currently has an estimated valuation of \$2,044,858. The proposed renovation of this facility will result in an estimated additional \$19,525,399 of taxable valuation based on an analysis by the Hall County Assessor's office. No tax shifts are anticipated from the project. The project creates additional valuation that will support taxing entities long after the project is paid off.

***(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project;***

No additional public service needs have been identified. Existing water and waste water facilities will not be impacted by this development. The electric utility has sufficient capacity to support the development. It is not anticipated that this will impact

schools. Fire and police protection are available and should not be impacted by this development.

***(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project;***

This project will protect and enhance the existing employment within the Project Area by redeveloping prime commercial space at this location. Most of the retail space at this location is vacant. It could result in a new national retailers locating in Grand Island. The new retail facilities will employ managerial and sales staff at these locations. New businesses would result in a net increase in employment. At project stabilization employment is expected to increase by 368 employees including a mixture of part time, full time and managerial positions. Temporary construction employment will increase during the construction. The construction period is expected to be 18 to 36 months.

The proposed facility will provide jobs for persons employed by the contractors that will be involved with the project.

***(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of the redevelopment project; and***

This may create additional demand for retail service employees in the Grand Island area and could impact other retailers. The proposed retailers represent businesses not located in Grand Island but they will potentially create competition for businesses located here. The latest available labor statistics show that the Grand Island labor pool is 27,961 with a 3.3% unemployment rate<sup>2</sup>.

***(e) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.***

Personal property in the project is subject to current property tax rates and would generate additional property tax for all entities in the first year. Annual city sales taxes at this location at project stabilization are expected to approach \$25,000,000. Based on the current city sales tax rate of 1.5% this would be projected at \$375,000.

### **Time Frame for Development**

Development of this project is anticipated to be completed during between October 2014 and June of 2016 with out-parcels to be developed as the market demands. The base tax year should be calculated on the value of the property as of January 1, 2015. The tax increment on excess valuation should be available for this project for 15 years beginning in 2016. Excess valuation will be used to pay the TIF Indebtedness issued by the CRA per the contract between the CRA and the developer for a period not to exceed 15 years

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<sup>2</sup> <https://networks.nebraska.gov> Labor Force, Employment and Unemployment for Grand Island City in May 2014

or an amount not to exceed \$6,447,250 the projected amount of increment based upon the anticipated value of the project and current tax rate. Based on the estimates of the expenses of the cost of renovation, site preparation, engineering, expenses and fees reimbursed to the City and CRA, and financing fees the developer will spend over \$13,000,000 of TIF eligible activities over \$10,000,000 of which are directly related to remodeling and rehabilitating the existing building.

It is anticipate by the Hall County Assessor's office that this property if redeveloped as proposed will see a 10 fold increase in valuation.



## **BACKGROUND INFORMATION RELATIVE TO TAX INCREMENT FINANCING REQUEST**

### **Project Redeveloper Information**

#### **Business Name:**

Name: Grand Island Joint Venture, LLC  
Address: 2127 Innerbelt Business Center Drive, Suite 310, St Louis, MO 63114  
Telephone No.: (314)513-1500 Fax No.:(314)513-1501  
Contact: Ray O'Connor (308) 381-2497 / Tim Lowe (314)513-0018

#### **Brief Description of Applicant's Business:**

The Grand Island Joint Venture, LLC is a joint venture between Ray O'Connor and Michael Staenberg. Ray O'Connor is CEO of O'Connor Enterprises, a full service commercial real estate company that owns, manages and leases shopping centers, hotels and residential communities throughout central Nebraska. Michael Staenberg is President of The Staenberg Group, a shopping center development, leasing and property management firm. Over the previous 30 years, the principals of The Staenberg Group have been responsible for the development and redevelopment of over 35 million square feet of retail shopping centers across the United States.

#### **Present Ownership Proposed Project Site:**

Grand Island Joint Venture, LLC

#### **Proposed Project:**

The redevelopment of the former Grand Island Mall and related 16 acres of property, into an "open air" regional retail shopping center, including approximately 128,000 square feet of new tenant leasable area. The property and building are to be designed and constructed in a first class manner, and consistent with competing regional retail centers in the area. The redevelopment project will include demolition of the former interior mall space, building demolition to create vehicular access between Webb Road and the new Hwy 281 parking fields, new tenant storefronts and exterior amenities as well as new customer parking fields,

site lighting and landscaping. Tenants in the project will be a mix of local, regional and national groups between 1,500 and 45,000 square feet, and include three outlot opportunities. See Exhibit A - site plan, lease plan and proposed elevations.

If Property is to be Subdivided, Show Division Planned:

Site plan (Exhibit A) reflects three (3) proposed outparcels which will be separately subdivided from the development parcel.

VI. Estimated Project Costs:  
Supporting cost detail included on Exhibit B.

Acquisition Costs:

A. Land	\$ <u>1,818,000</u>
B. Building	\$ _____

Construction Costs:

A. Renovation or Building Costs:	\$ <u>10,009,805</u>
B. On-Site Improvements:	\$ <u>3,165,805</u>
C. General Conditions/Overhead/Fee	\$ <u>805,630</u>

Soft Costs:

A. Architectural & Engineering Fees:	\$ <u>834,325</u>
B. Financing Fees:	\$ <u>423,133</u>
C. Legal/Developer/Audit Fees:	\$ <u>1,371,951</u>
D. Contingency Reserves:	\$ _____
E. Other (Please Specify)	\$ _____

TOTAL (Grand Island JV) \$ 18,428,649

OUTPARCEL BUILDING TOTAL (By Others) \$ 2,657,000

TOTAL \$ 21,085,649

Total Estimated Market Value at Completion: \$ 21,570,029  
See Exhibit C

Source of Financing:

A. Developer Equity:	\$ <u>2,764,297 (15%)</u>
B. Commercial Bank Loan:	\$ <u>15,664,352 (85%)</u>
C. Outparcel Building Development (By Others):	\$ <u>2,657,000</u>

Tax Credits:

1. N.I.F.A.	\$ 0
2. Historic Tax Credits	\$ 0
D. Industrial Revenue Bonds:	\$ 0
E. Tax Increment Assistance: See attached Exhibit C	\$ 6,447,250
F. Other	\$ 0

Name, Address, Phone & Fax Numbers of Architect, Engineer and General Contractor:

**General Contractor**

Chief Construction Company  
4400 E 39<sup>th</sup> Street, Kearney, NE 68848  
Phone: (308) 238-2755

**Engineer**

Olsson & Associates	or	Miller & Associates
Dave Ziska		Craig Bennett
201 East 2 <sup>nd</sup> Street		1111 Central Avenue
Grand Island, NE 68802		Kearney, NE 68847
Phone: (308) 384-8750		Phone: (308) 434-6456

**Architect**

TRI Architects  
9812 Manchester Road, St. Louis, MO 63119  
Phone: (314) 395-9750

Estimated Real Estate Taxes on Project Site Upon Completion of Project:

(Please Show Calculations)

Real Estate Assessment information provided by Hall County Deputy Assessor.  
See attached Exhibit C

Project Construction Schedule:

Construction Start Date:	Estimated Fall 2014.
Construction Completion Date:	Estimated Fall 2015 to Spring 2016.
Outparcel Development Date:	Estimated Spring 2016 to Fall 2017.
If Phased Project:	No

XII. Please Attach Construction Pro Forma

See attached Exhibit B

XIII. Please Attach Annual Income & Expense Pro Forma (With Appropriate Schedules)

New entity. Income and Expense information not available.

**TAX INCREMENT FINANCING REQUEST INFORMATION**

Describe Amount and Purpose for Which Tax Increment Financing is requested:

Tax Increment Financing is requested for acquisition of a blighted mall property, demolition of the existing interior mall space, upgrade of the outdated utility infrastructure, new and revitalized parking fields, etc. as summarized below:

1. Demolition of site work	\$ 105,000
2. Demolition of mall interior & a portion of existing structure	\$ 494,000
3. New utilities to serve rehabilitated buildings	\$ 624,000
4. Rehabilitation of mall building shell	\$ 5,466,113
5. Rehabilitation of mall building interior	\$ 2,623,519
TOTAL	<u>\$ 9,312,632</u>

Statement Identifying Financial Gap and Necessity for use of Tax Increment Financing for Proposed Project:

The proposed redevelopment of a 40 year old obsolete interior shopping mall would not be feasible or economically viable without a significant public/private partnership investment.

Municipal and Corporate References (if applicable). Please identify all other Municipalities, and other Corporations the Applicant has been involved with, or has completed developments in, within the last five (5) years, providing contact person, telephone and fax numbers for each:

City of Thornton, Colorado  
City Manager – Jack Etheredge  
[citymanager@cityofthornton.net](mailto:citymanager@cityofthornton.net)  
9500 Civic Center Drive  
Thornton, CO 80229

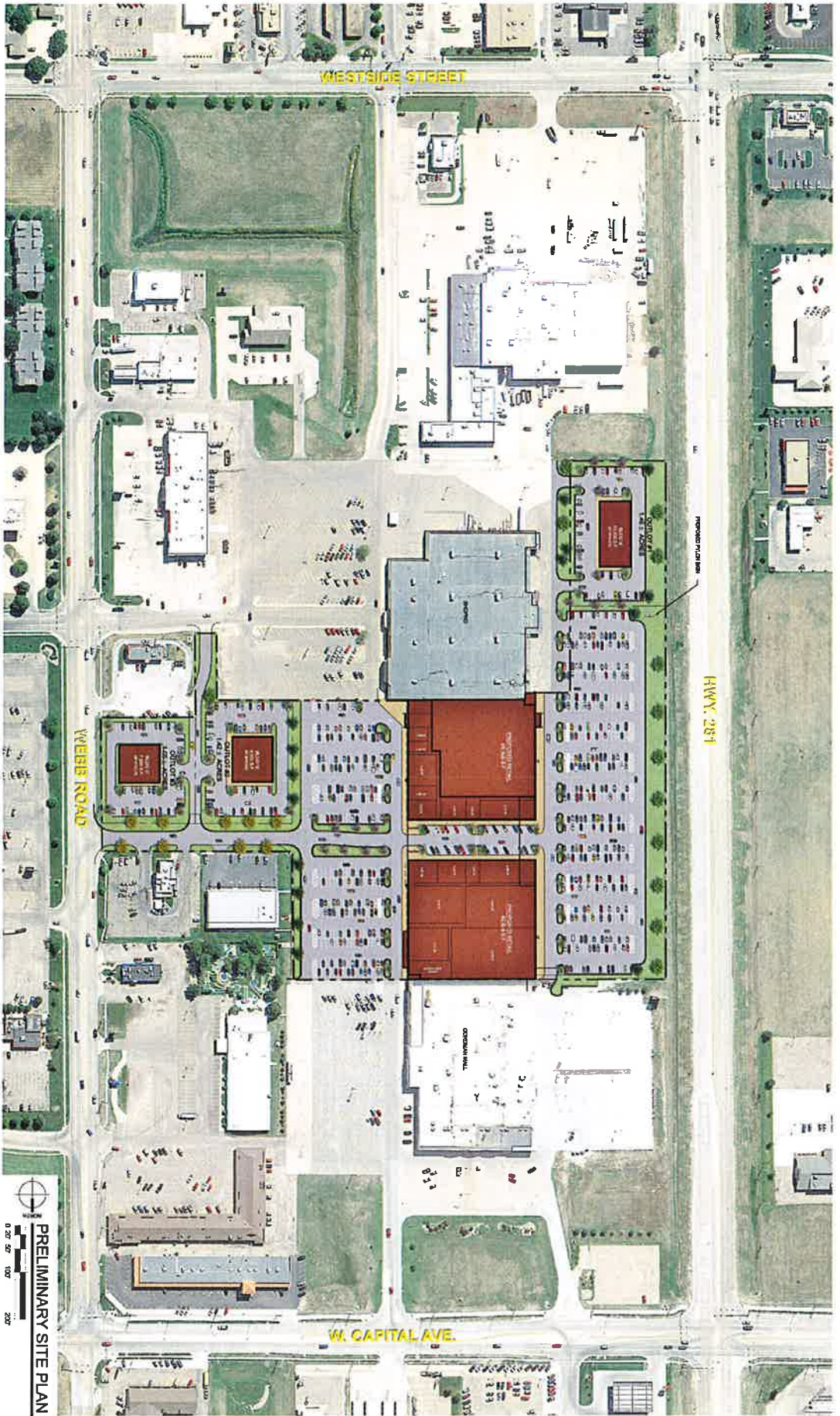
City of Washington, Pennsylvania  
Redevelopment Authority of the County of Washington  
Executive Director – William McGowen  
[bill.mcgowen@racw.net](mailto:bill.mcgowen@racw.net)  
100 West Beau Street, Suite 603  
Washington, PA 15301

IV. Please Attach Applicant’s Corporate/Business Annual Financial Statements for the Last Three Years.

New entity to be created thus no financial statements have been prepared.



**EXHIBIT A**  
**SITE PLAN, LEASE PLAN AND ELEVATIONS**



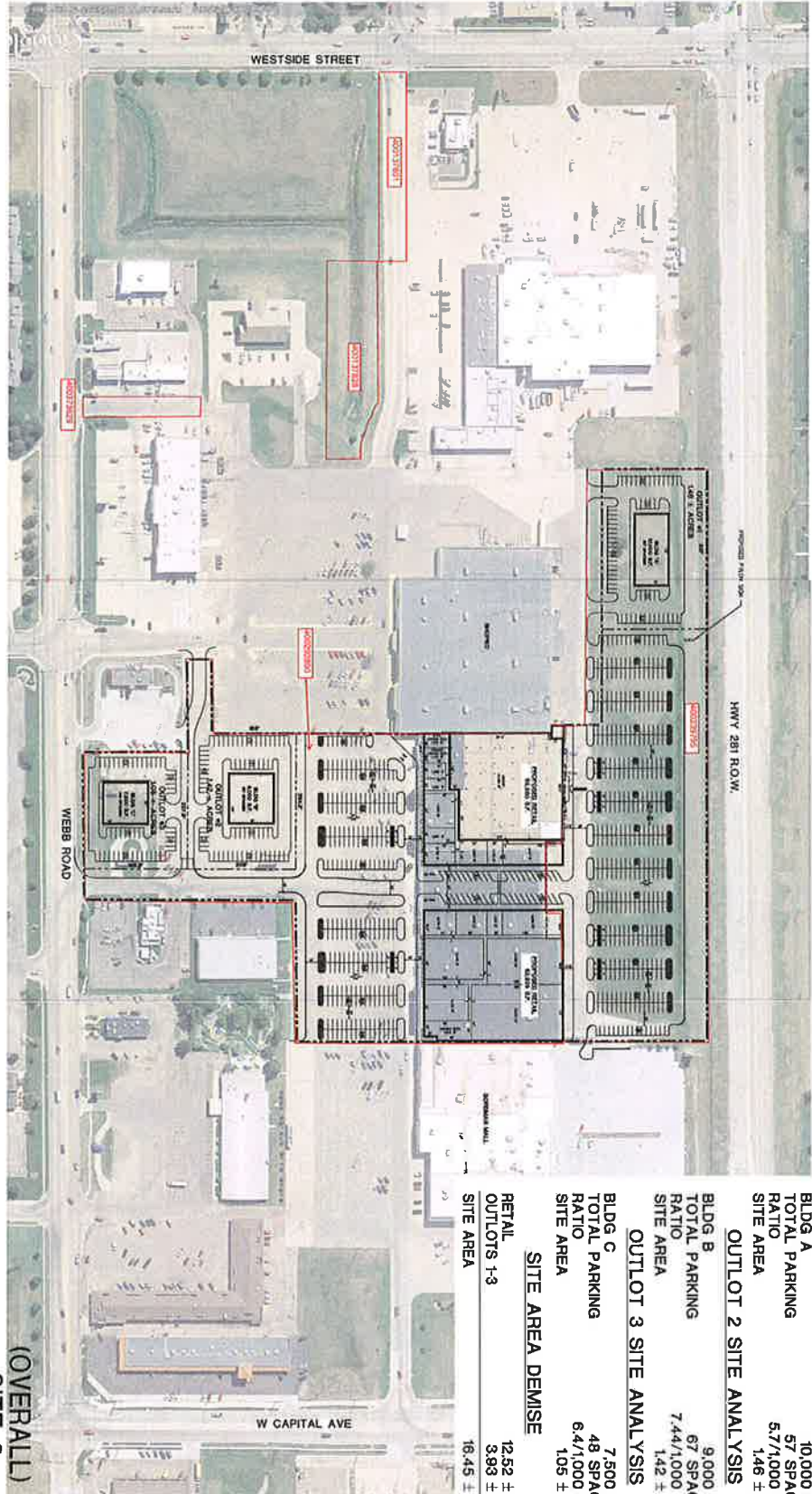
**TRI**  
 Architects of the Possible  
 201 Leavenworth  
 St. Louis, Missouri 63119  
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**GRAND ISLAND RETAIL**  
 HALL COUNTY,  
 14,039  
 NEBRASKA  
 05.20.14

**THE STAENBERG GROUP**  
 DESIGN. DEVELOP. DELIVER.

**PRELIMINARY SITE PLAN**  
 0 50 100 200

NOTE:  
THIS PLAN IS A CONCEPTUAL DEVELOPMENT ONLY. IT IS NOT TO BE USED FOR ANY OTHER PURPOSES. THE DESIGNER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREON. THE DESIGNER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREON. THE DESIGNER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREON.



(OVERALL)  
SITE 3  
CONCEPTUAL  
SITE PLAN



**OVERALL SITE ANALYSIS**

TOTAL BUILDING	151,776 S.F.
TOTAL PARKING	835 SPACES
RATIO	5.50/1,000 S.F.

**RETAIL SITE ANALYSIS**

PROPOSED RETAIL	128,476 S.F.
TOTAL PARKING	686 SPACES
RATIO	5.11/1,000 S.F.

**OUTLOT 1 SITE ANALYSIS**

BLDG A	10,000 S.F.
TOTAL PARKING	57 SPACES
RATIO	5.71/1,000 S.F.
SITE AREA	1.46 ± AC.

**OUTLOT 2 SITE ANALYSIS**

BLDG B	9,000 S.F.
TOTAL PARKING	67 SPACES
RATIO	7.44/1,000 S.F.
SITE AREA	1.42 ± AC.

**OUTLOT 3 SITE ANALYSIS**

BLDG C	7,500 S.F.
TOTAL PARKING	48 SPACES
RATIO	6.4/1,000 S.F.
SITE AREA	1.05 ± AC.

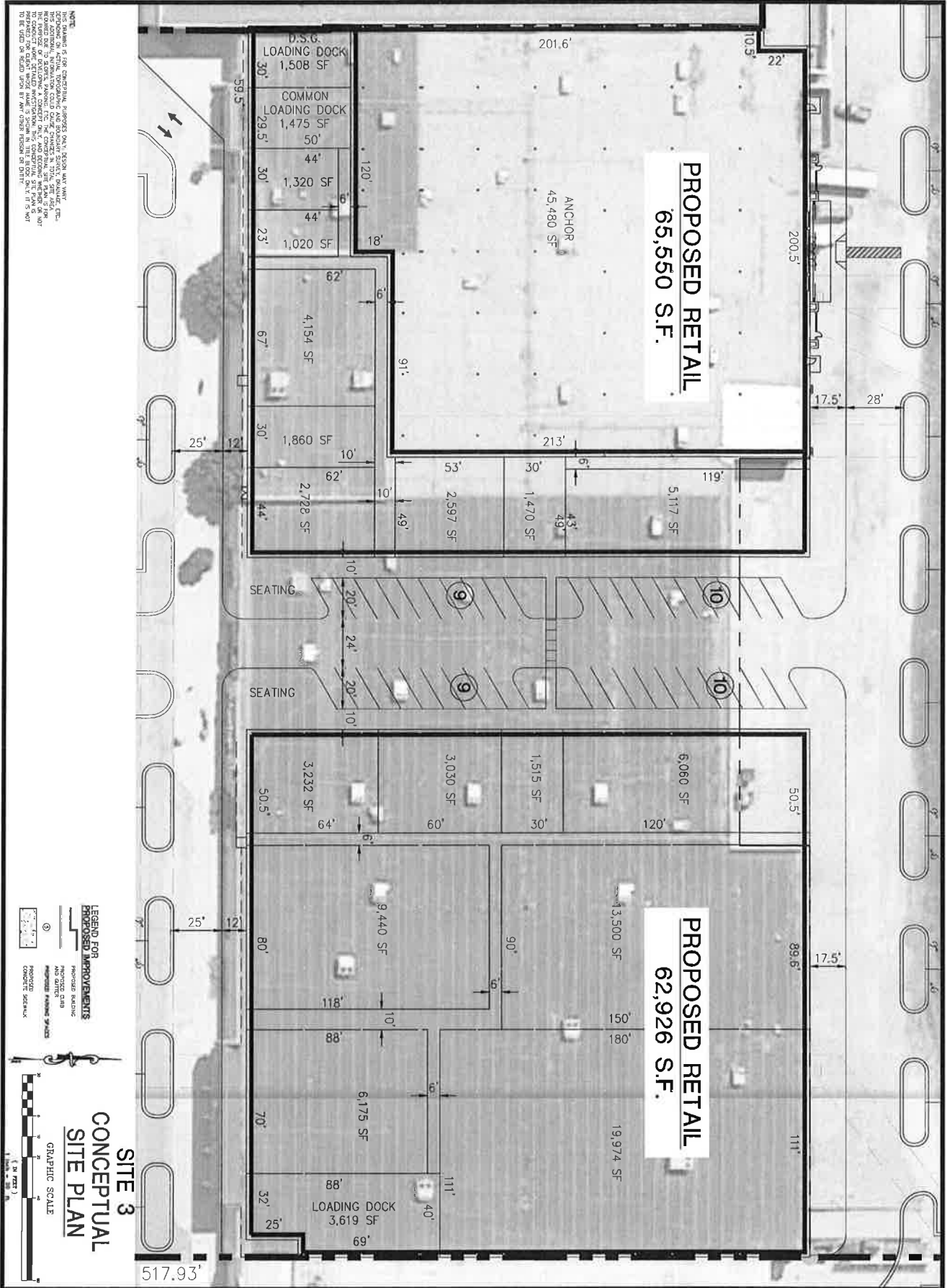
**SITE AREA DEMISE**

RETAIL	1252 ± AC.
OUTLOTS 1-3	3.93 ± AC.
SITE AREA	18.45 ± AC.

DESIGNED BY	DANI
CHECKED BY	THH
DATE	04/24/2014
SCALE	1" = 100'
JOB NO.	13-000
SHEET NUMBER	P-3
OF	REVISIONS

Project Title  
**PROPOSED COMMERCIAL DEVELOPMENT  
GRAND ISLAND, HALL COUNTY, NE  
BY: THE STAENBERG GROUP  
ST. LOUIS, MO**

**Wolverton & Associates**  
Consulting Engineers • Land Surveyors  
2743 Superior Parkway • Suite 100 • Omaha, Nebraska 68107  
Phone: (781) 441-2700 • Fax: (781) 441-6079  
www.wolverton-associates.com



NOTE:  
 THIS DRAWING IS FOR CONCEPTUAL PURPOSES ONLY. DESIGN AND CONSTRUCTION OF THE PROPOSED IMPROVEMENTS SHOULD BE BASED ON THE INFORMATION PROVIDED HEREON. THE USER OF THIS DRAWING SHOULD CONSULT WITH THE ENGINEER FOR ALL NECESSARY PERMITS AND REGULATIONS. THE ENGINEER DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED HEREON. THE USER OF THIS DRAWING SHOULD CONSULT WITH THE ENGINEER FOR ALL NECESSARY PERMITS AND REGULATIONS. THE ENGINEER DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED HEREON.

**LEGEND FOR PROPOSED IMPROVEMENTS**

- PROPOSED BUILDING
- PROPOSED PARKING SPACES
- PROPOSED DRIVEWAYS

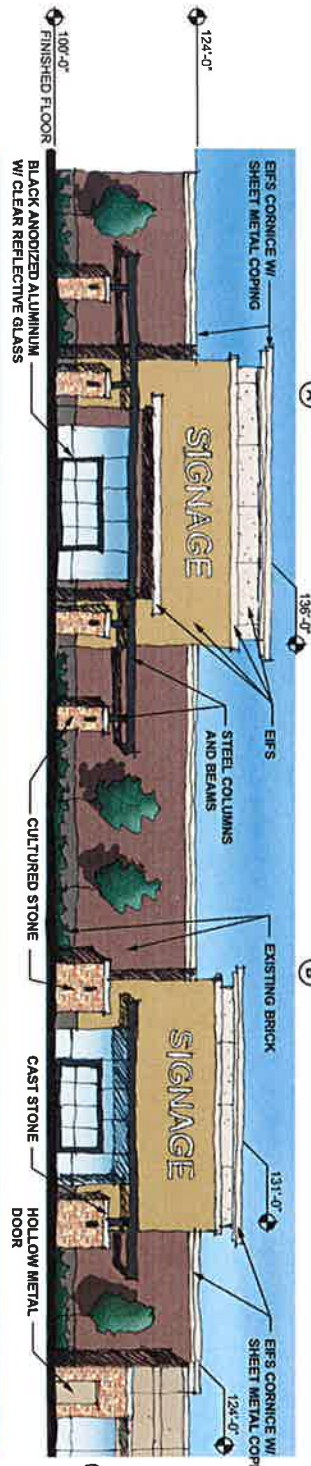
**GRAPHIC SCALE**

**SITE 3 CONCEPTUAL SITE PLAN**

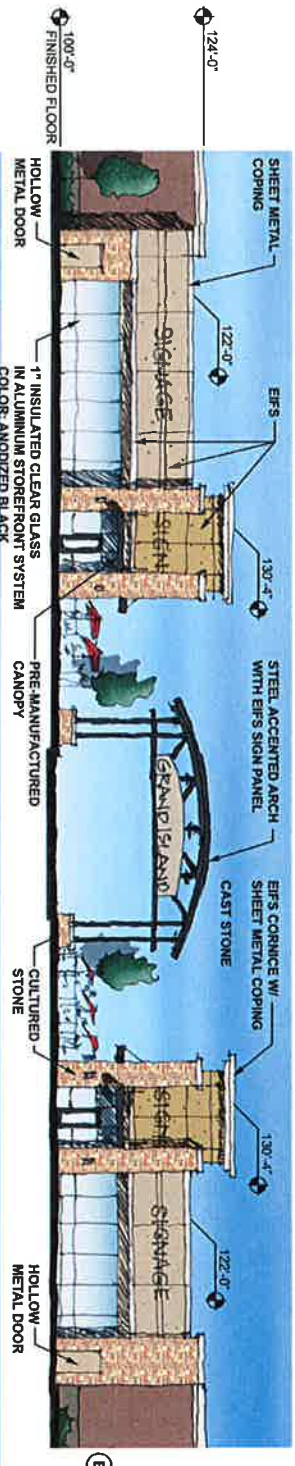
<b>P-3A</b> SHEET NUMBER 13-000	PROJECT TITLE <b>PROPOSED RETAIL DEVELOPMENT          GRAND ISLAND, HALL COUNTY, NE          BY: THE STAENBERG GROUP          ST. LOUIS, MO</b>	 <b>Wolverton &amp; Associates</b> Consulting Engineers • Land Surveyors 8740 Superfund Parkway • Suite 100 • D.J.M. George 32007 Phone (370) 433-6558 • Fax (370) 467-9070 www.wolverton-associ.com
	REVISIONS NO. BY DATE	
DRAWN BY: DAN CHECKED BY: THH DATE: 03/24/2014 SCALE: 1" = 20' JOB NO.: 13-000	SHEET NUMBER: 13-000 SHEET NUMBER: P-3A	



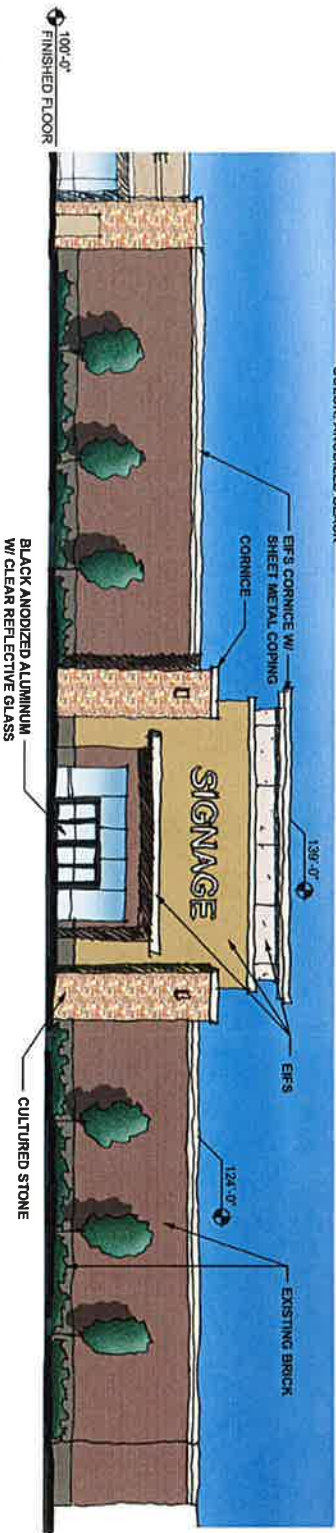
OVERALL WEST ELEVATION  
0 5 10 20 40



(A) PARTIAL ELEVATION  
0 2 5 10 20



(B) PARTIAL ELEVATION  
0 2 5 10 20



(C) PARTIAL ELEVATION  
0 2 5 10 20

**TSJ**  
Architects of the Possible  
817 N. Webster Street  
Suite 100  
Lincoln, Nebraska 68508  
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HALL COUNTY, NEBRASKA  
14.039 05.15.14

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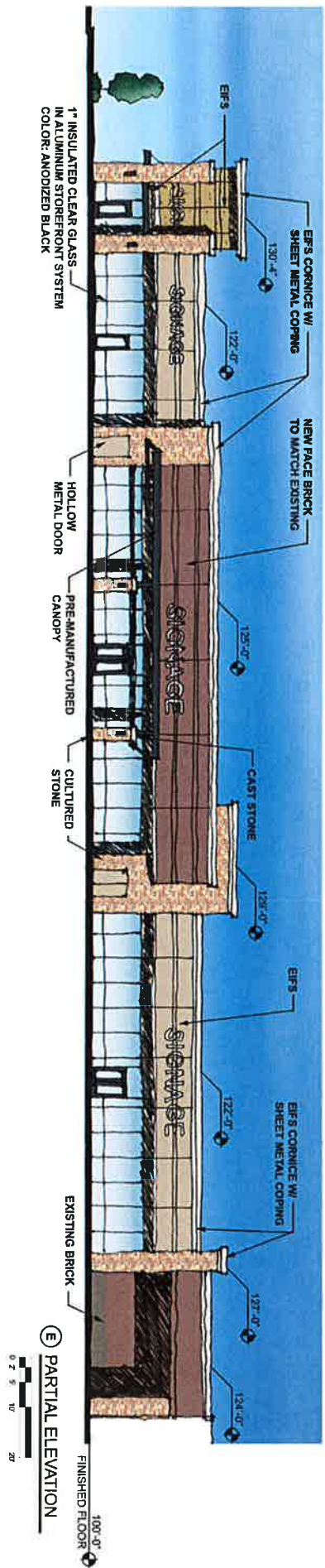
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OVERALL EAST ELEVATION  
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ⓓ PARTIAL ELEVATION  
0 2 5 10 20



ⓔ PARTIAL ELEVATION  
0 2 5 10 20



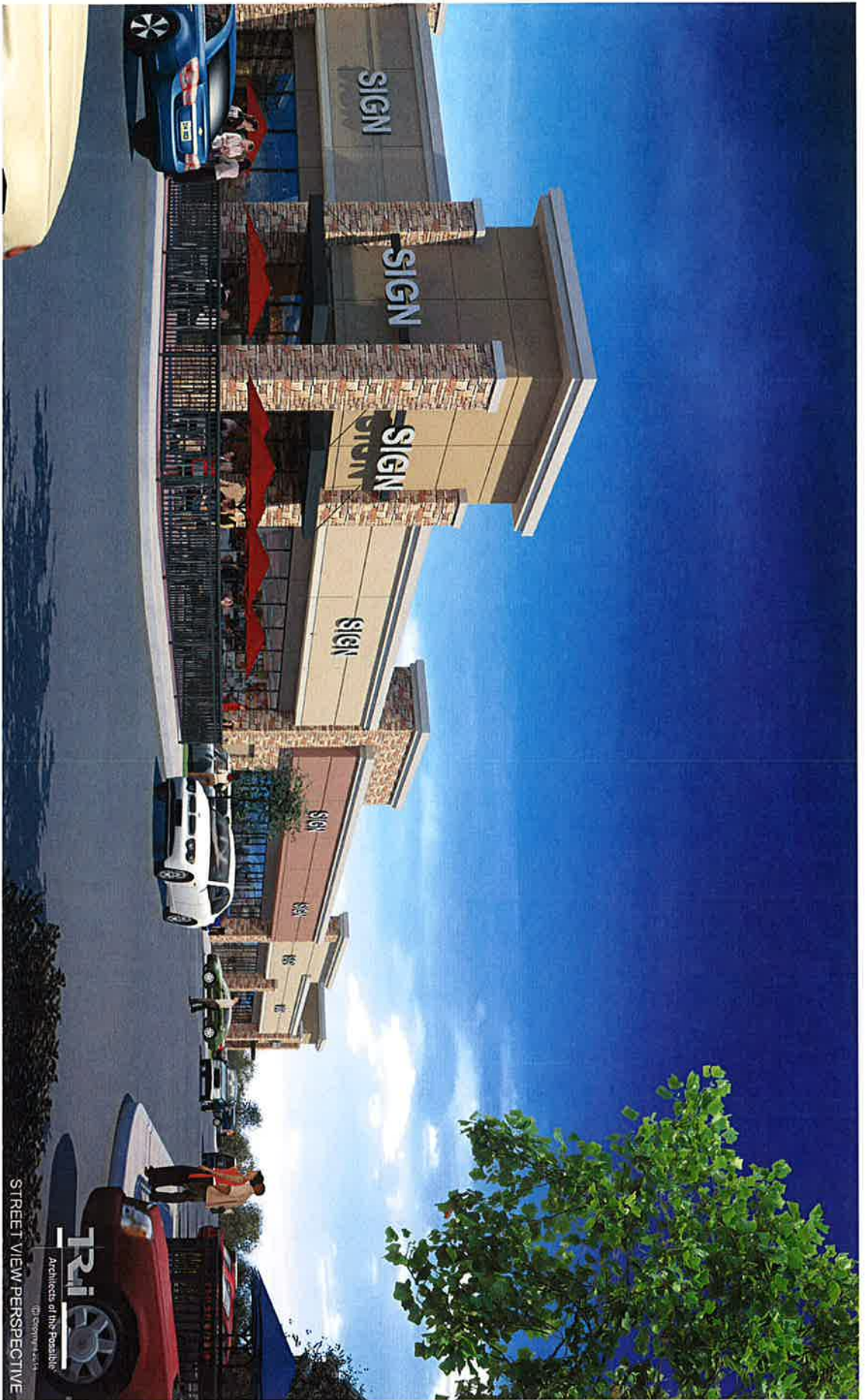
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GRAND ISLAND RETAIL

HALL COUNTY, NEBRASKA  
14.039 05.21.14



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 9812 Marquette Road  
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**GRAND ISLAND RETAIL**

HALL COUNTY, NEBRASKA  
 14.039 04.01.14



STREET VIEW/PERSPECTIVE  
 TRI  
 Architects of the Possible  
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**EXHIBIT B**  
**ESTIMATED PROJECT COSTS**



Northwest Commons  
Grand Island, NE  
Commercial Development Budget

Updated Date: 5/28/14  
By: TSL/MG/GTR

<u>Acres</u>	<u>Cost per Acre</u>	<b>LAND ACQUISITION COST</b>	<b>Original Budget</b>
16.45	\$2.51	Purchase Price	1,800,000
	1%	Closing Costs	18,000
		<b>Total Land</b>	<b>1,818,000</b>
<b>OFF SITE DEVELOPMENT COST</b>			
		Highway Improvements	0
		Traffic Light	0
		Utility Relocation	0
		Miscellaneous Utilities	0
		Storm Line/Detention Cell Clean Out	0
		Contingency	0
		<b>Total Off-Site</b>	<b>0</b>
<b>ON SITE DEVELOPMENT COST</b>			
		Clear/Grade/Fill (EARTHWORK)	565,250
		Site Demolition	105,000
		E&S Controls	Inc Above
		Curbs/Gutters/Sidewalks	148,723
		Paving/Striping/Signage	910,002
		Guard Rail/Fencing/Misc.	0
		Electrical Development	107,500
		Gas Development	20,500
		Telephone Development	14,500
		Landscaping	125,000
		Parking Lot Lighting	207,700
		Site Electric	95,200
		Pylon Sign & Monument Signs	175,000
		Retaining Wall	0
		Sewers - Sanitary	37,500
		Sewers - Storm & Detention Cell	243,000
		Water Lines	96,000
		Trash Receptacle & FFE	45,000
		Utility Tap Fees	40,000
		Outlot Utility Allowance (3)	120,000
		Contingency- Sitework	109,931
(\$ Cost/SF Land) \$	5.49	<b>Total On-Site Costs</b>	<b>3,165,805</b> CSI - Estimate Item A
<b>BUILDING CONSTRUCTION COST</b>			
<u>Sq. Ft.</u>	<u>Cost</u>	<u>Tenant</u>	
140,014	\$43.82	Gross Building Shell including Docks, Corridors, Roof	6,135,113
45,480	\$18.00	Jr Anchor White Box	818,640
19,974	\$18.00	Jr Anchors White Box	359,532
13,500	\$18.18	Jr Anchors White Box	245,430
9,440	\$18.18	Jr Anchors White Box	171,619
6,175	\$25.53	Jr Anchors White Box	157,648
6,060	\$25.53	Jr Anchors White Box	154,712
28,043	\$25.53	Small Shops White Box	715,938
11,342		Corridors, Docks, LL Rooms	
<u>140,014</u>		<b>Sub-Total Building</b>	<b>8,758,631</b> CSI - Estimate Item B
(\$ Cost/SF) \$	62.56		
		Above White Box - Leasing TI (Tenant Finish)	938,415
		Winter/Spring Conditions - Allowance	50,000 CSI - Estimate Item C
		Building Contingency (3%)	262,759 CSI - Estimate Item D
		<b>Total Building</b>	<b>10,009,805</b>
<b>GC/OH/FEE</b>			
		Mobilization & Gen Cond (Building and Site)	314,089 CSI - Estimate Item E
		GC OHP/Fee/Insurance ( Building and Site)	491,541 CSI - Estimate Item F
		<b>Total GC/OH/Fee</b>	<b>805,630</b>

<b>SOFT COST</b>	
Land Interest (12 Months @ 4.00%)	72,720
Construction Interest (8 Months @ 4.00%)	234,055
Point Fee Construction Loan (Points)	87,108
Point Fee Perm Loan (Points)	0
Appraisal	5,000
Architect & Engineers for Building	428,000
Architect - Other - DG Book, LOD's TI Coord, TIF Pkg	25,000
Builder's Risk Insurance/Owners GL Policy	53,000
Construction Manager/Blakely Roof	4,200
Construction Staking	12,500
Engineering - Site Civil, Drainage, SWPPP	97,500
Environmental- Asbestos Survey Report	3,650
Construction Site Testing	28,000
Inspections - Building & Materials	26,000
Legal Fees	25,000
Public Finance - Legal Fees	25,000
Office Overhead	230,000
Permits & Fees (Shell & W Box)	73,475
Real Estate Taxes	40,000
Impact Fees/Filing Fees	10,000
Soil Borings	5,000
Soils - Compaction Testing	10,000
Site - Construction Observations	52,000
Surveys - Plat, Topo, ALTA	14,250
Title Insurance	10,000
Traffic Engineer - Opinion Letter Only	6,000
Travel	15,000
Wetlands	0
Contingency	30,000
<b>Total Soft Cost</b>	<b>1,622,458</b>

<b>REIMBURSEMENTS</b>	
Sale Of Outlots	0
Public Assistance	0
<b>Total Reimbursements</b>	<b>0</b>

**Total Budget Before Fees** **17,421,698**

<b>OUTSIDE PROJECT FEES</b>	
Leasing Fee - Outside	386,016
Leasing Fee - Anchor - Outside	0
<b>Total Outside Fees</b>	<b>386,016</b>

**Total Budget After Outside Fees** **17,807,714**

<b>TSG PROJECT FEES</b>	
Land Acquisition Fee	0
Leasing Fee - TSG	363,591
Land Sale Fee	0
Development Fee	257,344
<b>Total Internal Fees</b>	<b>620,935</b>

**Total Budget After Fees** **18,428,649**



Job Name	GI MALL REDEVELOPMENT	Contractor	CHIEF CONSTRUCTION CO.	Estimate #	Revision #4 - with Owner Comments
Location	GRAND ISLAND, NE	Architect	TBD	Date	May 20, 2014
Estimator	MICEK	Salesman	MICEK	Bid Date	
Job Desc.	Mall renovation and new site work.				

Code	Description	Quantity	Cost Per	Material	Cost Per	Labor	Cost Per	Sub	Total	Tied Estimate Values to Owner Budget
<b>GENERAL REQUIREMENTS</b>										
01.720	Winter Conditioning - ALLOWANCE	1		\$ -		\$ -		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
01.730	Jobsite Signs	4		\$ -		\$ -		\$ 400.00	\$ 1,600.00	\$ 1,600.00
01.520	Jobsite Trailer	12		\$ -		\$ -		\$ 250.00	\$ 3,000.00	\$ 3,000.00
01.520	Jobsite Storage	0		\$ -		\$ -		\$ 150.00	\$ -	\$ -
01.740	Safety Inspections / Meeting / Great Plains Safety	12		\$ -		\$ -		\$ 1,300.00	\$ 15,600.00	\$ 15,600.00
01.540	Dumpster Rental	12		\$ -		\$ -		\$ 400.00	\$ 4,800.00	\$ 4,800.00
01.540	Dumpster Haul	12		\$ -		\$ -		\$ 400.00	\$ 4,800.00	\$ 4,800.00
01.540	Dump Fee	12		\$ -		\$ -		\$ 800.00	\$ 9,600.00	\$ 9,600.00
01.540	Tenant Dumpster Allowance	4		\$ -		\$ -		\$ 400.00	\$ 1,600.00	\$ 1,600.00
01.800	Final Clean "Broom Finish"	127772		\$ -		\$ -		\$ 0.05	\$ 6,388.60	\$ 6,388.60
01.510	Temporary Power	12		\$ -		\$ -		\$ 1,200.00	\$ 14,400.00	\$ 14,400.00
Construction Facilities										
01.310	Building Permit Shell	1		\$ -		\$ -		\$ 200.00	\$ -	\$ -
01.310	Review Fees	1		\$ -		\$ -		\$ 26,200.00	\$ 26,200.00	\$ 26,200.00
01.310	Fire Marshal Review	1		\$ -		\$ -		\$ 13,100.00	\$ 13,100.00	\$ 13,100.00
01.810	Fuel (Supervision Truck / Equipment)	12		\$ -		\$ -		\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
01.300	Project Superintendent	12		\$ -		\$ 74,400.00		\$ -	\$ 74,400.00	\$ 74,400.00
01.300	Project Manager	12		\$ -		\$ 74,400.00		\$ -	\$ 74,400.00	\$ 74,400.00
01.300	Telephone/FAX	12		\$ -		\$ -		\$ 200.00	\$ 2,400.00	\$ 2,400.00
01.530	Toilets 4X	12		\$ -		\$ -		\$ 400.00	\$ 4,800.00	\$ 4,800.00
11.005	Misc. Rental Equipment	12	\$ 3,000.00	\$ 36,000.00		\$ -		\$ -	\$ 36,000.00	\$ 36,000.00
<b>GENERAL REQUIREMENTS SUBTOTAL:</b>										
				\$ 36,000.00		\$ 148,800.00		\$ 179,288.60	\$ 364,088.60	\$ 314,088.60
<b>SITWORK</b>										
<b>DEMOLITION</b>										
02.706	Nitro Parking Demolition	0		\$ -		\$ -		\$ 393,960.00	\$ -	\$ -
02.706	Oneill Asphalt / Concrete Demo	1		\$ -		\$ -		\$ 72,000.00	\$ 72,000.00	\$ 72,000.00
02.706	East Sign Demo East	1		\$ -		\$ -		\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
02.706	East Sign Footing Demo	1		\$ -		\$ -		\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
02.706	Excavation Sub/Fill	0		\$ -		\$ -		\$ 100,000.00	\$ -	\$ -
02.706	Misc. Demo	1		\$ -		\$ -		\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
<b>EARTHWORK / BACKFILL / SWPPP</b>										
02.300	Backfill Topsoil	1		\$ -		\$ -		\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
02.300	Dewatering	0		\$ -		\$ -		\$ -	\$ -	\$ -
02.320	Silt Fencing	3000		\$ -		\$ -		\$ 4.00	\$ 12,000.00	\$ 12,000.00
02.600	Chain Link Safety Panels	1500		\$ -		\$ -		\$ 7.50	\$ 11,250.00	\$ 11,250.00
02.200	Over Excavation / Compact Paving	1		\$ -		\$ -		\$ 275,000.00	\$ 275,000.00	\$ 275,000.00
02.700	Crushed Base Material	1		\$ -		\$ -		\$ 162,000.00	\$ 162,000.00	\$ 162,000.00
02.700	Import / Compact Crushed Material	1		\$ -		\$ -		\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
<b>CONCRETE PAVING / CURBS / SIDEWALKS</b>										
02.720	Sidewalks East	7050		\$ -		\$ -		\$ 4.00	\$ 28,200.00	\$ 28,200.00
02.710	Paving East	112195	\$ -	\$ -		\$ -		\$ 2.76	\$ 309,658.20	\$ 309,658.20
02.730	Curb/Gutter East	1888		\$ -		\$ -		\$ 10.00	\$ 18,880.00	\$ 18,880.00
02.720	Sidewalk West	9445.63		\$ -		\$ -		\$ 4.00	\$ 37,782.52	\$ 37,782.52
02.710	Paving West	158460		\$ -		\$ -		\$ 2.76	\$ 437,349.60	\$ 437,349.60
02.730	Curb/Gutter West	2404		\$ -		\$ -		\$ 10.00	\$ 24,040.00	\$ 24,040.00
02.710	Cut Thru Paving	16567		\$ -		\$ -		\$ 2.76	\$ 45,724.92	\$ 45,724.92
02.720	Cut Thru Sidewalk	7860		\$ -		\$ -		\$ 4.00	\$ 31,440.00	\$ 31,440.00
02.710	Drive East (BK)	13125		\$ -		\$ -		\$ 2.76	\$ 36,225.00	\$ 36,225.00
02.730	Drive Curb/Gutter	838		\$ -		\$ -		\$ 10.00	\$ 8,380.00	\$ 8,380.00
02.750	Seal Concrete Joints Urethane	48000		\$ -		\$ -		\$ 0.80	\$ 36,800.00	\$ 36,800.00
02.740	Striping / HC Signs	1		\$ -		\$ -		\$ 13,500.00	\$ 13,500.00	\$ 13,500.00

02.710	Webb Road Transition Entrance	1		\$															\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00				
02.710	Transitions at ShopKo and Gordmans	2		\$																\$	10,000.00	\$	10,000.00	\$	10,000.00	\$	10,000.00	\$	10,000.00					
01.720	Bumper Blocks at Cut Thru Colored	80	\$																	\$	80.00	\$	6,400.00	\$	6,400.00	\$	6,400.00	\$	6,400.00					
02.720	Sidewalk Structural Footings Cut Thru	584	\$	5,548.00																\$	6.50	\$	3,796.00	\$	9,344.00	\$	9,344.00	\$	9,344.00					
																																\$	148,722.52	
																																\$	910,001.72	
	STORM SEWERS																																	
02.500	Storm Sewer Repairs	1		\$																	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00				
02.500	New Storm Sewer	1		\$																	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00				
02.500	Downspout Connections - 32 @ 200'	1		\$																	\$	80,000.00	\$	80,000.00	\$	80,000.00	\$	80,000.00	\$	80,000.00				
02.500	Inlet Grates/Boxes	12		\$																	\$	1,500.00	\$	18,000.00	\$	18,000.00	\$	18,000.00	\$	18,000.00				
02.500	Under Drain Piping at Inlets	2500		\$																	\$	10.00	\$	25,000.00	\$	25,000.00	\$	25,000.00	\$	25,000.00				
02.300	Clean / Camera Existing Storm Line to Detention Cell	1		\$																	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00				
02.300	Storm Detention / WATER QUALITY																																	
02.300	West Detention Cell Allowance	1		\$																	\$	15,000.00	\$	15,000.00	\$	15,000.00	\$	15,000.00	\$	15,000.00				
	DRY UTILITIES																																	
16.200	Primary Electrical Conduit / Transformer Pads	1		\$																	\$	47,500.00	\$	47,500.00	\$	47,500.00	\$	47,500.00	\$	47,500.00				
16.200	Primary Electrical Feeders & Site Ties	1		\$																	\$	60,000.00	\$	60,000.00	\$	60,000.00	\$	60,000.00	\$	60,000.00				
15.400	Primary Gas Service	1		\$																	\$	20,500.00	\$	20,500.00	\$	20,500.00	\$	20,500.00	\$	20,500.00				
16.200	Primary Telephone Conduit & Wire/T1	1		\$																	\$	14,500.00	\$	14,500.00	\$	14,500.00	\$	14,500.00	\$	14,500.00				
	SITE LIGHTING																																	
16.200	Site Lighting / Parking / Cut Thru Decorative.	1		\$																	\$	207,700.00	\$	207,700.00	\$	207,700.00	\$	207,700.00	\$	207,700.00				
16.200	Misc. Electrical Power / Signs East / West / Site	1		\$																	\$	75,200.00	\$	75,200.00	\$	75,200.00	\$	75,200.00	\$	75,200.00				
16.200	Outlots Site Electrical Conduit (East and West)	1		\$																	\$	20,000.00	\$	20,000.00	\$	20,000.00	\$	20,000.00	\$	20,000.00				
	SITE WATER & SANITARY																																	
02.500	New Fire Hydrants Allowance	0		\$																	\$	36,000.00	\$	36,000.00	\$	36,000.00	\$	36,000.00	\$	36,000.00				
02.500	New Water Lines	4		\$																	\$	15,000.00	\$	60,000.00	\$	60,000.00	\$	60,000.00	\$	60,000.00				
02.500	New Sewer Line	750		\$																	\$	50.00	\$	37,500.00	\$	37,500.00	\$	37,500.00	\$	37,500.00				
	DEVELOPERS - SITE SIGNAGE																																	
	New Plyon Signs (By Developer)	0		\$																	\$	125,000.00	\$	125,000.00	\$	125,000.00	\$	125,000.00	\$	125,000.00				
	Monument Site Decorative Signage (4)	0		\$																	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00				
	Misc Site Signage	0		\$																	\$	10,000.00	\$	10,000.00	\$	10,000.00	\$	10,000.00	\$	10,000.00				
	IRRIGATION & LANDSCAPING / SITE FURNISHINGS																																	
02.910	Overall Site Landscaping	1		\$																	\$	75,000.00	\$	75,000.00	\$	75,000.00	\$	75,000.00	\$	75,000.00				
02.910	Building / Pedestrian Landscaping	1		\$																	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00				
02.910	F.F.E (Fixture, Furniture and Equipment)	1		\$																	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00				
02.910	Decorative Rail and Fence	1		\$																	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00				
	OUTLOTS UTILITY & PREP																																	
02.900	Three Outlot - Allowance	3		\$																	\$	40,000.00	\$	120,000.00	\$	120,000.00	\$	120,000.00	\$	120,000.00				
	DEVELOPERS - BUDGET IMPROVEMENTS																																	
	Utility Tap Fees	0		\$																	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00	\$	40,000.00				
	Owner Contingency	0		\$																	\$	109,831.00	\$	109,831.00	\$	109,831.00	\$	109,831.00	\$	109,831.00				
	SITENWORK SUBTOTAL:			\$	5,548.00																\$	2,715,326.24	\$	2,720,874.24	\$	2,720,874.24	\$	2,720,874.24	\$	2,720,874.24				
	BUILDING																																	
	DEMOLITION																																	
02.705	Asbestos Abatement	1		\$																	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00	\$	50,000.00				
02.705	Interior Building Demo	1		\$																	\$	385,000.00	\$	385,000.00	\$	385,000.00	\$	385,000.00	\$	385,000.00				
02.705	Terazzo Flooring Demo (20400)	1		\$																	\$	12,000.00	\$	12,000.00	\$	12,000.00	\$	12,000.00	\$	12,000.00				
02.705	Cut Thru Demo	1		\$																	\$	45,000.00	\$	45,000.00	\$	45,000.00	\$	45,000.00	\$	45,000.00				
02.705	CMU Openings	26		\$																	\$	2,000.00	\$	52,000.00	\$	52,000.00	\$	52,000.00	\$	52,000.00				
	CONCRETE																																	
03.050	Demo / Replace Floors for New Plumbing	18960		\$																	\$	6.50	\$	123,240.00	\$	123,240.00	\$	123,240.00	\$	123,240.00				
03.050	Excavate Piers	40		\$																	\$	35.00	\$	1,400.00	\$	1,400.00	\$	1,400.00	\$	1,400.00				
03.050	Trenching	548		\$																	\$	1.20	\$	657.60	\$	657.60	\$	657.60	\$	657.60				
03.050	Backhoe Work	0		\$																	\$	75.00	\$	75.00	\$	75.00	\$	75.00	\$	75.00				
03.050	Grade Beam 12"	548		\$	5,206.00																\$	6.50	\$	3,562.00	\$	3,562.00	\$	3,562.00	\$	3,562.00				
03.050	Piers Columns	50		\$	450.00																\$	9.00	\$	450.00	\$	450.00	\$	450.00	\$	450.00				
03.050	Stoops (Exterior Doors)	50		\$																	\$	250.00	\$	12,500.00	\$	12,500.00	\$	12,500.00	\$	12,500.00				
03.050	Catch Basins / Trench Drains Dock	2		\$																	\$	3,000.00	\$	6,000.00	\$	6,000.00	\$	6,000.00	\$	6,000.00				
03.050	Bumper Posts	10		\$	50.00																\$	35.00	\$	350.00	\$	350.00	\$	350.00	\$	350.00				
03.050	Perimeter Insulation	822		\$	0.65																\$	0.40	\$	328.80	\$	328.80	\$	328.80	\$	328.80				
03.050	Backfill Docks	1		\$																	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00	\$	5,000.00				
03.050	Recessed Dock Walls (CY)	110		\$					</																									



Code	Description	Unit	Qty	Rate	Total	Subtotal	Rate	Total	Subtotal	Total	Subtotal	Total
09.200	ACOUSTICAL CEILINGS											
	No Tenant Spaces /Corridors only		1	\$	\$					12,500.00		12,500.00
	FLOOR COVERINGS											
	Allowance for Back of House		1	\$	\$					25,000.00		25,000.00
	PAINTING											
09.900	Painting Allowance/ exterior and back of House		1	\$	\$					48,000.00		48,000.00
	TOILET ACCESS AND MISC. SPEC.											
10.050	Grab Bars / Mirrors/ TP / PT		0	\$	\$							
10.050	Knox Box		24	\$	\$	9,600.00						9,600.00
04.200	PUBLIC RESTROOM COMPLETE											
	Public Restroom / Storm Shelter		1	\$	\$					141,600.00		141,600.00
	FIRE PROTECTION											
10.520	Fire Extinguishers / Recessed Cabinets		0	\$	\$							
15.300	Fire Sprinkler Demo		1	\$	\$	8,000.00				8,000.00		8,000.00
15.300	Move Riser at Anchors		1	\$	\$	8,000.00				8,000.00		8,000.00
15.300	Dry System Docks		1	\$	\$	13,960.00				13,960.00		13,960.00
15.300	Anchor Spaces		1	\$	\$	82,800.00				82,800.00		82,800.00
15.300	Revise Existing Tenant Line Distribution		1	\$	\$	137,940.00				137,940.00		250,700.00
	PLUMBING											
15.400	Plumbing Rough-ins - Restrooms Tenant Spaces		24	\$	\$	4,000.00				96,000.00		96,000.00
15.400	Grease Interceptors		2	\$	\$	3,000.00				6,000.00		6,000.00
15.400	New Gas Piping @ Roof and Manifolds		4000	\$	\$	10.00				40,000.00		142,000.00
	HVAC Units and Curbs											
15.700	Demo RTU Jerrys		0	\$	\$	49,500.00						
15.700	Demo RTU Oneill		1	\$	\$	4,500.00				4,500.00		4,500.00
15.700	A- 1508 Dock Area		0	\$	\$							
15.700	B- 1475 Dock Area		0	\$	\$							
15.700	C- 1320		1	\$	\$	8,600.00				8,600.00		8,600.00
15.700	D- 1020		1	\$	\$	8,600.00				8,600.00		8,600.00
15.700	E- 4154		1	\$	\$	19,600.00				19,600.00		19,600.00
15.700	F- 1960		1	\$	\$	9,800.00				9,800.00		9,800.00
15.700	G- 2728		1	\$	\$	12,700.00				12,700.00		12,700.00
15.700	H- 2697		1	\$	\$	12,700.00				12,700.00		12,700.00
15.700	I- 1470		1	\$	\$	8,700.00				8,700.00		8,700.00
15.700	J- 5117		1	\$	\$	23,500.00				23,500.00		23,500.00
15.700	DICKS 45.480		1	\$	\$	151,600.00				151,600.00		151,600.00
15.700	L- 3332		1	\$	\$	12,700.00				12,700.00		12,700.00
15.700	M- 9440		1	\$	\$	33,600.00				33,600.00		33,600.00
15.700	N- 5175		1	\$	\$	23,500.00				23,500.00		23,500.00
15.700	O- 3619 Dock Area		0	\$	\$							
15.700	P- 19.974		1	\$	\$	67,200.00				67,200.00		67,200.00
15.700	Q- 13.550		1	\$	\$	33,600.00				33,600.00		33,600.00
15.700	R- 6600		1	\$	\$	25,400.00				25,400.00		25,400.00
15.700	S- 1515		1	\$	\$	8,700.00				8,700.00		8,700.00
15.700	T- 3030		1	\$	\$	12,700.00				12,700.00		477,700.00
	ELECTRICAL											
16.200	Electrical- Demo		1	\$	\$	57,600.00				57,600.00		57,600.00
16.200	Electrical Warm Box		1	\$	\$	741,580.00				741,580.00		741,580.00
16.200	Electrical White Box		1	\$	\$							
16.200	Anchor White Box		1	\$	\$							
16.700	Fire Alarm Tenants Allowance		24	\$	\$	5,000.00				120,000.00		120,000.00
16.700	Fire Alarm Building Allowance		2	\$	\$	8,000.00				16,000.00		16,000.00
	SHELL BUILDING SUBTOTAL:											
	OWNER PURCHASED SCOPE ALLOWANCES											
	Compactors, Lifts, Operations Eopt. Etc		1	\$	\$					125,000.00		125,000.00
	WHITE BOX FINISHES											
	Jr. Anchors White Box		45480	\$	\$	18.00				818,640.00		818,640.00
	Jr. Anchors White Box		19974	\$	\$	18.00				359,532.00		359,532.00
	Jr. Anchors White Box		13500	\$	\$	18.18				245,430.00		245,430.00
	Jr. Anchors White Box		9440	\$	\$	18.18				171,619.20		171,619.20
	Jr. Anchors White Box		6175	\$	\$	25.53				157,647.75		157,647.75
	Jr. Anchors White Box		6060	\$	\$	25.53				154,711.80		154,711.80
	Small Shops White Box		28043	\$	\$	25.53				715,937.79		715,937.79
	Corridors, Docks, LL Rooms		11342	\$	\$							

	WHITE BOX SUBTOTAL:									\$ 2,623,518.54	\$ 2,623,518.54
	SHELL BUILDING SUBTOTAL:									\$ 6,135,112.70	\$ 6,135,112.70
	SHELL & WHITE BOX SUBTOTAL:		\$ 244,300.30						\$ 3,562.00	\$ 8,758,631.24	\$ 8,758,631.24
	SITework, SHELL & WHITE BOX SUB TOTAL:		\$ 285,848.30						\$ 152,362.00	\$ 11,924,436.48	\$ 11,924,436.48
	TOTAL ALL CONSTRUCTION DIRECT COSTS:									\$ 12,288,525.08	\$ 12,288,525.08
	CONSTRUCTION MANAGEMENT FEE and OHP				0.04					\$ -	\$ 491,541.00
01-230	3% CONTINGENCY (Owner Building)				0					\$ -	\$ 262,756.94
	TOTAL ESTIMATED CONSTRUCTION:									\$ -	\$ 13,042,825.02
									Building Hard Cost Per. Sq. Ft.	\$ 62.56	

Item B

Item F  
Item D

**EXHIBIT C**

**ESTIMATED REAL ESTATE ASSESSMENT AND TAXES ON  
PROJECT SITE UPON COMPLETION OF PROJECT**



**Barbara Stoddard**

---

To: mgansline@tsgproperties.com  
Subject: Grand Island Mall - Redevelopment (O'Connor)

Mr. Gansline,

Attached are the sketch/plans as requested. If you have any questions, please do not hesitate to call our office.

Barb Stoddard  
Hall County Deputy Assessor/Appraiser  
308-385-5050

# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card

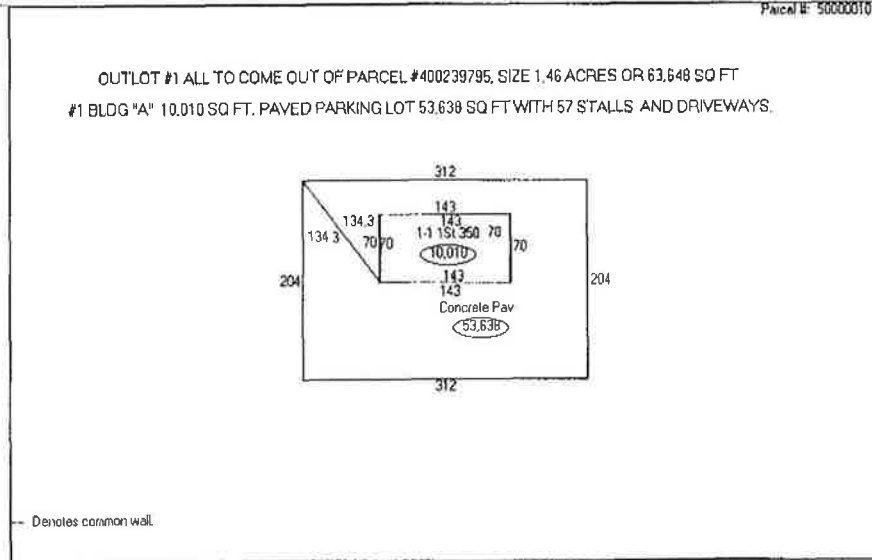


Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/13/2014 at 12:06:28P

Parcel Information	Ownership Information
Parcel Number: 500000103	Current Owner:
Map Number:	Address:
Situs: O'CONNOR/RAY & JENNIFER	City St. Zip:
Legal: WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT	Cadastral #:

Property Data	
Neighborhood: 505	Topography:
Lot Width: 312	Street:
Lot Depth: 204	Utilities:
Units Buildable: 63648	Amenities 1:
Value Method: SF	Amenities 2:

Number of Units	63648
Unit Value	4.25
Adjustment	
Lot Value	270,504



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
1	1	350	RESTAURANT	2014	C	300	40	10,010	426	1	22	1,246,545		1,246,545
1			PAVING, CONCRETE	2014				53,638				214,552		214,552
<b>Cost Approach From Marshall &amp; Swift</b>												<b>Potential Gross Income</b>		
Total Building Area												Contract	Market	
				10,010										
Total Building RCN				1,246,545	Vacancy & Collection Loss									
Total Refinements				214,552	Effective Income									
Total Replacement Cost New				1,461,097	Total Expenses									
Total Phys. & Func. Depreciation						Net Operating Income								
RCN Less Phys. & Func.				1,461,097	Capitalization Rate									
Economic Depreciation						Income Approach								
Accrued Economic depreciation						Final Value Reconciliation							1,731,601	
Total RCN Less Depreciation				1,461,097										
Additional Lump Sums														
Land Value				270,504										
Total Cost Value				1,731,601										
Value Per Res Unit														
Value Per Sq. Ft.				172.99										
*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.														

# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/13/2014 at 11:53:09A

**Parcel Information**

**Ownership Information**

Parcel Number 500000103  
 Map Number  
 Situs O'CONNOR/RAY & JENNIFER  
 Legal WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT

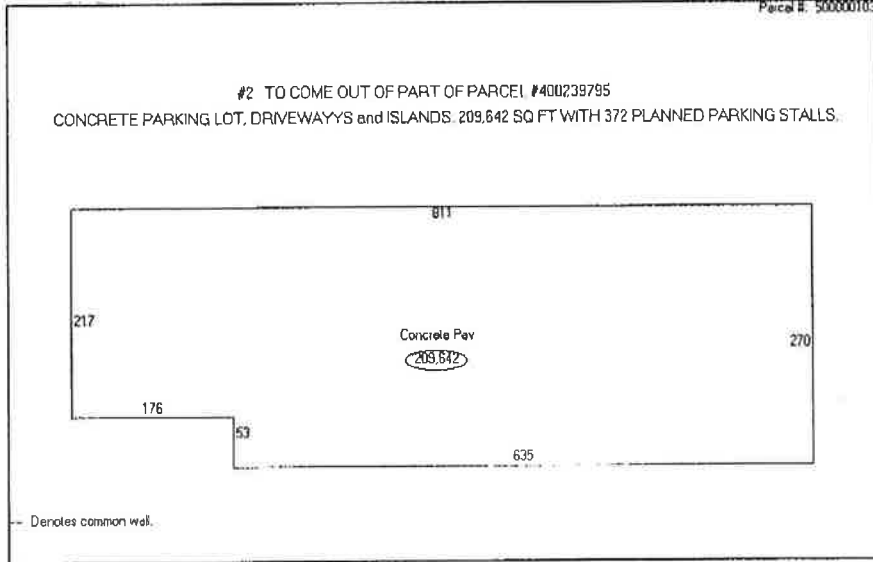
Current Owner  
 Address  
 City St. Zip  
 Cadastral #

**Property Data**

Neighborhood 505  
 Lot Width  
 Lot Depth  
 Units Buildable 209642  
 Value Method SF

Topography  
 Street  
 Utilities  
 Amenities 1  
 Amenities 2

Number of Units 209642  
 Unit Value 4.25  
 Adjustment  
 Lot Value 890,979



**Building Data**

Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
2			PAVING, CONCRETE	2014				209,642				838,568		838,568

**Cost Approach From Marshall & Swift**

**Potential Gross Income**

Cost Approach From Marshall & Swift		Potential Gross Income	
		Contract	Market
Total Building Area			
Total Building RCN			
Total Refinements	838,568		
Total Replacement Cost New	838,568		
Total Phys. & Func. Depreciation			
RCN Less Phys. & Func.	838,568		
Economic Depreciation			
Accrued Economic depreciation			
Total RCN Less Depreciation	838,568		
Additional Lump Sums			
Land Value	890,979		
Total Cost Value	1,729,547		
Value Per Res Unit			
Value Per Sq. Ft.			
			1,729,547

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

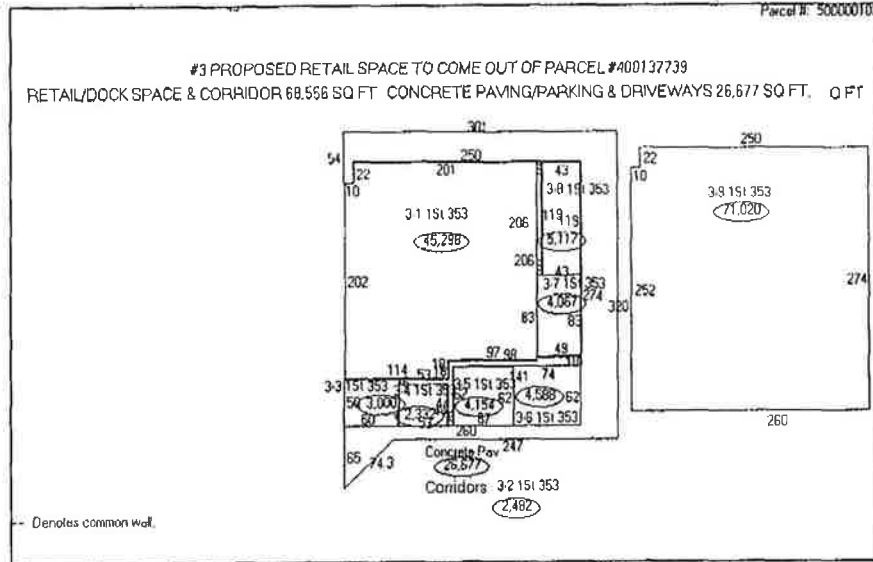
# HALL COUNTY ASSESSOR'S OFFICE

Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/14/2014 at 12:31:08P

<b>Parcel Information</b>		<b>Ownership Information</b>	
Parcel Number	500000103	Current Owner	
Map Number		Address	
Situs	O'CONNOR/RAY & JENNIFER	City St. Zip	
Legal	WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT	Cadastral #	
<b>Property Data</b>			
Neighborhood	505	Topography	Number of Units
Lot Width		Street	Unit Value
Lot Depth		Utilities	Adjustment
Units Buildable	94026	Amenities 1	Lot Value
Value Method	SF	Amenities 2	



Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
3	1	353	RETAIL STORE	2014	C	300	40	45,298	870	1	24	3,749,768		3,749,768
3	2	353	RETAIL STORE	2014	C	300	40	2,482	960	1	28	370,587		370,587
3	3	353	RETAIL STORE	2014	C	300	40	3,000	220	1	24	353,280		353,280
3	4	353	RETAIL STORE	2014	C	300	40	2,332	194	1	22	279,467		279,467
3	5	353	RETAIL STORE	2014	C	300	40	4,154	258	1	22	442,858		442,858
3	6	353	RETAIL STORE	2014	C	300	40	4,588	272	1	25	503,717		503,717
3	7	353	RETAIL STORE	2014	C	300	40	4,067	264	1	25	461,727		461,727
3	8	353	RETAIL STORE	2014	C	300	40	5,117	324	1	25	561,335		561,335
3	9	353	RETAIL STORE	2014	C	300	40	71,020	962	1	24	5,770,375	100%	
3			PAVING, CONCRETE	2014				26,677				106,708		106,708

<b>Cost Approach From Marshall &amp; Swift</b>		<b>Potential Gross Income</b>	
Total Building Area	142,058	Contract	Market
Total Building RCN	12,493,114	Vacancy & Collection Loss	
Total Refinements	106,708	Effective Income	
Total Replacement Cost New	12,599,822	Total Expenses	
Total Phys. & Func. Depreciation	(5,819,461)	Net Operating Income	
RCN Less Phys. & Func.	6,780,361	Capitalization Rate	
Economic Depreciation		Income Approach	
Accrued Economic depreciation		Final Value Reconciliation	7,179,972
Total RCN Less Depreciation	6,780,361		
Additional Lump Sums			
Land Value	399,611		
Total Cost Value	7,179,972		
Value Per Res Unit			
Value Per Sq. Ft.	50.54		

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/14/2014 at 12:41:46P

**Parcel Information**

**Ownership Information**

Parcel Number 500000103  
 Map Number  
 Situs O'CONNOR/RAY & JENNIFER  
 Legal WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT

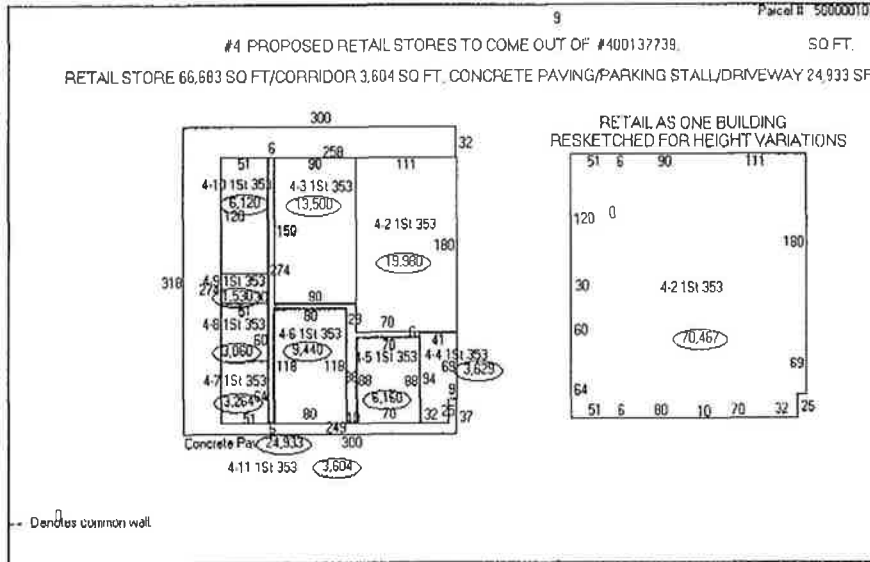
Current Owner  
 Address  
 City St. Zip  
 Cadastral #

**Property Data**

Neighborhood 505  
 Lot Width  
 Lot Depth  
 Units Buildable 95400  
 Value Method SF

Topography  
 Street  
 Utilities  
 Amenities 1  
 Amenities 2

Number of Units 95400  
 Unit Value 4.25  
 Adjustment  
 Lot Value 405,450



**Building Data**

Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
4	1	353	RETAIL STORE	2014	C	300	40	70,467	1,064	1	10	4,262,549	100%	
4	2	353	RETAIL STORE	2014	C	300	40	19,980	582	1	22	1,623,375		1,623,375
4	3	353	RETAIL STORE	2014	C	300	40	13,500	480	1	24	1,147,230		1,147,230
4	4	353	RETAIL STORE	2014	C	300	40	3,629	270	1	22	408,553		408,553
4	5	353	RETAIL STORE	2014	C	300	40	6,160	316	1	22	598,444		598,444
4	6	353	RETAIL STORE	2014	C	300	40	9,440	396	1	25	851,866		851,866
4	7	353	RETAIL STORE	2014	C	300	40	3,264	230	1	24	378,069		378,069
4	8	353	RETAIL STORE	2014	C	300	40	3,060	222	1	24	359,795		359,795
4	9	353	RETAIL STORE	2014	C	300	40	1,530	162	1	24	206,887		206,887
4	10	353	RETAIL STORE	2014	C	300	40	6,120	342	1	24	626,933		626,933
4	11	353	RETAIL STORE	2014	D	300	40	3,604	1,116	1	28	505,569		505,569
4			PAVING, CONCRETE	2014				24,933				99,732		99,732

**Cost Approach From Marshall & Swift**

**Potential Gross Income**

Total Building Area	140,754													
Total Building RCN	10,969,270													
Total Refinements	99,732													
Total Replacement Cost New	11,069,002													
Total Phys. & Func. Depreciation	(4,262,549)													
RCN Less Phys. & Func. Economic Depreciation	6,806,453													
Accrued Economic depreciation														
Total RCN Less Depreciation	6,806,453													
Additional Lump Sums														
Land Value	405,450													
Total Cost Value	7,211,903													
Value Per Res Unit														
Value Per Sq. Ft.	51.24													

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

# HALL COUNTY ASSESSOR'S OFFICE



Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/14/2014 at 12:43:59P

**Parcel Information**

**Ownership Information**

Parcel Number 500000103  
 Map Number  
 Situs O'CONNOR/RAY & JENNIFER  
 Legal WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT

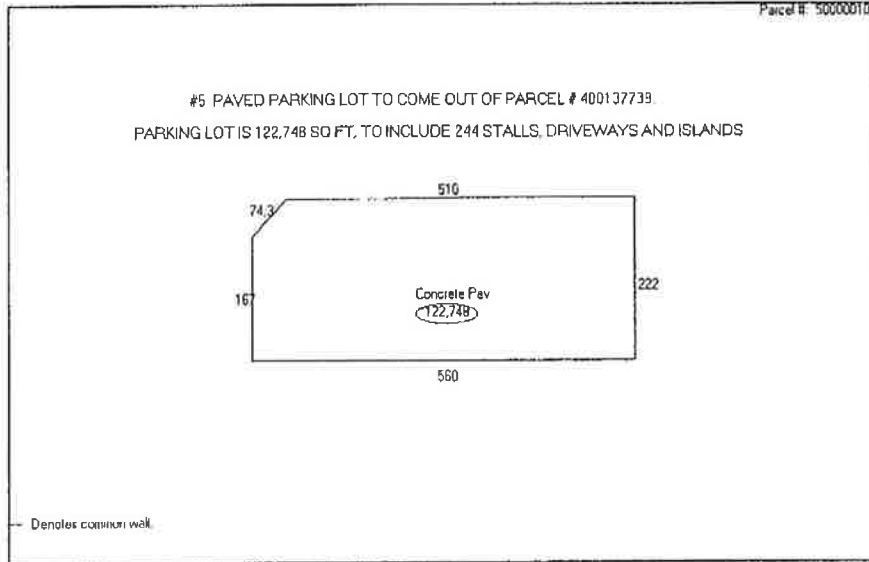
Current Owner  
 Address  
 City St. Zip  
 Cadastral #

**Property Data**

Neighborhood 505  
 Lot Width  
 Lot Depth  
 Units Buildable 122748  
 Value Method SF

Topography  
 Street  
 Utilities  
 Amenities 1  
 Amenities 2

Number of Units 122748  
 Unit Value 4.25  
 Adjustment  
 Lot Value 521,679



**Building Data**

Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
5			PAVING, CONCRETE	2014				122,748				490,992		490,992

**Cost Approach From Marshall & Swift**

**Potential Gross Income**

Cost Approach From Marshall & Swift		Potential Gross Income	
		Contract	Market
Total Building Area			
Total Building RCN			
Total Refinements	490,992		
Total Replacement Cost New	490,992		
Total Phys. & Func. Depreciation			
RCN Less Phys. & Func.	490,992		
Economic Depreciation			
Accrued Economic depreciation			
Total RCN Less Depreciation	490,992		
Additional Lump Sums			
Land Value	521,679		
Total Cost Value	1,012,671		
Value Per Res Unit			
Value Per Sq. Ft.			
			1,012,671

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

# HALL COUNTY ASSESSOR'S OFFICE

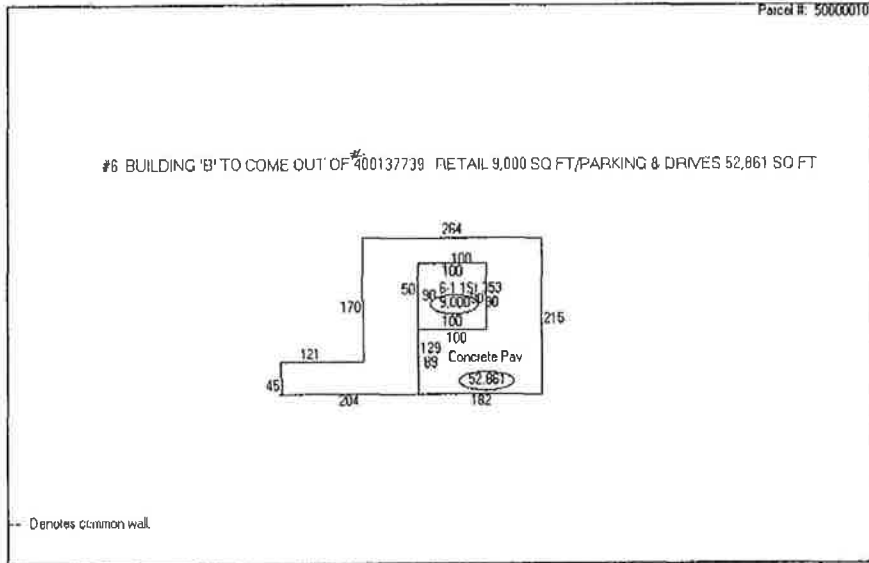


Commercial Property Record Card

TerraScan Inc.

Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/14/2014 at 12:47:56P

<b>Parcel Information</b>		<b>Current Owner</b>		<b>Ownership Information</b>	
Parcel Number	500000103				
Map Number					
Situs	O'CONNOR/RAY & JENNIFER	<b>Address</b>			
Legal	WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT	<b>City St. Zip</b>			
		<b>Cadastral #</b>			
			<b>Property Data</b>		
Neighborhood	505	<b>Topography</b>		<b>Number of Units</b>	61855
Lot Width		<b>Street</b>		<b>Unit Value</b>	4.25
Lot Depth		<b>Utilities</b>		<b>Adjustment</b>	
Units Buildable	61855	<b>Amenities 1</b>		<b>Lot Value</b>	262,884
Value Method	SF	<b>Amenities 2</b>			



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
6	1	353	RETAIL STORE	2014	C		300	40	9,000	380	1	22	779,400	779,400
6			PAVING, CONCRETE	2014					52,861				211,444	211,444
<b>Cost Approach From Marshall &amp; Swift</b>								<b>Potential Gross Income</b>						
Total Building Area				9,000				Contract				Market		
Total Building RCN				779,400				Vacancy & Collection Loss						
Total Refinements				211,444				Effective Income						
Total Replacement Cost New				990,844				Total Expenses						
Total Phys. & Func. Depreciation								Net Operating Income						
RCN Less Phys. & Func.				990,844				Capitalization Rate						
Economic Depreciation								Income Approach						
Accrued Economic depreciation								Final Value Reconciliation				1,253,728		
Total RCN Less Depreciation				990,844										
Additional Lump Sums														
Land Value				262,884										
Total Cost Value				1,253,728										
Value Per Res Unit														
Value Per Sq. Ft.				139.30										

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.

# HALL COUNTY ASSESSOR'S OFFICE



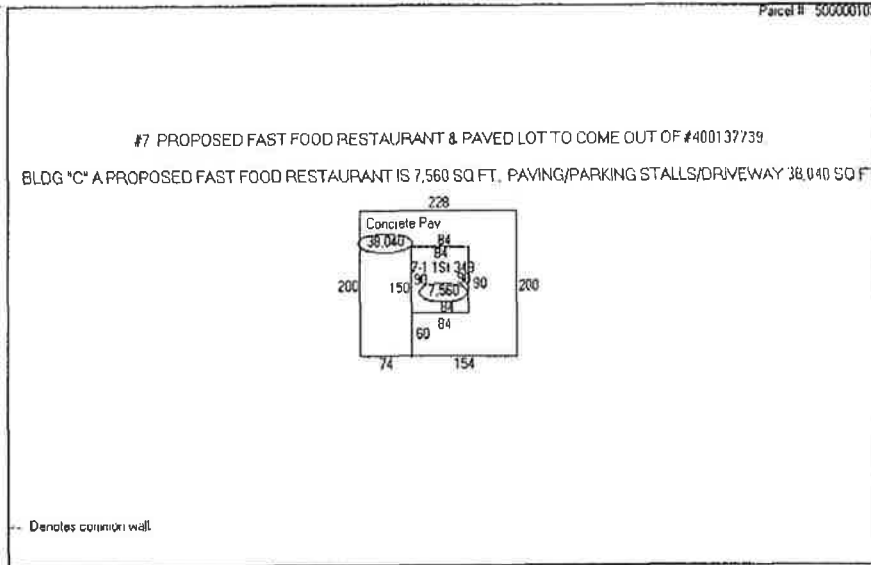
Commercial Property Record Card



Data Provided By: JANET L. PELLAND County Assessor. Printed on 05/14/2014 at 02:12:24P

<b>Parcel Information</b>		<b>Ownership Information</b>	
Parcel Number	500000103	Current Owner	
Map Number		Address	
Situs	O'CONNOR/RAY & JENNIFER	City St. Zip	
Legal	WHAT IF FOR GRAND ISLAND MALL REDEVELOPMENT	Cadastral #	

<b>Property Data</b>			
Neighborhood	505	Topography	Number of Units
Lot Width		Street	45738
Lot Depth		Utilities	Unit Value
Units Buildable	45738	Amenities 1	4.25
Value Method	SF	Amenities 2	Adjustment
			Lot Value
			194,387



Building Data														
Bldg.	Sec.	Code	Description	Year	Cls.	Qual.	Cond.	Area	Perm.	Stor.	Hght.	Sec. RCN	Phys. Func.	RCNLD
7	1	349	RESTAURANT, FAST-FOOD	2014	C		300	40	7,560	348	1	22	1,104,062	1,104,062
7			PAVING, CONCRETE	2014				38,040					152,160	152,160

<b>Cost Approach From Marshall &amp; Swift</b>				<b>Potential Gross Income</b>							
				<b>Contract</b>				<b>Market</b>			
Total Building Area				7,560							
Total Building RCN				1,104,062				Vacancy & Collection Loss			
Total Refinements				152,160				Effective Income			
Total Replacement Cost New				1,256,222				Total Expenses			
Total Phys. & Func. Depreciation				1,256,222				Net Operating Income			
RCN Less Phys. & Func.				1,256,222				Capitalization Rate			
Economic Depreciation								Income Approach			
Accrued Economic depreciation								Final Value Reconciliation			
Total RCN Less Depreciation				1,256,222							
Additional Lump Sums											
Land Value				194,387							
Total Cost Value				1,450,609							
Value Per Res Unit											
Value Per Sq. Ft.				191.88							

\*DATA USED FOR COST CALCULATIONS SUPPLIED BY MARSHALL & SWIFT which hereby reserves all right herein.



Base Value \$ 2,044,858

Increment \$ 19,525,171

Finished Value \$ 21,570,029

15 Total Incr \$6,447,269.06

Years

Tax Entity	Bond	2013 Levy	2013 Taxes
City Levy		0.276233	\$53,935
	City Bond	0.047867	\$9,346
CRA		0.026	\$5,077
Hall County		0.424932	\$82,969
Rural Fire	Fire Bond*		\$0
			\$0
GIPS School		1.102	\$215,167
	2nd Bond	0.057971	\$11,319
	4th Bond	0.061165	\$11,943
ESU 10		0.015	\$2,929
CCC		0.112616	\$21,988
CPNRD		0.042153	\$8,230
Ag Society		0.003664	\$715
Airport		0.010395	\$2,030
	Airport Bond	0.021357	\$4,170
<b>Total Combined</b>		<b>2.201353</b>	<b>\$429,818</b>

Tax Entity	Bond	2013 Levy	2013 Taxes
City Levy		0.276233	\$5,649
	City Bond	0.047867	\$979
CRA		0.026	\$532
Hall County		0.424932	\$8,689
Rural Fire	Fire Bond*		\$0
			\$0
GIPS School		1.102	\$22,534
	2nd Bond	0.057971	\$1,185
	4th Bond	0.061165	\$1,251
ESU 10		0.015	\$307
CCC		0.112616	\$2,303
CPNRD		0.042153	\$862
Ag Society		0.003664	\$75
Airport		0.010395	\$213
	Airport Bond	0.021357	\$437
<b>Total Combined</b>		<b>2.201353</b>	<b>\$45,015</b>

**COMMUNITY REDEVELOPMENT AUTHORITY  
OF THE CITY OF GRAND ISLAND, NEBRASKA**

**RESOLUTION NO. 176**

**RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, SUBMITTING A PROPOSED  
REDEVELOPMENT PLAN TO THE HALL COUNTY REGIONAL PLANNING  
COMMISSION FOR ITS RECOMMENDATION**

WHEREAS, this Community Redevelopment Authority of the City of Grand Island, Nebraska ("Authority"), pursuant to the Nebraska Community Development Law (the "Act"), prepared a proposed redevelopment plan (the "Plan") a copy of which is attached hereto as Exhibit 1, for redevelopment of an area within the city limits of the City of Grand Island, Hall County, Nebraska; and

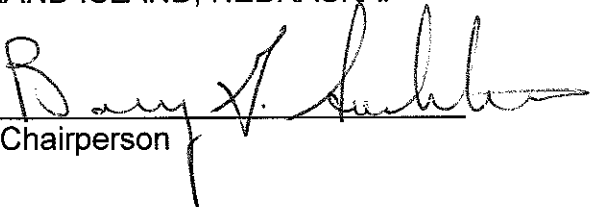
WHEREAS, the Authority is required by Section 18-2112 of the Act to submit said to the planning board having jurisdiction of the area proposed for redevelopment for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

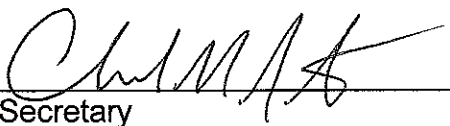
The Authority submits to the Hall County Regional Planning Commission the proposed Plan attached to this Resolution, for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska.

Passed and approved this 9<sup>th</sup> day of July, 2014.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA.

By   
Chairperson

ATTEST:

  
Secretary

2228 N Webb Rd

COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA

RESOLUTION NO. 177

RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY  
OF GRAND ISLAND, NEBRASKA, PROVIDING NOTICE OF INTENT TO ENTER INTO  
A REDEVELOPMENT AFTER THE PASSAGE OF 30 DAYS AND OTHER MATTERS

WHEREAS, this Community Redevelopment Authority of the City of Grand  
Island, Nebraska ("Authority"), has received an Application for Tax Increment  
Financing under the Nebraska Community Development Law (the "Act") on a  
project within redevelopment area 9, from Grand Island Joint Venture, LLC, (The  
"Developer") for redevelopment of an area within the city limits of the City of Grand  
Island as set forth in Exhibit 1 attached hereto area; and

WHEREAS, this Community Redevelopment Authority of the City of Grand  
Island, Nebraska ("Authority"), is proposing to use Tax Increment Financing on a  
project within redevelopment area 9;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

**Section 1.** In compliance with section 18-2114 of the Act, the Authority hereby  
gives the governing body of the City notice that it intends to enter into the  
Redevelopment Contract, attached as Exhibit 1, with such changes as are deemed  
appropriate by the Authority, after approval of the redevelopment plan amendment  
related to the redevelopment project described in the Redevelopment Contract, and  
after the passage of 30 days from the date hereof.

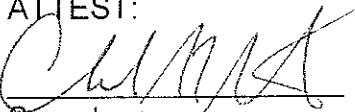
**Section 2.** The Secretary of the Authority is directed to file a copy of this  
resolution with the City Clerk of the City of Grand Island, forthwith.

Passed and approved this 9<sup>th</sup> day of July, 2014.

COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF  
GRAND ISLAND, NEBRASKA.

By   
Chairperson

ATTEST:

  
Secretary

2228 N Webb Rd.

Resolution Number 2014-07

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A SITE SPECIFIC REDEVELOPMENT PLAN OF THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Chairman and Board of the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), referred that certain Redevelopment Plan to the Hall County Regional Planning Commission, (the "Commission") a copy of which is attached hereto as Exhibit "A" for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to Section 18-2112 of the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"); and

WHEREAS, the Commission has reviewed said Redevelopment Plan as to its conformity with the general plan for the development of the City of Grand Island, Hall County;

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

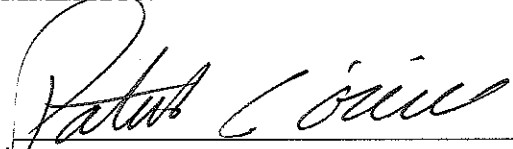
Section 1. The Commission hereby recommends approval of the Redevelopment Plan.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: August 6, 2014.

HALL COUNTY REGIONAL PLANNING COMMISSION

By:   
Chair

ATTEST:

By:   
Secretary

Northwest Commons



# **City of Grand Island**

**Tuesday, August 26, 2014**

**Council Session - Updated**

## **Item E-8**

**Public Hearing on the Semi-Annual Report by the Grand Island  
Area Economic Development Corporation/Citizen Advisory  
Review Committee on the Economic Development Program Plan**

**Staff Contact: Mary Lou Brown, City Administrator**

# **Council Agenda Memo**

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

**Meeting:** August 26, 2014

**Subject:** Public Hearing Concerning the Semi-Annual Report by the Citizen Advisory Review Committee on the Economic Development Program Plan

**Item #'s:** E-8 & I-10

**Presenter(s):** Mary Lou Brown, City Administrator

## **Background**

The voters of the City of Grand Island approved an economic development plan at the November 6, 2012 election. Subsequent to the election, the city has adopted an ordinance that establishes the economic development plan and a Citizen Advisory Review Committee to oversee the process of approving applications for economic development incentives. The Citizen Advisory Review Committee is required by State Statute and the Grand Island City Code to make a semi-annual report to the City Council.

## **Discussion**

The Citizen 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 looks forward to receiving and reviewing meritorious applications for consideration in the future. The committee received the semi-annual report from the Economic Development Corporation at its meeting of August 14, 2014 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 semi-annual report of the Citizen Advisory Review Committee.
2. Do not accept the semi-annual report of the Citizen Advisory Review Committee.

## **Recommendation**

City Administration recommends that the Council accept the semi-annual report of the Citizen Advisory Review Committee.

## **Sample Motion**

Move to accept the semi-annual report of the Citizen Advisory Review Committee.



**Grand Island** Area  
Economic  
Development  
Corporation





# Current LB-840 projects

## Active Projects

### •Bosselman Tank & Trailer

- Add 8 employees
- Expires February 2017

### •Chief Industries

- Add 41 employees
- Expires May 2017

### •Rogue Manufacturing

- Add 12 employees
- Expires December 2015

## Forgiven Projects in 2014

### •Case IH

- Add 20 employees
- Forgiven January 2014

### •Hastings Foods

- Add 35 employees
- Forgiven April 2014

**GIAEDC will request LB-840  
operating funds for 2015**



# Changes LB-840 Process

- Site visit
- Market Study (partnership with Nebraska Business Development Center– UNK)
- Review prior three year financials
  - Review financial commitments & credit history (D & B)
- Review proforma for future three years
- Review company's business plan
- Identify key management & employees
  - Outlining skills & experience
- Highly confidential process
  - CRC chairman & City Administrator review all application information & financials

# LB-840 Worksheet



Grand Island Area  
Economic  
Development  
Corporation

Position	Number of Employees	Ave. Wage P/HR	Wages P/Year	Consolidated Average Wage
<b>Shop Technicians</b>				
	0	\$ -	\$ -	
	0	\$ -	\$ -	
	0	\$ -	\$ -	
<b>Totals</b>	<b>0</b>		\$ -	
				#DIV/0!
Average Wage	LB-840 Funding	Min. Sustain Wage	Economic Contribution	LB-840 Leverage
\$ 13.00	\$ 2,000.00	\$ 9.08	\$ 27,040.00	\$ 8,153.60
\$ 13.50	\$ 2,500.00	\$ 9.08	\$ 28,080.00	\$ 9,193.60
\$ 14.00	\$ 3,000.00	\$ 9.08	\$ 29,120.00	\$ 10,233.60
\$ 14.50	\$ 3,500.00	\$ 9.08	\$ 30,160.00	\$ 11,273.60
\$ 15.00	\$ 4,000.00	\$ 9.08	\$ 31,200.00	\$ 12,313.60
\$ 15.50	\$ 4,500.00	\$ 9.08	\$ 32,240.00	\$ 13,353.60
\$ 16.00	\$ 5,000.00	\$ 9.08	\$ 33,280.00	\$ 14,393.60
\$ 16.50	\$ 5,500.00	\$ 9.08	\$ 34,320.00	\$ 15,433.60
\$ 17.00	\$ 6,000.00	\$ 9.08	\$ 35,360.00	\$ 16,473.60
\$ 17.50	\$ 6,500.00	\$ 9.08	\$ 36,400.00	\$ 17,513.60
\$ 18.00	\$ 7,000.00	\$ 9.08	\$ 37,440.00	\$ 18,553.60
\$ 18.50	\$ 7,500.00	\$ 9.08	\$ 38,480.00	\$ 19,593.60
\$ 19.00	\$ 8,000.00	\$ 9.08	\$ 39,520.00	\$ 20,633.60
Labor Training	Training Dollars	Number of Employees	Total	Skill Leverage
<b>Skilled</b>			\$0	
<b>Non-Skilled</b>	\$ -	0	\$0	
<b>Infrastructure</b>			\$0	
<b>Totals</b>		<b>0</b>		\$0
Total Job Creation Dollars				\$0
Total Training Dollars				\$0
Total Incentive Amount				\$0

# LB-840 Funding Status



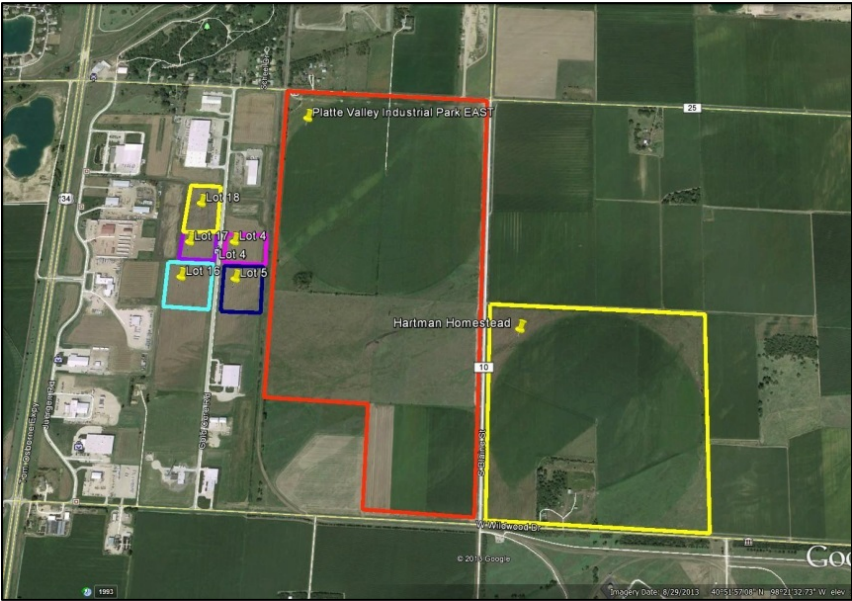
Grand Island Area  
Economic  
Development  
Corporation

<b>LB-840 balance as of 8/1/2014</b>	<b>\$319,136.00</b>
Quarterly EDC payment (operational funds)	\$0
LB-840 funds for Chief Industries	(\$239,000.00)
LB-840 funds for Bosselman Tank & Trailer	(40,000)
Ending LB-840 job creation funds	\$40,136.00

# EDC Land



Grand Island Area  
Economic  
Development  
Corporation



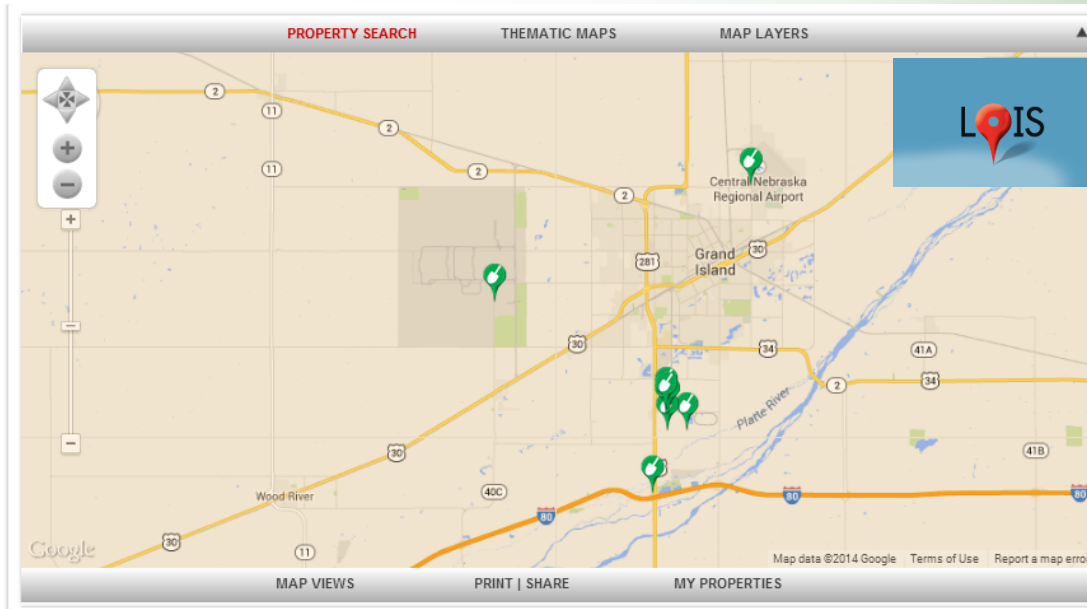
Platte Valley Industrial Park (4 lots / 25 acres)  
Platte Valley Industrial Park- East (280 acres)  
Homestead (160 acres)



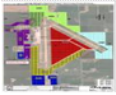

Cornhusker Industrial Park (226 Acres)

# Enhanced Marketing Efforts



Grand Island Area  
Economic  
Development  
Corporation



Search Results		Displaying Items 1 to 9 of 9 on Map	
<a href="#">Platte Valley Industrial Park East</a>	(440 acres)	Grand Island, NE	
	Hwy 281 - 2.5 mi. N of I-80 Grand Island, NE 68801	Sale Price: \$50,000/acre Lease Price: Negotiable	Airport: 11.5 mi Interstate: 3 mi <input type="checkbox"/> Add to My Properties <a href="#">Print Brochure</a> <a href="#">More details</a>
<a href="#">Cornhusker Industrial Park</a>	(260 acres)	Grand Island, NE	
	7870 West Old Potash Highway Grand Island, NE 68803	Sale Price: \$10,000/acre Lease Price: \$285/acre (irrigated)	Airport: 8.5 mi Interstate: 8 mi <input type="checkbox"/> Add to My Properties <a href="#">Print Brochure</a> <a href="#">More details</a>
<a href="#">Business and Technology Park</a>	(185 acres)	Grand Island, NE	
	3743 Sky Park Road Grand Island, NE 68801	Sale Price: NA Lease Price: Negotiable	Airport: 0 mi Interstate: 12.5 mi <input type="checkbox"/> Add to My Properties <a href="#">Print Brochure</a> <a href="#">More details</a>
<a href="#">Bosselville</a>	(30.73 acres)	Grand Island, NE	
	Hwy 281 - 0.5 mi. N of I-80 Grand Island, NE 68803	Sale Price: Negotiable Lease Price: Negotiable	Airport: 12 mi Interstate: 0.5 mi <input type="checkbox"/> Add to My Properties <a href="#">Print Brochure</a> <a href="#">More details</a>

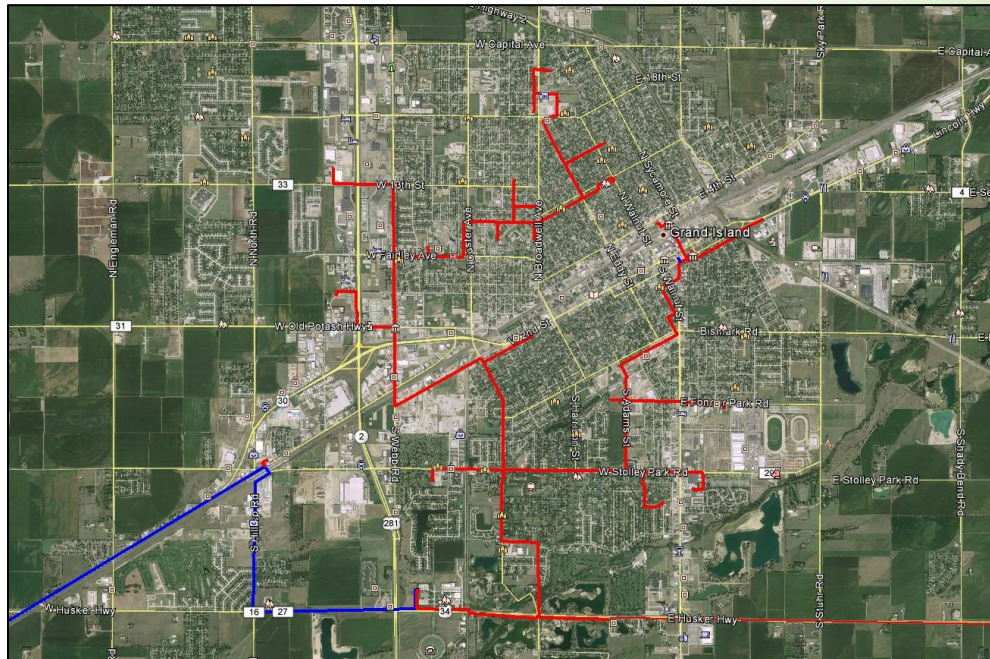
- Increased usage of state-owned databases
  - LOIS
  - Synchronist
- Virtual tour of properties will be added in Q4

# Adding Value to Business Community



Grand Island Area  
Economic  
Development  
Corporation

- Entrepreneur / Business Development
  - Business development resource for existing and new businesses to assist in growth
  - Fiber optic connectivity at Platte Valley Industrial Park (1.5 mg to 30 mg of internet speed)



# Enhanced Community Partnerships



Grand Island Area  
Economic  
Development  
Corporation

- Partnered with Chamber of Commerce to coordinate to tours of four Grand Island businesses to 20 University of Nebraska-Omaha students.
  - Hornady Manufacturing
  - The Chocolate Bar
  - Beavercreek Marketing / Rasmussen Associates
  - Bosselman Companies
- Business interviews with State DED
  - Visited over 20 Grand Island Businesses
  - Data will be used with new state administration
  - FAM tour with DED on August 20, 2014
  - Meet with State DED Director and other EDCs to discuss possible changes to State incentive programs on August 21, 2014
- 2014 Housing Study
  - 13 area agencies, plus City staff involved
- Grow Grand Island
  - Partnership with EDC, Chamber & CVB







# Project Leads

Existing GI  
Businesses

- 5 expansion projects in play

New to  
Grand  
Island  
Businesses

- 2 State initiated
- 2 EDC initiated



# Additional Projects

Recertification of  
EDC's NDO  
Designation

\*Non-Profit Development  
Organization

- Due  
September 30

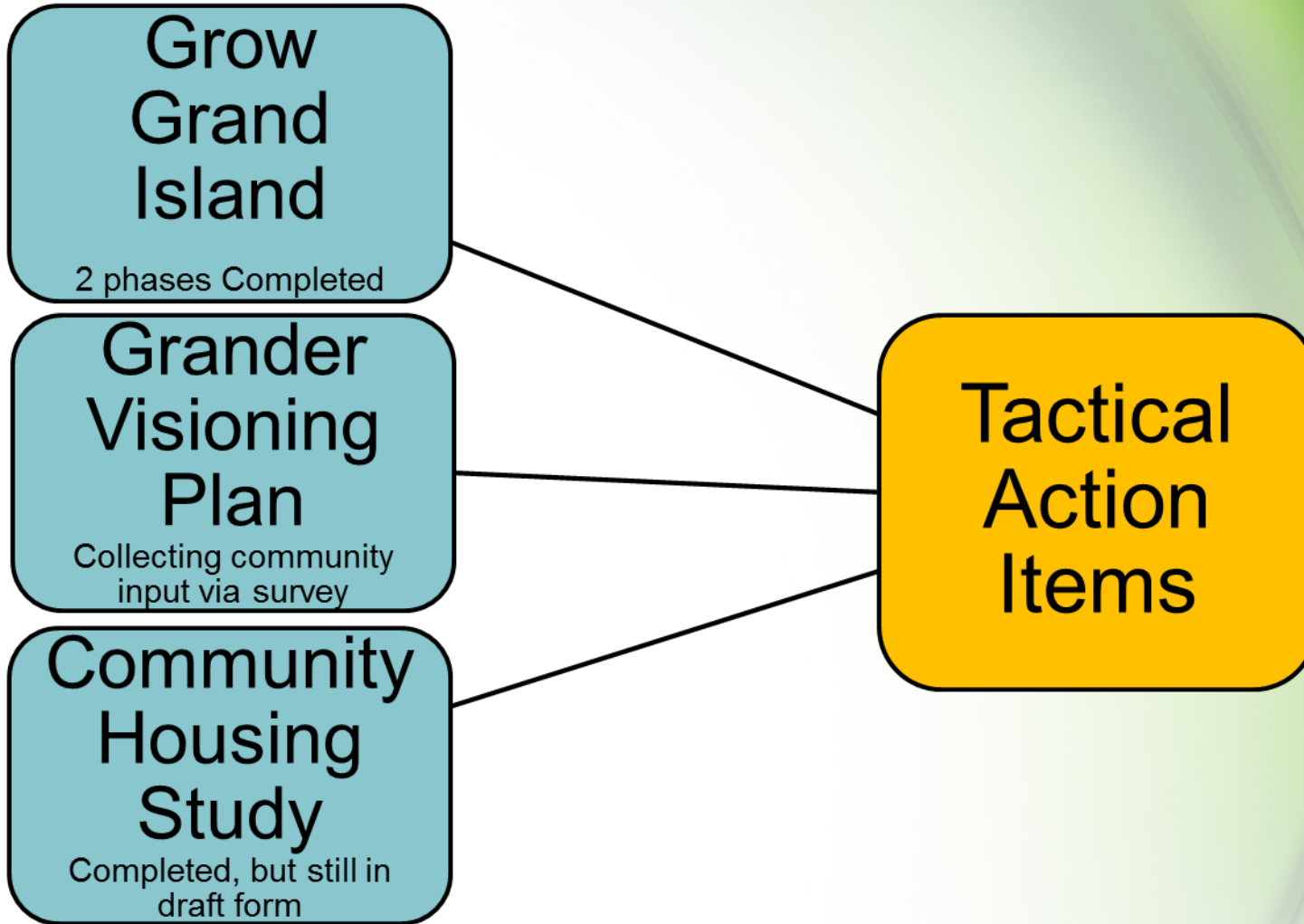
Recertification  
Grand Island's  
Economic  
Development  
Community status

- Due  
December 1

# 2015 Strategic Initiatives



Grand Island Area  
Economic  
Development  
Corporation





Grand Island Area  
Economic  
Development  
Corporation

# Questions



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item F-1

**#9494 - Consideration of Amending Grand Island City Code Chapters 17-6, Notice to Remove; Noncompliance with Notice and 17-52, Notice to Abate: Remove Nuisance**

Staff Contact: Steven Lamken

# Council Agenda Memo

**From:** Steven Lamken, Police Chief

**Meeting:** August 26, 2014

**Subject:** Amendment of Ordinance 17-6, Notice to Remove:  
Noncompliance with Notice and Ordinance 17-52, Notice  
to Abate; Remove Nuisance

**Item #'s:** F-1

**Presenter(s):** Steven Lamken, Police Chief

## Background

The Nebraska Legislature revised State Statute 16-230 in 2013. The revisions in the statute provides for cities to establish the method of notice for specific nuisances. The Police Department and Legal Department are recommending that the City amend ordinances 17-6 and 17-52 to provide for notice of violation to be done by either personal service or by first class mail and posting of the property.

## Discussion

The Nebraska Legislature revised State Statute 16-230 in 2013. The revisions in the statute provides for first class cities to establish the method of notice of violation for specific nuisances spelled out in the statute, such as litter and weeds. The changes in the statute allows for notice to be by first class mail. The statute also requires an appeal process for violators which we do not have in code.

City code currently requires notice of violations of litter and weeds to be made either by personal service and or certified or registered first class mail. The use of certified mail can create significant problems in expediting code enforcement for these violations. In addition the use of certified mail is an expensive method of notification. Certified letters cost \$6.49 per letter and must be delivered by an employee to the Post Office for posting. The Police Department sends hundreds of litter and weed violation certified letters each year.

When a violation occurs, a code enforcement officer will attempt to find the most current address for a property owner or responsible person if they cannot provide personal service. A certified letter of notice of violation then must be prepared and delivered to the

Post Office. Certified mail requires an owner or person responsible for a property in violation to receive and sign for the letter of notice. The receipt is then returned to the Police Department via the mail. The Postal Service will make multiple attempts to serve the certified letter.

Under our current code, our code enforcement officers cannot move forward with correcting a violation or taking enforcement action until the Police Department receives a signed certified letter receipt or the certified letter is returned to us unserved by the Postal Service.

Some certified letters are served and signed for and receipt returned to the Police Department within a week. Sometimes the Postal Service can affirm through their attempts to deliver the letter that the address is no longer current and will return the letter within a several days to a couple of weeks. In these cases a code enforcement officer can then move forward working to resolve the violation.

In some cases the certified letter service can become lengthy. The Postal Service either cannot serve the letter to a responsible person or they are unable to determine if the address is accurate. Some chronic violators know the system being used and will intentionally avoid responding to the Postal Service attempts to serve the letter. These situations can create significant delays in a violation being corrected. Two examples are letters that were taken to the Post Office on May 16<sup>th</sup> and on June 13<sup>th</sup> and have not been served or returned unserved to the Police Department as of August 1<sup>st</sup>.

Citizens observe and report a litter or weed violation and have the expectation that action will be taken to correct the violation. It is frustrating to citizens when nothing is done for weeks or months. Even a delay of a couple of weeks becomes an irritant. It creates the impression that City government is either incompetent or unconcerned. Such beliefs, while inaccurate, erode citizen support for City government. It is also frustrating for the code enforcement officers to receive continued complaints of inaction while there are violations pending that they cannot act upon.

The Police Department and Legal Department are recommending that the City amend ordinances 17-6 and 17-52 to provide for notice of violation to be made either by personal service or by first class mail and posting of the property. The Police Department will mail out a letter to the owner or responsible person at the last known address requiring them to correct the violation or respond to the code enforcement officer within five (5) days. The letter will also provide language informing the person of the appeal process. In addition the code enforcement officer will affix a notice of violation to the building on the property or place a notice of violation on the property. The notice will provide information as to the nature of the code violation and Police Department contact information. The posted notice will also provide language informing the person of the appeal process. The notice will be approximately the size of a standard piece of stationary and printed on highly visible, weather resistant, stock. A first class letter and posting a notice will cost less than \$1.00 per violation in material costs.

Changing the ordinances will allow CSOs to address and abate weed ordinance violations in a more efficiently and in a timely manner. The processing of litter violation complaints will also be more efficient; however, litter violations where we are unable to establish contact with an owner or responsible person and or the owner or responsible person refuses to correct the violation will continue to be problematic. We will continue to work to correct these violations and or take enforcement action.

The City code identifies either the Health Department or City employees as responsible for code enforcement. The proposed appeal hearing language in Section 17-6 provides for an appeal hearing to be heard either by the Director of the Health Department or the Police Chief or their designee depending upon which department would be responsible for the enforcement action. The appeal process meets requirement in State Statute 16-230.

The recommended changes in City code will:

- Provide adequate notice of violation by providing personal service or by first class letter and posting the property.
- Create greater efficiencies in processing code violations in the Police Department.
- Reduce the time in many instances required to take corrective action and or enforcement action on litter and weed violations.
- Provide an appeal process that is required in statute.
- Create savings in the cost of providing notice of violations.

### **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 approve the amending of City Code, Chapter 17, Sections 17-6 and 17-52 as presented to provide for notice of violation to be done by either personal service or by first class mail and posting of the property.



## **Sample Motion**

Move to approve the amending of City Code, Chapter 17, Sections 17-6 and 17-52 as presented to provide for notice of violation to be done by either personal service or by first class mail and posting of the property.

(1) A city of the first class by ordinance may require lots or pieces of ground within the city or within the city's extraterritorial zoning jurisdiction to be drained or filled so as to prevent stagnant water or any other nuisance accumulating thereon. The city may require the owner or occupant of all lots and pieces of ground within the city to keep the lots and pieces of ground and the adjoining streets and alleys free of excessive growth of weeds, grasses, or worthless vegetation, and it may prohibit and control the throwing, depositing, or accumulation of litter on any lot or piece of ground within the city.

(2) Any city of the first class may by ordinance declare it to be a nuisance to permit or maintain excessive growth of weeds, grasses, or worthless vegetation or to litter or cause litter to be deposited or remain thereon except in proper receptacles. The city shall establish by ordinance the height at which weeds, grasses, or worthless vegetation are a nuisance.

(3) Any owner or occupant of a lot or piece of ground shall, upon conviction of violating any ordinance authorized under this section, be guilty of a Class V misdemeanor.

(4) Notice to abate and remove such nuisance shall be given to each owner or owner's duly authorized agent and to the occupant, if any. The city shall establish the method of notice by ordinance. If notice is given by first-class mail, such mail shall be conspicuously marked as to its importance. Within five days after receipt of such notice, the owner or occupant of the lot or piece of ground may request a hearing with the city to appeal the decision to abate or remove a nuisance by filing a written appeal with the office of the city clerk. A hearing on the appeal shall be held within fourteen days after the filing of the appeal and shall be conducted by an elected or appointed officer as designated in the ordinance. The hearing officer shall render a decision on the appeal within five business days after the conclusion of the hearing. If the appeal fails, the city may have such work done. Within five days after receipt of such notice, if the owner or occupant of the lot or piece of ground does not request a hearing with the city or fails to comply with the order to abate and remove the nuisance, the city may have such work done. The costs and expenses of any such work shall be paid by the owner. If unpaid for two months after such work is done, the city may either (a) levy and assess the costs and expenses of the work upon the lot or piece of ground so benefited in the same manner as other special taxes for improvements are levied and assessed or (b) recover in a civil action the costs and expenses of the work upon the lot or piece of ground and the adjoining streets and alleys.

(5) For purposes of this section:

(a) Litter includes, but is not limited to: (i) Trash, rubbish, refuse, garbage, paper, rags, and ashes; (ii) wood, plaster, cement, brick, or stone building rubble; (iii) grass, leaves, and worthless vegetation; (iv) offal and dead animals; and (v) any machine or machines, vehicle or vehicles, or parts of a machine or vehicle which have lost their identity, character, utility, or serviceability as such through deterioration, dismantling, or the ravages of time, are inoperative or unable to perform their intended functions, or are cast off, discarded, or thrown away or left as waste, wreckage, or junk;

(b) Weeds includes, but is not limited to, bindweed (*Convolvulus arvensis*), puncture vine (*Tribulus terrestris*), leafy spurge (*Euphorbia esula*), Canada thistle (*Cirsium arvense*), perennial peppergrass (*Lepidium draba*), Russian knapweed (*Centaurea picris*), Johnson grass (*Sorghum halepense*), nodding or musk thistle, quack grass (*Agropyron repens*), perennial sow thistle (*Sonchus arvensis*), horse nettle (*Solanum carolinense*), bull thistle (*Cirsium lanceolatum*), buckthorn (*Rhamnus* sp.) (toun), hemp plant (*Cannabis sativa*), and ragweed (*Ambrosiaceae*); and

(c) Weeds, grasses, and worthless vegetation does not include vegetation applied or grown on a lot or piece of ground outside the corporate limits of the city but inside the city's extraterritorial zoning jurisdiction expressly for the purpose of weed or erosion control.

**Credits**

Laws 1901, ch. 18, § 48, XXXVII, p. 255; Laws 1915, ch. 84, § 1, p. 222; Laws 1975, LB 117, § 1; Laws 1988, LB 934, § 2; Laws 1991, LB 330, § 1; Laws 1995, LB 42, § 2; Laws 2004, LB 997, § 1; Laws 2009, LB 495, § 5, eff. Aug. 30, 2009; Laws 2013, LB 643, § 1, **eff. Sept. 6, 2013.**

# NOTICE

City of Grand Island  
Grand Island Police Department

The property at \_\_\_\_\_ (address), legally described as \_\_\_\_\_  
has been inspected and found in violation of Grand Island City Code as indicated below:

**§17-3.** \_\_\_\_\_ It shall be the duty of every owner, and person in possession, charge, or in control of any dwelling, flat, rooming house, apartment house, hospital, school, hotel, club, restaurant, boarding house, or eating place, or in possession, in charge, or in control of any shop, place of business, or manufacturing establishment, where garbage, litter, refuse, yard waste, or other waste material is created, or accumulated, to remove or cause to be removed from the premises where accumulated such garbage, litter, refuse, yard waste or waste material. It shall be unlawful to place garbage, litter, refuse, yard waste, or waste material in any alley, easement, or vacant property.

**§17-4.** \_\_\_\_\_ to permit, keep, or maintain thereon any such condition liable to become putrid or injurious to the public health, or any such condition liable to produce disease, or which is conducive to the breeding and existence of rats, mice, flies, mosquitoes, bacteria, or any other rodent or insects.

**§17-50.** \_\_\_\_\_ to allow or maintain any growth of twelve inches or more in height of weeds, grasses, or worthless vegetation and upon conviction such owner, agent, occupant, or person shall be penalized in accordance with the provisions of the Grand Island City Code.

**§17-10.** \_\_\_\_\_ accumulation of waste occasioned by the construction, alteration, remodeling, rebuilding, repairing, and/or demolition of buildings or structures shall be removed and disposed of by the owner or contractor

**§17-57.** \_\_\_\_\_ to cause, maintain, or permit the placement of any unlicensed or inoperable vehicle or any vehicle parts on any tract of land within the City of Grand Island except as permitted in City Code

**§32-2.** \_\_\_\_\_ to permit the limbs, branches or foliage of any tree or shrub upon such property to project into or extend over any street, lane, or sidewalk in such manner that there shall be a clearance of less than fourteen feet between the surface of such street, lane, or less than eight feet between the sidewalk and such limbs, branches, or foliage.

to plant, grow, keep or maintain, or cause to be planted, grown, kept, or maintained, any hedge, bush or shrubbery of any kind or nature, within the public right-of-way to be continuous of five feet (5') or more and of a height over three feet (3') above the roadway surface measured from the nearest top of the roadway surface or the centerline grade of the roadway, whichever is higher.

**§32-3.** \_\_\_\_\_ to permit the limbs, branches or foliage of any tree or shrub upon such property to project into or extend over any alley in such manner that there shall be a clearance of less than fourteen feet between the surface of the alley and such limbs, branches or foliage.

*The owner or owner's duly authorized agent and/or occupant of the lot or piece of ground, within five (5) days after receipt of such notice, may request a hearing with the City to appeal the decision to abate or remove a nuisance by filing a written appeal with the Office of the City Clerk, 100 East 1<sup>st</sup> Street, P.O. Box 1968, Grand Island, Nebraska 68802-1968. A hearing on the appeal shall be held within fourteen (14) days after the filing of the appeal. The hearing officer shall render a decision on the appeal within five (5) business days after the conclusion of the hearing. If the appeal fails, the City may have such work done. If within five days after receipt of such notice, if the owner or occupant of the lot or piece of ground does not request a hearing with the City or fails to comply with the order to abate and remove the nuisance, the City may have such work done and the actual cost of such work together with an administrative fee of \$50.00 shall be assessed against such lot or land; **and/or**, the City of Grand Island may issue a citation and notice to appear in Hall County Court.*

\_\_\_\_\_  
Code Enforcement Officer

\_\_\_\_\_  
Date

ORDINANCE NO. 9494

An ordinance to amend Chapter 17 of Grand Island City Code ; to amend Section 17-6 and Section 17-52; to clarify and/or make general corrections to various code sections, to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Section 17-6 and Section 17-52of the Grand Island City Code is hereby amended to read as follows:

**§17-6. Notice to Remove; Noncompliance with Notice**

Whenever it shall come to the knowledge of the Health Director, his or her designee or employees of the City of Grand Island, that there exists upon such lot or parcel of ground such nuisance, the Health Director, his or her designee or employees of the City of Grand Island shall cause a notice to abate and remove said nuisance within five (5) days to be served upon the owner or the owner's authorized agent, and upon the tenant or occupant of said premises. Said notice shall be served either in person or by mailing such notice by first-class mail, postage prepaid ~~and by certified or registered mail~~ and posting notice of the violation on the property. Within five days after receipt of such notice, the owner or occupant of the lot or piece of ground may request a hearing with the City to appeal the decision to abate or remove a nuisance by filing a written appeal with the office of the City Clerk. A hearing on the appeal shall be held within fourteen days after the filing of the appeal and shall be conducted by the Health Director or his/her designee or the Police Chief or his/her designee. The hearing officer shall render a decision on the appeal within five business days after the conclusion of the hearing. If the appeal fails, the City may have such work done. Within five days after receipt of such notice, if the owner or occupant of the lot or piece of ground does not request a hearing with the City or fails to comply with the order to abate and remove the nuisance, the City may have such work done. The costs and expenses of any such work shall be paid by the owner. If unpaid for two months after such work is done, the City may either (a) levy and assess the costs and expenses of the work upon the lot or piece of ground so benefited in the same manner as other special taxes for improvements are levied and assessed or (b) recover in a civil action the costs and expenses of the work upon the lot or piece of ground and the adjoining streets or alleys. If such owner, lessee, tenant, or occupant shall have failed or refused to abate and remove such nuisance at the expiration of the date fixed upon such notice, the Director of Health, his or her designee or employees of the City of Grand Island may cause such nuisance to be removed from such parcel or lot, and from any roads, streets, or alleys abutting thereon as set forth in §17-7 of this Chapter.

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney

ORDINANCE NO. 9494 (Cont.)

**§17-52. Notice to Abate; Remove Nuisance**

Notice to abate and remove such nuisance shall be given to each owner or owner's duly authorized agent and to the occupant, if any, by personal service ~~or certified mail. If notice by personal service or certified mail is unsuccessful, notice shall be given by publication in a newspaper of general circulation in the city or by conspicuously posting the notice on the lot or ground upon which the nuisance is to be abated and removed.~~ or by mailing such notice by first-class mail, postage prepaid and posting notice of the violation on the property. Within five days after receipt of such notice or publication or posting, whichever is applicable, if the owner or occupant of the lot or piece of ground does not request a hearing with the city or fails to comply with the order to abate and remove the nuisance, the city may have such work done. If unpaid for two months after such work is done, the city may either (a) levy and assess the costs and expenses of the work upon the lot or piece of ground so benefited in the same manner as other special taxes for improvements are levied and assessed or (b) recover in a civil action the costs and expenses of the work upon the lot or piece of ground and the adjoining streets and alleys.

SECTION 2. Any ordinance or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. This ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: August 26, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item F-2

### #9495 - Consideration of Salary Ordinance

Staff Contact: Brenda Sutherland

# Council Agenda Memo

**From:** Brenda Sutherland, Human Resources Director

**Meeting:** August 26, 2014

**Subject:** Consideration of Approving Salary Ordinance No. 9495

**Item #'s:** F-2

**Presenter(s):** Brenda Sutherland, Human Resources Director

## Background

A Salary Ordinance is presented each year as a part of the budget process. Wages for City employees are presented to the City Council for approval in the form of a salary ordinance. Some wages are set as a part of negotiated labor agreements and others through salary surveys that are conducted.

## Discussion

Wage changes presented in this Ordinance are for the positions in the AFSCME bargaining unit, FOP bargaining unit and the non-union positions. The FOP labor agreement was approved by City Council last year. The AFSCME labor agreement was recently approved on August 12, 2014 and the non-union employee wages were presented to Council last year with a three year plan for phased implementation. This Ordinance executes the aforementioned wage changes.

The non-union positions were surveyed last summer by Paul Essman. When the City became a metropolitan statistical area (MSA), a new array had to be identified and used going forward. The Cities used in the new array for non-union employees were as follows; Ames, IA, Cheyenne, WY, Iowa City, IA, Jefferson City, MO, Lawrence, KS, Rapid City, SD, Manhattan, KS, Sioux City, IA and St. Joseph, MO.

Wages for the positions represented by the AFSCME Labor Agreement will increase on average by approximately 8.5%. Wages for the positions represented by the FOP Labor Agreement will increase on average by 6.8% and non-union positions moved on average 6%. I want to stress that the term on average means that some positions were higher than the average and some lower. These averages were based on movement at the top step in the pay scale.



Other changes represented in this Ordinance are changes that were approved by Council in the AFSCME Labor Agreement that will go into effect on October 1, 2014. Those changes include the payout of medical leave at retirement and the increase in tool allowance for employees in the Fleet Services division.

The wages represented in this proposed Ordinance are included in the proposed 2014/2015 fiscal year budget.

### **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 approve proposed Salary Ordinance No. 9495.

### **Sample Motion**

Move to approve Salary Ordinance No. 9495.

ORDINANCE NO. 9495

An ordinance to amend Ordinance 9490 known as the Salary Ordinance which lists the currently occupied classifications of officers and employees of the City of Grand Island, Nebraska and established the ranges of compensation of such officers and employees; to amend the salary ranges of the employees covered under the AFSCME labor agreement; to amend the salary ranges of non-union employees; remove the position and salary range of Utility Services Manager; to add the position and salary range of Finance Operations Supervisor; and to repeal those portions of Ordinance No. 9490 and any parts of other ordinances in conflict herewith; to provide for severability; to provide for the effective date thereof; and to provide for publication of this ordinance in pamphlet form.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. The currently occupied classifications of officers and general employees of the City of Grand Island, and the ranges of compensation (salary and wages, excluding shift differential as provided by Personnel Rules & Regulations) to be paid for such classifications, and the number of hours and work period which certain officers and general employees shall work prior to overtime eligibility are as follows:

Classification	Hourly Pay Range Min/Max	Overtime Eligibility
Accountant	<del>22.4279/32.0978</del> <del>22.9886/32.9003</del>	Exempt
Accounting Technician – Solid Waste	<del>16.5408/21.4897</del> <del>17.9715/23.0181</del>	40 hrs/week
Assistant to the City Administrator	<del>21.8156/30.7100</del> <del>22.3610/31.4778</del>	Exempt
Assistant Public Works Director / Manager of Engineering Services	<del>32.3969/48.2211</del> <del>33.2069/50.4151</del>	Exempt
Assistant Utilities Director – Distribution	<del>44.4396/62.7001</del> <del>47.6003/67.6416</del>	Exempt
Assistant Utilities Director – Production	<del>48.1230/67.9215</del> <del>51.5458/73.2746</del>	Exempt

Approved as to Form  \_\_\_\_\_  
 City Attorney

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Assistant Utilities Director – Transmission	<u>48.1230/67.9215</u> <u>51.5458/73.2746</u>	Exempt
Attorney	<u>27.9079/43.0605</u> <u>28.6056/44.1370</u>	Exempt
Biosolids Technician	<u>17.6851/26.0771</u> <u>18.1272/26.7290</u>	40 hrs/week
Building Department Director	<u>32.6923/47.7958</u> <u>33.5096/48.9906</u>	Exempt
CADD Operator	<u>20.0830/28.8903</u> <u>20.5851/29.6126</u>	40 hrs/week
Cemetery Superintendent	<u>19.9551/28.4283</u> <u>20.8630/30.9603</u>	Exempt
City Administrator	<u>58.3875/77.1429</u> <u>63.7373/79.0715</u>	Exempt
City Attorney	<u>39.5085/56.9666</u> <u>40.4963/58.3908</u>	Exempt
City Clerk	<u>24.6251/34.9120</u> <u>26.6290/38.0214</u>	Exempt
Civil Engineer I	<u>27.0775/38.0973</u> <u>27.7544/40.1236</u>	Exempt
Civil Engineer II	<u>31.4068/44.1455</u> <u>32.1919/46.4935</u>	Exempt
Civil Engineering Manager – Utility PCC	<u>34.2076/49.7904</u> <u>35.0629/52.4386</u>	Exempt
Collection System Supervisor	<u>22.4072/31.8516</u> <u>22.9674/32.6479</u>	40 hrs/week
Community Service Officer	<u>13.1859/18.0971</u> <u>14.1913/19.6625</u>	40 hrs/week
Crime Analyst	17.8982/25.4093	40 hrs/week
Custodian – Library, Police	<u>12.0836/17.0518</u> <u>13.0050/18.3520</u>	40 hrs/week
Customer Service Representative – Part time	<u>8.6349/12.9524</u> <u>8.8508/13.2762</u>	40 hrs/week
Electric Distribution Superintendent	<u>34.0545/46.6736</u> <u>36.0403/49.1560</u>	Exempt
Electric Distribution Supervisor	<u>28.7582/39.4378</u> <u>30.4351/41.5354</u>	40 hrs/week
Electric Underground Superintendent	<u>30.3276/41.5738</u> <u>32.0961/43.7850</u>	Exempt
Electrical Engineer I	<u>27.0775/38.0973</u> <u>27.7544/40.1236</u>	Exempt
Electrical Engineer II	<u>31.4068/44.1455</u> <u>32.1919/46.4935</u>	Exempt
Emergency Management Deputy Director	<u>23.2769/31.9071</u> <u>23.8588/34.3400</u>	Exempt

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Emergency Management Director	<u>33.1281/45.3975</u> <u>33.9564/48.8590</u>	Exempt
Engineering Technician - WWTP	<u>19.5842/27.6691</u> <u>20.0738/28.3608</u>	40 hrs/week
Equipment Operator - Solid Waste	<u>16.4788/23.2069</u> <u>17.2286/24.9764</u>	40 hrs/week
Finance Director	<u>38.4279/54.8583</u> <u>39.3885/59.0413</u>	Exempt
Finance Operations Supervisor	<u>20.4000/28.8462</u> <u>20.9100/29.5674</u>	Exempt
Fire Chief	<u>37.1058/52.7053</u> <u>38.0334/56.7241</u>	Exempt
Fire EMS Division Chief	<u>30.3461/43.8033</u> <u>32.6600/47.1433</u>	Exempt
Fire Operations Division Chief	<u>30.3461/43.8033</u> <u>32.6600/47.1433</u>	Exempt
Fire Prevention Division Chief	<u>30.3461/43.8033</u> <u>32.6600/45.7964</u>	Exempt
Fleet Services Shop Foreman	<u>20.9340/29.5087</u> <u>22.6375/32.1368</u>	40 hrs/week
GIS Coordinator - PW	<u>24.5800/37.3300</u> <u>25.1945/38.2633</u>	40 hrs/week
Golf Course Superintendent	<u>23.6733/34.1660</u> <u>24.2651/35.0203</u>	Exempt
Grounds Management Crew Chief – Cemetery	<u>18.1054/26.2287</u> <u>18.5580/28.2286</u>	40 hrs/week
Grounds Management Crew Chief – Parks	<u>19.0599/27.0153</u> <u>19.5364/29.0753</u>	40 hrs/week
Human Resources Director	<u>33.4291/49.5321</u> <u>34.2649/50.7704</u>	Exempt
Human Resources Benefits/Risk Mgmt Coordinator	<u>18.5295/27.9538</u> <u>19.6100/30.4434</u>	40 hrs/week
Human Resources Recruiter	<u>18.5295/27.9538</u> <u>19.6100/30.4434</u>	40 hrs/week
Human Resources Specialist	<u>17.6209/25.9549</u> <u>19.1903/29.6632</u>	40 hrs/week
Information Technology Manager	<u>31.5525/45.4516</u> <u>33.9584/50.0820</u>	Exempt
Legal Secretary	<u>19.6880/26.6079</u> <u>20.1802/27.2731</u>	40 hrs/week
Librarian I	<u>17.8423/25.0589</u> <u>18.2883/25.6853</u>	Exempt
Librarian II	<u>19.7586/28.1028</u> <u>20.2526/28.8054</u>	Exempt
Library Assistant I	<u>12.0495/17.4141</u> <u>12.3507/17.8495</u>	40 hrs/week

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Library Assistant II	<u>13.9378/19.2122</u> <u>15.0006/20.6771</u>	40 hrs/week
Library Assistant Director	<u>24.1856/35.5553</u> <u>27.6411/41.9108</u>	Exempt
Library Director	<u>31.9181/45.7548</u> <u>35.6605/51.9403</u>	Exempt
Library Page	<u>7.7112/10.9625</u> <u>7.9040/11.2366</u>	40 hrs/week
Library Secretary	<u>14.8122/21.0506</u> <u>15.3677/21.8400</u>	40 hrs/week
Maintenance Worker – Golf	<u>14.8681/21.4781</u> <u>15.2398/23.1708</u>	40 hrs/week
Meter Reader Supervisor	<u>18.2914/26.7210</u> <u>18.7488/27.3890</u>	Exempt
MPO Program Manager	<u>23.6000/35.0800</u> <u>24.1900/35.9570</u>	Exempt
Office Manager – Police Department	<u>16.5531/22.9288</u> <u>17.5184/24.6771</u>	40 hrs/week
Parks and Recreation Director	<u>34.8556/49.9594</u> <u>37.5134/54.7930</u>	Exempt
Parks Superintendent	<u>24.3558/34.9389</u> <u>26.2129/38.1401</u>	Exempt
Payroll Specialist	<u>17.3727/24.4418</u> <u>18.3412/26.3055</u>	40 hrs/week
Planning Director	<u>34.5609/49.0850</u> <u>36.7534/53.3309</u>	Exempt
Police Captain	<u>29.5308/41.7349</u> <u>32.1609/45.5589</u>	Exempt
Police Chief	<u>37.1058/52.7053</u> <u>39.5548/56.7241</u>	Exempt
Power Plant Maintenance Supervisor	<u>30.0590/42.4865</u> <u>30.8105/43.5488</u>	Exempt
Power Plant Operations Supervisor	<u>31.8206/45.8129</u> <u>34.2469/49.0714</u>	Exempt
Power Plant Superintendent – Burdick	<u>34.8506/49.1581</u> <u>37.3294/53.0324</u>	Exempt
Power Plant Superintendent – PGS	<u>40.1775/56.6455</u> <u>43.0351/61.1099</u>	Exempt
Project Manager – Public Works	<u>29.5060/41.5140</u> <u>30.2438/42.5519</u>	Exempt
Public Information Officer	<u>22.1425/31.8960</u> <u>24.0579/35.4724</u>	Exempt
Public Works Director	<u>38.8546/54.9384</u> <u>39.8259/59.1275</u>	Exempt
Public Works Engineer	<u>30.8040/44.5421</u> <u>31.5741/45.6556</u>	Exempt

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Receptionist	<u>13.5449/19.9690</u> <u>14.6124/21.9522</u>	40 hrs/week
Recreation Coordinator	<u>17.6958/25.3319</u> <u>19.0905/28.0424</u>	Exempt
Recreation Superintendent	<u>24.2201/35.4520</u> <u>27.6185/41.2440</u>	Exempt
Regulatory and Environmental Manager	<u>29.5716/42.4040</u> <u>30.3109/44.6594</u>	Exempt
Senior Accountant	<u>27.3163/38.0269</u> <u>27.9991/38.9775</u>	Exempt
Senior Electrical Engineer	<u>34.3679/48.3083</u> <u>35.2271/50.8778</u>	Exempt
Senior Public Safety Dispatcher	<u>17.6539/23.6674</u> <u>18.3667/24.2591</u>	40 hrs/week
Senior Utility Secretary	<u>15.2760/21.8131</u> <u>15.6579/22.3584</u>	40 hrs/week
Shooting Range Superintendent	<u>22.5910/33.1924</u> <u>24.3135/36.2336</u>	Exempt
Solid Waste Division Clerk - Full Time	<u>15.7208/20.8577</u> <u>17.0806/22.3412</u>	40 hrs/week
Solid Waste Division Clerk - Part Time	<u>13.9975/18.9398</u> <u>15.2083/20.2869</u>	40 hrs/week
Solid Waste Foreman	<u>17.6737/24.9849</u> <u>19.4289/27.5942</u>	40 hrs/week
Solid Waste Superintendent	<u>25.3985/36.7473</u> <u>27.7256/41.2443</u>	Exempt
Street Superintendent	<u>25.6090/37.2800</u> <u>27.2993/40.1226</u>	Exempt
Street Foreman	<u>20.1385/28.8891</u> <u>21.6740/31.3880</u>	40 hrs/week
Turf Management Specialist	<u>21.2760/30.1185</u> <u>21.8079/30.8715</u>	40 hrs/week
Utilities Director	<u>58.5218/81.9261</u> <u>65.0835/89.0128</u>	Exempt
Utility Production Engineer	<u>35.1468/50.4235</u> <u>36.0255/53.1054</u>	Exempt
Utility Warehouse Supervisor	<u>23.8914/33.2154</u> <u>24.4887/34.9820</u>	40 hrs/week
Victim Assistance Unit Coordinator	<u>13.6763/19.2557</u> <u>14.4738/20.7240</u>	40 hrs/week
Wastewater Plant Chief Operator	<u>20.6506/29.1069</u> <u>22.2252/30.7296</u>	40 hrs/week
Wastewater Plant Engineer	<u>31.9969/46.6138</u> <u>32.7969/47.7791</u>	Exempt
Wastewater Plant Operations Engineer	<u>30.8040/44.0003</u> <u>31.5741/45.1003</u>	Exempt

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Wastewater Plant Maintenance Supervisor	<del>23.7771/32.0177</del> <u>24.3715/32.8181</u>	40 hrs/week
Wastewater Plant Project Manager	<del>29.5060/41.5140</del> <u>30.2436/42.5519</u>	Exempt
Wastewater Plant Regulatory Compliance Manager	<del>25.2356/36.0685</del> <u>25.8665/36.9703</u>	Exempt
Water Superintendent	<del>26.3948/37.9014</del> <u>28.4074/41.4713</u>	Exempt
Water Supervisor	<del>22.7865/32.8339</del> <u>23.5898/34.2437</u>	40 hrs/week
Worker / Seasonal	7.2500/20.0000	Exempt
Worker / Temporary	7.2500/20.0000	40 hrs/week

A shift differential of \$0.10 per hour shall be added to the base hourly wage for persons in the employee classification Senior Public Safety Dispatcher who work a **complete** shift that begins between 3:00 p.m. and 11:00 p.m. This does not include persons who work the day shift. Shift differential will only be paid for actual hours worked. Paid leave will not qualify for the shift differential pay.

SECTION 2. The currently occupied classifications of employees of the City of Grand Island included under the AFSCME labor agreement, and the ranges of compensation (salary and wages, excluding shift differential as provided by contract) to be paid for such classifications, and the number of hours and work period which certain such employees included under the AFSCME labor agreement shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Equipment Operator – Streets	<del>14.7954/21.9173</del> <u>16.1640/23.9447</u>	40 hrs/week
Fleet Services Mechanic	<del>16.8776/25.0054</del> <u>18.3122/27.1309</u>	40 hrs/week
Horticulturist	<del>15.6222/23.1866</del> <u>17.5359/26.0270</u>	40 hrs/week
Maintenance Worker – Cemetery	<del>14.6833/21.7697</del>	40 hrs/week

ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
	<u>15.7845/23.4024</u>	
Maintenance Worker – Parks	<u>14.5853/21.6370</u> <u>15.6427/23.2057</u>	40 hrs/week
Maintenance Worker – Streets	<u>14.2770/21.1646</u> <u>15.4192/22.8578</u>	40 hrs/week
Senior Equipment Operator – Streets	<u>16.2104/24.0429</u> <u>17.5883/26.0865</u>	40 hrs/week
Senior Maintenance Worker – Streets	<u>16.2104/24.0429</u> <u>17.5478/26.0264</u>	40 hrs/week
Traffic Signal Technician	<u>16.2104/24.0429</u> <u>17.5072/25.9663</u>	40 hrs/week

SECTION 3. The currently occupied classifications of employees of the City of Grand Island included under the IBEW labor agreements, and the ranges of compensation (salary and wages, excluding shift differential as provided by contract) to be paid for such classifications, and the number of hours and work period which certain such employees included under the IBEW labor agreements shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Accounting Clerk	15.3789/20.3509	40 hrs/week
Cashier	14.1152/19.2344	40 hrs/week
Custodian	16.4824/19.4635	40 hrs/week
Electric Distribution Crew Chief	30.1073/38.2908	40 hrs/week
Electric Underground Crew Chief	30.1073/38.2908	40 hrs/week
Engineering Technician I	18.9731/27.1469	40 hrs/week
Engineering Technician II	23.4544/32.1592	40 hrs/week
GIS Coordinator	24.1309/33.8607	40 hrs/week
Instrument Technician	28.3005/37.3872	40 hrs/week
Lineworker Apprentice	18.3525/26.9104	40 hrs/week
Lineworker First Class	27.8182/32.9010	40 hrs/week
Materials Handler	22.9057/30.7045	40 hrs/week
Meter Reader	16.5035/21.5210	40 hrs/week
Meter Technician	22.1890/27.4234	40 hrs/week
Power Dispatcher I	27.7874/38.6353	40 hrs/week
Power Dispatcher II	29.1854/40.5728	40 hrs/week



ORDINANCE NO. 9495 (Cont.)

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Power Plant Maintenance Mechanic	26.3037/32.7530	40 hrs/week
Power Plant Operator	31.0740/36.1958	40 hrs/week
Senior Accounting Clerk	17.2862/22.6435	40 hrs/week
Senior Engineering Technician	29.6764/36.3172	40 hrs/week
Senior Materials Handler	26.3736/34.4008	40 hrs/week
Senior Meter Reader	19.5460/23.1988	40 hrs/week
Senior Power Dispatcher	33.7612/46.3298	40 hrs/week
Senior Power Plant Operator	30.6374/39.2761	40 hrs/week
Senior Substation Technician	36.0732/37.3872	40 hrs/week
Senior Water Maintenance Worker	21.4326/28.2219	40 hrs/week
Substation Technician	33.3943/34.7199	40 hrs/week
Systems Technician	29.4298/37.3872	40 hrs/week
Tree Trim Crew Chief	26.3633/32.7394	40 hrs/week
Utility Electrician	26.4192/34.7199	40 hrs/week
Utility Technician	25.8034/36.2961	40 hrs/week
Utility Warehouse Clerk	19.0662/23.5232	40 hrs/week
Water Maintenance Worker	17.8567/24.6940	40 hrs/week
Wireworker I	20.0604/28.3654	40 hrs/week
Wireworker II	27.8182/32.9010	40 hrs/week

SECTION 4. The currently occupied classifications of employees of the City of Grand Island included under the FOP labor agreement, and the ranges of compensation (salary and wages, excluding shift differential as provided by contract) to be paid for such classifications, and the number of hours and work period which certain such employees included under the FOP labor agreement shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	
Police Officer	<del>19.3834/ 27.3498</del> <u>19.8680/29.2110</u>	
Police Sergeant	<del>24.2602/ 33.5527</del> <u>24.8667/35.8359</u>	

ORDINANCE NO. 9495 (Cont.)

OVERTIME ELIGIBILITY

The City has reserved its right to the utilization of the 207(k) FLSA exemption and will implement this as the hours of work effective the first full pay period following the execution of the labor agreement. The pay period for purposes of calculating overtime shall consist of a fourteen (14) day cycle that runs concurrent with the City's current payroll cycle. For purposes of calculating eligibility for overtime, "hours worked" shall include actual hours worked, vacation, personal leave and holiday hours. Employees shall be eligible for overtime when they exceed their hours scheduled for work in the fourteen (14) day pay cycle with a minimum of eighty (80) hours. There shall also be established for each employee in the bargaining unit a Training and Special Events bank of thirty (30) hours per individual per contract year. Each employee may be scheduled for training or special event duty with a minimum of seven (7) days notice prior to the commencement of the pay period and the training and special events bank hours may be added to the eighty (80) hour, two (2) week pay period up to eighty-six (86) hours and these hours shall not be eligible for overtime. Training and special events hours worked in excess of eighty-six (86) hours in a two week pay period will be eligible for overtime, but will not be subtracted from the Training and Special Events bank. All work completed after eighty (80) hours in a pay period that is performed for work that is funded by grants from parties outside or other than the City of Grand Island, shall be paid overtime for the time worked after eighty (80) hours, if the time is funded at overtime rates by the grant. Any such grant hours are not deducted from the Training and Special Events bank.

SECTION 5. The currently occupied classifications of employees of the City of Grand Island included under the IAFF labor agreement, and the ranges of compensation (salary and wages, excluding shift differential as provided by contract) to be paid for such

ORDINANCE NO. 9495 (Cont.)

classifications, and the number of hours and work period which certain such employees included under the IAFF labor agreement shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Fire Captain	17.7341/24.5896	212 hrs/28 days
Firefighter / EMT	13.1756/19.1207	212 hrs/28 days
Firefighter / Paramedic	14.7104/20.7759	212 hrs/28 days
Life Safety Inspector	20.0097/28.3914	40 hrs/week
Shift Commander	21.0210/27.5106	212 hrs/28 days

IAFF employees, with the exception of the Life Safety Inspector, will be eligible for overtime pay for hours worked in excess of 212 hours in each 28-day pay period, unless recall or mandatory overtime is required as specified in the IAFF labor agreement.

SECTION 6. The currently occupied classifications of the employees of the City of Grand Island included under the IBEW-WWTP labor agreement, and the ranges of compensation salary and wages, excluding shift differential as provided by contract, to be paid for such classifications, and the number of hours and work period which certain such employees included under the IBEW-WWTP labor agreement shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Accounting Technician – WWTP	15.2009/21.3891	40 hrs/week
Equipment Operator – WWTP	17.2575/24.2831	40 hrs/week
Maintenance Mechanic I	17.2575/24.2831	40 hrs/week
Maintenance Mechanic II	19.3228/27.1892	40 hrs/week
Maintenance Worker – WWTP	17.2575/24.2831	40 hrs/week
Senior Equipment Operator – WWTP	18.6540/26.2479	40 hrs/week
Wastewater Clerk	12.9851/18.2711	40 hrs/week
Wastewater Plant Laboratory Technician	18.3195/25.7773	40 hrs/week
Wastewater Plant Operator I	15.4347/21.7185	40 hrs/week
Wastewater Plant Operator II	17.2575/24.2831	40 hrs/week

ORDINANCE NO. 9495 (Cont.)

SECTION 7. The currently occupied classifications of the employees of the City of Grand Island included under the IBEW-Service/Clerical labor agreement, and the ranges of compensation salary and wages to be paid for such classifications, and the number of hours and work period which certain such employees included under the IBEW-Service/Clerical labor agreement shall work prior to overtime eligibility are as follows:

<b>Classification</b>	<b>Hourly Pay Range Min/Max</b>	<b>Overtime Eligibility</b>
Accounting Technician – Streets	16.2819/21.7346	40 hrs/week
Accounts Payable Clerk	15.4437/22.3440	40 hrs/week
Administrative Assistant	16.0642/23.0406	40 hrs/week
Audio Video Technician	16.2165/22.8773	40 hrs/week
Building Inspector	20.0585/28.4606	40 hrs/week
Building Secretary	15.1173/21.4842	40 hrs/week
Community Development Administrator	17.5009/25.1630	40 hrs/week
Community Development Specialist	16.0642/23.0406	40 hrs/week
Computer Operator	19.5143/25.6528	40 hrs/week
Computer Programmer	22.2569/32.6182	40 hrs/week
Computer Technician	20.0997/26.4228	40 hrs/week
Electrical Inspector	20.0585/28.4606	40 hrs/week
Emergency Management Coordinator	15.1173/21.4842	40 hrs/week
Engineering Technician – Public Works	20.6353/29.1027	40 hrs/week
Evidence Technician	15.0085/21.9630	40 hrs/week
Finance Secretary	15.1173/21.4842	40 hrs/week
GIS Coordinator	22.8800/32.1053	40 hrs/week
Maintenance Worker I – Building, Library	15.7703/21.3427	40 hrs/week
Maintenance Worker II – Building, Police	16.6192/22.5290	40 hrs/week
Parks and Recreation Secretary	15.1173/21.4842	40 hrs/week
Planning Secretary	15.1173/21.4842	40 hrs/week
Planning Technician	20.6972/29.1201	40 hrs/week
Plans Examiner	20.0585/28.4606	40 hrs/week
Plumbing Inspector	20.0585/28.4606	40 hrs/week
Police Records Clerk – Full Time	13.4956/18.7852	40 hrs/week
Public Safety Dispatcher	15.2370/22.2569	40 hrs/week

ORDINANCE NO. 9495 (Cont.)

Shooting Range Operator	20.9399/28.3844	40 hrs/week
Stormwater Technician	20.6353/29.1027	40 hrs/week
Utility Secretary	15.1173/21.4842	40 hrs/week

A shift differential of \$0.10 per hour shall be added to the base hourly wage for persons in the employee classification Public Safety Dispatcher who work a **complete** shift that begins between 3:00 p.m. and 11:00 p.m. This does not include persons who work the day shift. Shift differential will only be paid for actual hours worked. Paid leave will not qualify for the shift differential pay.

SECTION 8. The classification of employees included under labor agreements with the City of Grand Island, and the ranges of compensation (salary and wages, excluding shift differential as provided by contract) to be paid for such classifications, and the number of hours and work period which certain such employees shall work prior to overtime eligibility are as stated above. All employees covered by the IAFF labor agreement, except Life Safety Inspector, shall be paid a clothing and uniform allowance in addition to regular salary in the amount of \$529.92 per year, divided into twenty-four (24) pay periods. All employees of the FOP labor agreement shall be paid a clothing and uniform allowance in addition to regular salary of \$25.00 per pay period. If any such employee covered by the IAFF or FOP labor agreements shall resign, or his or her employment be terminated for any reason whatsoever, the clothing allowance shall be paid on a prorata basis, but no allowance shall be made for a fraction of a month. Employees covered by the IBEW – Utilities, the IBEW – Finance labor agreements, and the non-union position of Meter Reader Supervisor who are required to wear full fire retardant clothing will be eligible for an annual stipend of \$600 to purchase or rent required uniforms. Those employees who are required to wear partial fire retardant clothing will be eligible for an annual stipend of

ORDINANCE NO. 9495 (Cont.)

\$350. Employees will be reimbursed for said purchases with a receipt showing proof of purchase.

Fire Chief and Fire Division Chiefs shall be paid a clothing allowance of \$484.08 per year, divided into 24 pay periods. Police Chief and Police Captains shall be paid a clothing allowance of \$650.00 per year, divided into 26 pay periods.

Non-union employees and employees covered by the FOP labor agreement, the IBEW Utilities, Finance, Service/Clerical and Wastewater Treatment Plant labor agreements may receive an annual stipend not to exceed \$1,000 for bilingual pay.

Employees covered by the AFSCME labor agreement shall be granted a meal allowance of \$4.50 if they are required to work two (2) hours overtime consecutively with their normal working hours during an emergency situation, and if such overtime would normally interfere with and disrupt the employee's normal meal schedule. Employees covered by the IBEW - Utilities and IBEW – Finance labor agreements shall be allowed a meal allowance for actual cost, or up to \$7.00 per meal, if they are required to work two (2) hours overtime consecutively with their normal working hours and if such overtime would normally interfere with and disrupt the employee's normal meal schedule. Direct supervisors of employees who are covered by labor agreements which allow overtime meal allowance shall be entitled to the same meal allowance benefit.

Non-exempt direct supervisors of employees who are covered by labor agreements which allow stand-by pay shall be entitled to the same stand-by pay benefit.

Utilities Department personnel in the IBEW bargaining unit and the classifications of Meter Reader Supervisor, Power Plant Superintendent, Power Plant Supervisor, Electric Distribution Superintendent, Electric Distribution Supervisor, Water Superintendent,

ORDINANCE NO. 9495 (Cont.)

Water Supervisor, and Electric Underground Superintendent shall be eligible to participate in a voluntary uniform program providing an allowance up to \$18.00 per month. When protective clothing is required for Utilities Department and Wastewater Treatment Plant personnel covered by the IBEW labor agreement and employees covered by the AFSCME labor agreement, except the Fleet Services Division of the Public Works Department, the City shall pay 60% of the cost of providing and cleaning said clothing and the employees 40% of said cost. Full-time Fleet Services personnel shall receive a uniform allowance of \$12 biweekly. Public Works Department personnel in the job classifications of Fleet Services Shop Foreman and Fleet Services Mechanic shall receive a tool allowance of ~~\$10~~\$15 biweekly.

SECTION 9. Employees shall be compensated for unused medical leave as follows:

(A) All employees covered in the IBEW Utilities and IBEW Finance labor agreements shall be paid for forty-seven percent (47%) of their accumulated medical leave at the time of their retirement, early retirement, or death, not to exceed four hundred eighty-eight and one third hours (calculated at 47% x 1039 hours = 488.33 hours), the rate of compensation to be based on the employee's salary at the time of retirement or death. Employees covered in the IAFF labor agreement with the exception of Life Safety Inspector shall have a contribution to a VEBA made on their behalf in lieu of payment for thirty-eight percent (38%) of their accumulated medical leave at the time of their retirement, not to exceed five hundred ninety-eight and eighty-eight hundredths hours (calculated at 38% x 1,576 hours = 598.88 hours). The Life Safety Inspector shall have a contribution to a VEBA. The amount of contribution will be based upon the employee's salary

ORDINANCE NO. 9495 (Cont.)

at the time of retirement. Employees covered by the IBEW Wastewater labor agreement shall be paid 37.5% of their accumulated medical leave at the time of retirement or death, based on the employee's salary at the time of retirement not to exceed three hundred ninety-nine hours (calculated at 37.5% x 1064 hours = 399 hours). Employees covered by the IBEW Service/Clerical labor agreement shall have a contribution to a VEBA made on their behalf in lieu of payment for forty percent (40%) of their accumulated medical leave at the time of retirement or death, based on the employee's salary at the time of retirement not to exceed 433.60 hours (calculated at 40% x 1084 hours = 433.60 hours.) Non-union employees shall have a contribution to a VEBA made on their behalf in lieu of payment for fifty percent (50%) of their accumulated medical leave at the time of their retirement, not to exceed five hundred forty-two hours (calculated at 50% x 1084 = 542). The amount of contribution will be based upon the employee's salary at the time of retirement. ~~All employees~~Employees hired before October 1, 2014 covered by the AFSCME labor agreement shall be paid ~~forty~~thirty-five (~~45~~35%) of their accumulated medical leave bank at the time of their retirement, based on the employee's salary at the time of retirement not to exceed four hundred ~~seventy~~sixty-eight and ~~eighty~~sixty-five hundredths hours (calculated at ~~45~~35% x ~~1064~~1339 hours = ~~478.80~~468.65 hours). Employees hired on or after October 1, 2014, covered by the AFSCME labor agreement will not receive compensation at retirement for unused medical leave. All employees covered under the FOP labor agreement shall be paid thirty-seven and one-half percent (37.5%) of their accumulated medical leave bank at the time of their retirement,



ORDINANCE NO. 9495 (Cont.)

not to exceed four hundred eighty hours (calculated at 37.5% x 1,280 hours = 480 hrs.), based on the employee's salary at the time of retirement. If death occurs while in the line of duty, employees covered under the FOP labor agreement shall be paid fifty percent (50%) of their accumulated medical leave bank at the time of their death, not to exceed six hundred forty hours (50% x 1,280 hours = 640 hrs.), based on the employee's salary at the time of their death.

(B) The City Administrator and department heads shall have a contribution made to their VEBA for one-half of their accumulated medical leave, not to exceed 30 days of pay, upon their resignation, the rate of compensation to be based upon the salary at the time of termination. Compensation for unused medical leave at retirement shall be as provided for non-union employees.

(C) The death of an employee shall be treated the same as retirement, and payment shall be made to the employee's beneficiary or estate for one-half of all unused medical leave for non-union employees and as defined in labor agreements for all other employees.

SECTION 10. Non-union employees shall have a contribution made on their behalf to their VEBA account in the amount of \$30.00 per pay period. Employees represented by the IBEW Service/Clerical labor agreement shall have a contribution made on their behalf to the VEBA account of \$15 per pay period. Employees represented by the IAFF labor agreement shall have a contribution made on their behalf to the VEBA account of \$10 per pay period.

SECTION 11. The validity of any section, subsection, sentence, clause, or phrase of this ordinance shall not affect the validity or enforceability of any other section, subsection, sentence, clause, or phrase thereof.

ORDINANCE NO. 9495 (Cont.)

SECTION 12. The adjustments identified herein shall be effective on the date of passage and publication in pamphlet form in one issue of the Grand Island Independent as provided by law [effective October 6, 2014](#).

SECTION 13. Those portions of Ordinance No. 9490 and all other parts of ordinances in conflict herewith be, and the same are, hereby repealed.

Enacted: August 26, 2014

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-1

### Approving Minutes of August 12, 2014 City Council Regular Meeting

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL REGULAR MEETING

August 12, 2014

Pursuant to due call and notice thereof, a Regular Meeting of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 12, 2014. Notice of the meeting was given in *The Grand Island Independent* on August 6, 2014.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following City Council members were present: Kent Mann, Linna Dee Donaldson, Chuck Haase, Julie Hehnke, Mitch Nickerson, Peg Gilbert, John Gericke, Mark Stelk, Mike Paulick, and Vaughn Minton. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, Treasurer and Finance Director Jaye Monter, City Attorney Robert Sivick, and City Engineer and Public Works Director John Collins.

INVOCATION was given by Pastor Mark Oberbeck, Northridge Assembly of God, 3025 Independence Avenue followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council member Eshan Sood and board member Randy See.

PUBLIC HEARINGS:

Public Hearing on Request from Full Circle Venue LLC dba Full Circle Venue, 3333 Ramada Road for an Addition to Class "C-88739" Liquor License. City Clerk RaNae Edwards reported that an application for an addition to Class "C-88739" Liquor License had been received from Full Circle Venue LLC dba Full Circle Venue, 3333 Ramada Road. Ms. Edwards presented the following exhibits for the record: application submitted to the Liquor Control Commission and received by the City on July 14, 2014; notice to the general public of date, time, and place of hearing published on August 2, 2014; notice to the applicant of date, time, and place of hearing mailed on July 14, 2014; along with Chapter 4 of the City Code. Staff recommended approval with the following conditions:

1. Phase I of the building improvement safety plan must be completed.
2. Panic hardware be placed on an exit door from the lounge into Denny's.

No public testimony was heard.

Public Hearing on Request from Luisa M. Lovato dba Ritmos Nightclub, 611 East 4th Street for a Class "I" Liquor License. City Clerk RaNae Edwards reported that an application for a Class "I" Liquor License had been received from Luisa M. Lovato dba Ritmos Nightclub, 611 East 4th Street. Ms. Edwards presented the following exhibits for the record: application submitted to the Liquor Control Commission and received by the City on July 23, 2014; notice to the general public of date, time, and place of hearing published on August 2, 2014; notice to the applicant of date, time, and place of hearing mailed on July 23, 2014; along with Chapter 4 of the City Code. Staff recommended denial based on the fact the building had no water service and did not meet the safety requirements as set out in Grand Island City Code 4 – 7 (H). Tom Wagoner, attorney for the applicant spoke in support. No further public testimony was heard.

Public Hearing on Request from Gloria and John Trejo for a Conditional Use Permit for Off Street Parking for the Grand Island Public Schools located at 622 N. Jefferson Street. Regional Planning Director Chad Nabity reported that Gloria and John Trejo requested a Conditional Use

Permit to allow for the construction of a parking lot at 622 N. Jefferson Street to provide parking for the elementary school. Staff recommended approval with the condition that all applicable city code sections including landscaping be provided in compliance with the City Code. Gary Lonowski, 1409 West 4<sup>th</sup> Street and George Gundelfinger, 1419 West 7<sup>th</sup> Street had questions concerning the fencing. No further public testimony was heard.

Public Hearing on Request from Central Nebraska Transload, LLC for a Conditional Use Permit for Ethanol Transload (Semi-Truck to Rail Car) and Store in Rail Car on Site located at 1213/1215 – 1221 East Highway 30. Regional Planning Director Chad Nabity reported that Central Nebraska Transload, LLC requested an amendment to the three year temporary Conditional Use Permit for a chemical warehouse and distribution facility. The amendment would allow for the additional loading of ethanol rail cars from semi-trailers. Staff recommended approval Randy Gard, Executive Director of the Grand Island Area Economic Development Corporation and Chad Campbell, 1305 College Street spoke in support. No further public testimony was heard.

Public Hearing on Acquisition of Utility Easement located at 823 East 4th Street (Blender, LLC). Utilities Director Tim Luchsinger reported that acquisition of a utility easement located at 823 East 4th Street was needed in order to have access to install, upgrade, maintain, and repair power appurtenances, including lines and transformers. The easement would be used to locate underground electric conduit, cable, and a pad-mounted transformer for an existing building that is being refurbished. Staff recommended approval. No public testimony was heard.

Public Hearing on Acquisition of Utility Easement located at 2211 South Locust Street (J. Larry Fugate). Utilities Director Tim Luchsinger reported that acquisition of a utility easement located at 2211 South Locust Street was needed in order to have access to install, upgrade, maintain, and repair power appurtenances, including lines and transformers. The easement would be used to place underground conduit, conductor, and a pad-mounted transformer to provide electricity to the new Taco Bell. Staff recommended approval. No public testimony was heard.

Public Hearing on a Redevelopment Plan for CRA Area 13R located West of Lincoln Avenue and North of Phoenix Avenue. Regional Planning Director Chad Nabity reported that Phil Ramsel commissioned a Blight and Substandard study of 1.26 acres referred to as CRA Area No. 13R. The study focused on property bounded by the hike bike trail on the north, on the east by Lincoln Avenue and Phoenix Avenue to the south. Staff recommended approval. No public testimony was heard.

Public Hearing on Acquisition of Public Utility Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (Nouzovsky & Longleaf, LLC). Public Works Director John Collins reported that acquisition of public utility easements were needed for the North Interceptor in order to replace aged force main sanitary sewer, reduce or eliminate current sewer pumping station(s), and provide additional capacity for existing and new growth areas of Grand Island. Staff recommended approval. No public testimony was heard.

Public Hearing on Acquisition of Drainage Easement for Westgate Drainage District No. 2013-D-4 (MHEC Land Trust, VI). Public Works Director John Collins reported that acquisition of a drainage easement was needed for the Westgate Drainage District No. 2013-D-4. The easement would be twenty (20) feet wide and allow for drainage within the district. Staff recommended approval. No public testimony was heard.

Public Hearing on Proposed Fiscal Year 2014-2015 City of Grand Island and Community Redevelopment Authority (CRA) Budgets. Finance Director Jaye Monter stated this public hearing would remain open until the 2014-2015 Budget was approved on September 9, 2014. The 2014-2015 Budget was submitted with no tax increase. The existing revenue sources and current levels of taxation would enable the City to continue the funding of the ICMA public safety recommendations, maintain existing or improved levels of service to the community, meet State Statutes regarding employee wage and salary increases, address necessary infrastructure maintenance, improvements and construction with a \$9.5 million capital program and retire the 2009 Various Purpose General Obligation bond.

The 2015 proposed funding sources were reviewed. The 400 Fund Capital Projects totaled \$9,510,922. The following summaries of requests were presented:

• Streets	\$6,132,990
• Drainage	\$1,175,000
• Parks	\$1,712,932
• Fire/Emergency Center	\$ 250,000
• Info. Tech. Dept.	\$ 40,000
• Grand Generation	\$ 100,000
• GITV	<u>\$ 100,000</u>
Total Capital Requests:	\$9,510,922

A five year summary was presented for the future financial forecast of the City. These figures were based on no tax rate increases and no Food & Beverage Occupation Tax Revenue. A 3% revenue growth was figured for all years, 6% personnel services growth in 2016 & 2017, 8% in 2018, 2019 & 2020, 3% operating expense growth for all years, 3% General Fund Capital Department Equipment growth for all years, and no additional employees. Ending cash balances were presented as follows: 2016 - \$6,661,757; 2017 - \$5,801,201; 2018 - \$4,072,138; 2019 - \$2,864,008; and 2020 - \$1,388,274.

The following future planning potential Capital Projects were presented:

- 50-year-old Fire Station #2
- Alternative 911 Center
- Improve ISO rating with fire training tower addition
- 20-year-old Island Oasis
- Complete development of Veteran's Athletic fields
- Fieldhouse turf replacement
- Downtown redevelopment
- Cemetery expansion
- G.I. Veterans Home acquisition and redevelopment
- Grandeur vision action plan

No public testimony was heard.

CONSENT AGENDA: Consent items G-21 and G-22 were removed for further discussion. Motion by Donaldson, second by Minton to approve the Consent Agenda excluding items G-21 and G-22. Upon roll call vote, all voted aye. Motion adopted.

Approving Minutes of July 22, 2014 City Council Regular Meeting.

Approving Minutes of July 29, 2014 City Council Special Meeting/Study Session.

Approving Appointment of Jerry Huismann to the Regional Planning Commission.

Approving Request of Fonner Park Exposition and Events Center, Inc. (Heartland Events Center) for Ratification of Nomination and Election of Board of Directors.

#2014-203 - Approving Acquisition of Utility Easement located at 823 East 4th Street (Blender, LLC).

#2014-204 - Approving Acquisition of Utility Easement located at 2211 S. Locust Street (J. Larry Fugate).

#2014-205 - Approving Bid Award for Cooling Tower Stacks and Fan Blades at Platte Generating Station with EvapTech, Inc. of Lenesa, KS in an Amount of \$204,466.00.

#2014-206 - Approving Bid Award for Precipitator, Bottom Ash and Boiler Industrial Cleaning - Fall 2014 Outage at Platte Generating Station with Meylan Enterprises of Omaha, NE in an Amount of \$119,604.60.

#2014-207 - Approving Bid Award for 2015 Complete Hook Lift Truck with Dump Body and Platform/Water Tank and Pump for Platte Generating Station with Hansen International Truck, Inc. of Grand Island, NE in an Amount of \$118,444.00.

#2014-208 - Approving Bid Award for Voltage Regulator Upgrade at Platte Generating Station - Spring Outage 2015 with ABB, Inc. of St. Laurent, Quebec, Canada in an Amount of \$544,236.00.

#2014-209 - Approving Agreement for Temporary Construction Easement for Faidley Avenue Paving Improvements; Project No. 2014-P-1 (Concord Development, LLC & Grand Island Surgical Center, LLC).

#2014-210 - Approving Acquisition of Public Utility Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (Nouzovsky & Longleaf, LLC).

#2014-211 - Approving Temporary Construction Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (Nouzovsky).

#2014-212 - Approving Acquisition of Drainage Easement for Westgate Drainage District No. 2013-D-4 (MHEC Land Trust, VI).

#2014-213 - Approving Change Order No. 1 for Headworks Improvement Project No. WWTP-2013-1 with Garney Companies, Inc. of Gardner, KS for a Decrease of \$24,745.00 and a Revised Contract Amount of \$16,893.255.00.

#2014-214 - Approving Bid Award for One (1) Automated Oil & Grease Extraction System for the Wastewater Division with Horizon Technology, Inc. of Salem, NH in an Amount of \$32,864.97.

#2014-215 - Approving Agreement with NDOR for the Grand Island Area Metropolitan Planning Organization (GIAMPO) Long Range Transportation Plan.

#2014-216 - Approving Change Order No. 3 for North Interceptor Phase I; Project No. 2012-S-6 with Merryman Excavation, Inc. of Woodstock, IL for an Increase of \$183,791.80 and a Revised Contract Amount of \$8,655,459.97.

#2014-217 - Approving Agreements for Temporary Construction Easements for Capital Avenue Widening – Webb Road to Broadwell Avenue.

#2014-218 - Approving Temporary Construction Easement for Westgate Drainage District No. 2013-D-4 (MHEC Land Trust, VI).

#2014-219 - Approving Contract for Information Technology Network Administration Support with Duey’s Computer Service, Inc. of Lincoln, NE in an Amount of \$3,435 monthly with a 3% increase each September 1<sup>st</sup> thru August 31, 2017. Discussion was held regarding the prepayment of services and the three year contract with no early termination clause.

Motion by Haase, second by Nickerson to approve Resolution #2014-219.

Andrew Duey, President of Duey’s Computer Service, Inc. from Lincoln, NE commented on the early termination. He stated the three year agreement was in exchange for a 40% discount. Comments were made regarding a contract for three years with a new administration coming on board.

Motion by Haase, second by Gilbert to amend Section 6 to strike “the monthly maintenance fee shall be prepaid” and add a section for early termination clause. Upon roll call vote, Councilmember Haase voted aye. Councilmembers Minton, Paulick, Stelk, Gericke, Gilbert, Nickerson, Hehnke, Donaldson, and Mann voted no. Motion failed.

Upon roll call vote of the main motion, Councilmembers Minton, Stelk, Gericke, Nickerson, Hehnke, Donaldson, and Mann voted aye. Councilmembers Paulick, Gilbert, and Haase voted no. Motion adopted.

#2014-220 - Approving Bid Award for Furnishing Labor & Equipment to Transport Material to Sterling Estates Park with Hooker Brothers Construction Co. of Grand Island, NE in an Amount of \$19,950.00. Parks & Recreation Director Todd McCoy explained the Master Plan for the Parks and Recreation Department. Lewis Kent, 624 Meves Avenue spoke in opposition.

Motion by Haase, second by Gericke to approve Resolution #2014-220. Upon roll call vote, all voted aye. Motion adopted.

REQUESTS AND REFERRALS:

Consideration of Request from Gloria and John Trejo for a Conditional Use Permit for Off Street Parking for the Grand Island Public Schools located at 622 N. Jefferson Street. This item was related to the aforementioned Public Hearing.

Motion by Paulick, second by Mann to approve.



George Gundelfinger, 1419 West 7<sup>th</sup> Street commented on markers and fencing around the property.

Motion by Paulick, second by Gericke to amend the motion to add a 6' privacy fence sight obscuring fence on the west and south side of the property. Upon roll call vote, Councilmembers Paulick, Stelk, Gericke, Haase, and Donaldson voted aye. Councilmembers Minton, Gilbert, Nickerson, Hehnke, and Mann voted no. Mayor Vavricek cast the deciding no vote. Motion failed.

Gloria Trejo, 622 N. Jefferson Street spoke in support.

Upon roll call vote of the main motion, Councilmembers Minton, Stelk, Nickerson, Donaldson, and Mann voted aye. Councilmembers Paulick, Gericke, Gilbert, Hehnke, and Haase voted no. Mayor Vavricek cast the sixth and deciding vote in favor. Motion adopted.

Consideration of Request from Central Nebraska Transload, LLC for a Conditional Use Permit for Ethanol Transload (Semi-Truck to Rail Car) and Store in Rail Car on Site located at 1213/1215 – 1221 East Highway 30. This item was related to the aforementioned Public Hearing. Discussion was held concerning the flammable chemicals. Fire Division Chief Tim Hiemer stated the Fire Department didn't have a problem with this request.

Motion by Paulick, second by Haase to approve the request. Upon roll call vote, all voted aye. Motion adopted.

#### RESOLUTIONS:

#2014-221 - Consideration of Request from Full Circle Venue LLC dba Full Circle Venue, 3333 Ramada Road for an Addition to Class "C-88739" Liquor License. This item was related to the aforementioned Public Hearing.

Motion by Donaldson, second by Gilbert to approve Resolution #2014-221 with conditions. Upon roll call vote, all voted aye. Motion adopted.

#2014-222 - Consideration of Request from Luisa M. Lovato dba Ritmos Nightclub, 611 East 4th Street for a Class "I" Liquor License. This item was related to the aforementioned Public Hearing.

Motion by Stelk, second by Hehnke to deny Resolution #2014-222 based upon no water service to the building. Upon roll call vote, all voted aye. Motion adopted.

#2014-223 - Consideration of Redevelopment Plan for CRA Area 13R located West of Lincoln Avenue and North of Phoenix Avenue. This item was related to the aforementioned Public Hearing. Discussion was held regarding the impact to public land.

Motion by Gilbert, second by Haase to approve Resolution #2014-223. Upon roll call vote, all voted aye. Motion adopted.

#2014-224 - Consideration of Approving Special Revenue Fund for Pioneer Consortium Council for Library Services. Library Director Steve Fosselman reported that about four years ago the City Council authorized the City's public library to participate in a statewide Pioneer Consortium

Joint Entity Agreement for Library Services. As a participant in this consortium, the Grand Island Public Library saved over \$10,000 annually for software maintenance. The Pioneer Consortium Council board has designated Grand Island Public Library as the Financial Agent. Requested was the approval of a Special Revenue Fund for the Pioneer Consortium Council for Library Services of the joint entity agreement.

Motion by Haase, second by Hehnke to approve Resolution #2014-224. Upon roll call vote, all voted aye. Motion adopted.

#2014-225 - Consideration of Approving Resolution of Support for Continued Funding of Highway Improvement Projects – US Highway 30 & US Highway 281. Public Works Director John Collins reported this was a resolution to support the Nebraska Department of Roads intent to reconstruct the existing roadway, culverts, and shoulders on US Highway 30 and milling and resurfacing of the existing roadway and offset left turn lanes on US Highway 281.

Motion by Donaldson, second by Minton to approve Resolution #2014-225. Upon roll call vote, all voted aye. Motion adopted.

#2014-226 - Consideration of Approving Labor Agreement with AFSCME, Local 251. Human Resources Director Brenda Sutherland reported this contract was for four years. The largest impact was wages due to the City becoming a Metropolitan Statistical Area (MSA). Explained were the major changes in the contract such as vacation, stand-by pay, medical leave hours, medical leave pay out, and reimbursement for safety boots.

Motion by Minton, second by Paulick to approve Resolution #2014-226. Upon roll call vote, Councilmembers Minton, Paulick, Stelk, Gericke, Gilbert, Nickerson, Hehnke, Donaldson, and Mann voted aye. Councilmember Haase voted no. Motion adopted.

Kevin Brown, Lincoln, NE and Roger Schweitzer, AFSCME representatives were present to sign the contract.

#2014-227 - Consideration of Approving FY 2014-2015 Annual Budget for Downtown Business Improvement District 2013 and Setting Date for Board of Equalization. Finance Director Jaye Monter reported the Downtown Business Improvement District 2013 had submitted their budget for special assessments in the amount of \$92,700.

Motion by Donaldson, second by Minton to approve Resolution #2014-227. Upon roll call vote, all voted aye. Motion adopted.

#2014-228 - Consideration of Approving FY 2014-2015 Annual Budget for Fonner Park Business Improvement District from Stolley Park Road to Fonner Park Road and Setting Date for Board of Equalization. Finance Director Jaye Monter reported the Fonner Park Business Improvement District had submitted their budget for special assessments in the amount of \$39,592.

Motion by Paulick, second by Hehnke to approve Resolution #2014-228. Upon roll call vote, all voted aye. Motion adopted.

#2014-229 - Consideration of Approving FY 2014-2015 Annual Budget for the South Locust Business Improvement District 2013 from Stolley Park Road to Highway 34 and Setting Date for

Board of Equalization. Finance Director Jaye Monter reported that South Locust Business Improvement District 2013 had submitted their budget for special assessments in the amount of \$70,170.

Motion by Minton, second by Mann to approve Resolution #2014-228. Upon roll call vote, all voted aye. Motion adopted.

PAYMENT OF CLAIMS:

Motion by Gilbert, second by Donaldson to approve the Claims for the period of July 23, 2014 through August 12, 2014, for a total amount of \$11,303,242.08. Unanimously approved.

Council recessed at 9:19 p.m. and reconvened at 9:29 p.m.

Discussion Concerning the Proposed Fiscal Year 2014-2015 City of Grand Island and Community Redevelopment Authority (CRA) Budgets. This item related to the aforementioned Public Hearing. Councilmember Haase recommended the unspent funds be carried forward for the Grand Generation Center. City Attorney Robert Sivick stated the terms of the new agreement were being negotiated with the Grand Generation Center. Proposed was \$100,000 per year be budgeted annually.

Motion by Haase, second by Gericke that \$100,000 for the Grand Generation Center be budgeted and the unspent balance be carried forward. Upon roll call vote, Councilmembers Paulick, Stelk, Gericke, Hehnke, and Haase voted aye. Councilmembers Minton, Gilbert, Nickerson, Donaldson, and Mann voted no. Mayor Vavricek cast the deciding no vote. Motion failed.

A lengthy discussion was held concerning the projects that had not been completed in this fiscal budget year and who was responsible for completing and paying for the projects. Mr. Sivick stated the City would lease the building and the Grand Generation Center would maintain the building.

Motion by Gilbert, second by Stelk to decrease the Capital Improvement budget by \$250,000 by eliminating the Fire Station 2 & Emergency Center RFQ. Councilmembers Stelk, Gilbert, Nickerson, and Donaldson voted aye. Councilmembers Minton, Paulick, Gericke, Hehnke, Haase, and Mann voted no. Motion failed.

Public Works Director John Collins explained what the RFQ would include. Fire Division Chief Tim Hiemer commented on the need to study relocating Fire Station 2 and an alternate Emergency Center. City Administrator Mary Lou Brown stated the \$250,000 was to study the best location and the project would take some time.

Comments were made regarding moving the 911 Center to the Burdick Station. Emergency Management Director John Rosenlund stated he didn't know if Burdick Station was still an option. The study would create a new plan and answer those questions for both the Fire Station and 911 Center. He would like to see some money put in the budget to start the process. Mayor Vavricek confirmed the 911 Center budget was joint with Hall County.

Mr. Collins stated the \$250,000 budget request was figured on 6% of the total project. A new fire station would be approximately \$5 million with architectural services.

Discussion was held regarding the Parks and Recreation Department concerning the tennis court at Ryder Park with the Tennis Association reimbursing the City. The splash park was discussed also. Mr. McCoy said the splash park had been looked at and was in the 5 year plan but not in this year's budget.

Comments were made concerning property valuation increases. Future revenue options were presented. Mentioned was the Grander Visioning survey and needing money to do those projects. Discussion was also held concerning the Food and Beverage tax which would expire on December 31, 2015. Mr. Sivick stated any ballot measure to renew this tax would have to be at the Election Commissioners Office by early September, 2014 to be included on the General Election ballot.

ADJOURN TO EXECUTIVE SESSION: Motion by Gilbert, second by Nickerson to adjourn to Executive Session at 11:05 p.m. for the purpose of a strategy session with respect to negotiations with IBEW. Unanimously approved.

RETURN TO REGULAR SESSION: Motion by Gericke, second by Gilbert to return to Regular Session at 11:53 p.m. Unanimously approved.

ADJOURNMENT: The meeting was adjourned at 11:53 p.m.

RaNae Edwards  
City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-2

### Approving Minutes of August 14, 2014 City Council Special Meeting

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING

August 14, 2014

Pursuant to due call and notice thereof, a Special Meeting of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 14, 2014. Notice of the meeting was given in the *Grand Island Independent* on August 8, 2014.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, Mark Stelk, John Gericke, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Chuck Haase, Julie Hehnke, and Kent Mann. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Treasurer and Finance Director Jaye Monter, City Attorney Robert Sivick, and City Engineer and Public Works Director John Collins.

INVOCATION was given by Community Youth Council member Allie Richardson followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council member Allie Richardson.

SPECIAL ITEMS:

2014-2015 Utility Electric and Water Proposed Budgets. Utilities Director Tim Luchsinger reported the Utilities Department had \$550,000,000 in insurable assets, 25,000 electric meters, 17,000 water meters and 139 full-time employees. The following budget guidelines were used for the Utilities 2014-2015 budget: conservative (low) revenue forecast; conservative (high) operating costs; maintain adequate cash reserves; and manage controllable operating expenses and capital expenditures. Cash reserves guidelines were listed as the following: working capital, replacement power, asset replacement, capital improvement reserve, and debt service reserve. He recommended a minimum cash reserve of \$31,300,000 in the electric fund and \$3,200,000 in the water fund.

Reviewed was the Electric Department 520 Fund. The total Electric Capital Budget was \$23,357,867. Mentioned were future considerations of the Platte Generating Station Emission Controls. Operation was planned for May 2015 with capital cost funded by bond proceeds. Projected O & M costs were scheduled at \$2,500,000 annually.

Discussion was held concerning operating costs and revenues. Mr. Luchsinger stated rate increases were not planned and he explained the projections for the department. Mentioned was an additional cost to operate PGS once the emission controls were in place. He stated Nebraska utilities needed to reduce their carbon emissions by 26%. Renewable energy was mentioned. Workforce development improvements were scheduled for less than \$100,000 in the next two years.

Reviewed was the Water Department 525 Fund. Total Water Capital Improvement Budget was \$3,450,000. Wireless meter reading had been installed in the Merrick County area and in some apartment buildings within the City. The new billing system would be incorporated with the new

meters. There were no rate increases projected for water for at least the next five years. Explained was the water project to the Airport. Needs of the downtown area were discussed.

2014-2015 Solid Waste Proposed Budget. Public Works Director John Collins introduced Solid Waste Superintendent Jeff Wattier. Mr. Wattier reported the Solid Waste budget was comprised of two components: Landfill on Husker Highway and the Transfer Station. This was an enterprise fund that received no funding from the General Fund. All revenues were generated from tipping fees and were one of the few divisions with competition. This division served both residents and non-residents.

The current landfill site life was 6 – 7 years in Cells 1 & 2. Cells 3 & 4 have approximately a 30 year life. Reviewed were the routine capital replacement schedule for the transfer station and landfill. The proposed 2015 budget included: personnel - \$992,492 (8.6% increase); operations - \$993,526 (less than 1% decrease); and capital - \$860,000 (10.7% increase). Capital Expenditures proposed were: new dozer at landfill (\$800,000); additional litter fencing at landfill (\$20,000); concrete replacement at transfer station (\$20,000); and new reinforced gate entrance at landfill (\$20,000). There were no FTE changes and no rate increases proposed.

Mr. Wattier answered questions concerning recycling. Since the hail storm they had seen a lot of shingles in the landfill.

2014-2015 Wastewater Proposed Budget. Public Works Director John Collins introduced Wastewater Superintendent Marvin Strong. Mr. Strong reviewed the funding sources totaling \$27,098,327 and expenditures of \$33,078,916. The 2015 overview had an ending cash balance of \$10,081,269 which contained \$3.3 million of restricted cash for bond reserve requirements.

Mr. Strong explained the Wastewater Treatment Plant (WWTP) capacity. The plant was currently operating at less than 1/2 of its organic capacity. The residential population of Grand Island could potentially double before the WWTP would run out of organic capacity. Reviewed were the 2015 projected operations & maintenance savings. Electricity was 4% lower and contract services, diesel fuel, and other general supplies (sludge disposal) was 4.8% lower than FY 2014.

Mr. Strong commented on the 2014/2015 Capital Projects. The Headworks project was on schedule, may be done early and below budget. North Interceptor Phase 1 was completed and was designed to accommodate projected growth through the Year 2062. North Interceptor Phase 2 was designed to accommodate projected growth through the Year 2062. Phase 2b would be completed in conjunction with Capital Avenue widening project. Other projects mentioned were US Highway 281 Sewer Assessment District, Wildwood Subdivision, and Husker Highway Sanitary Sewer.

City Administrator Mary Lou Brown complimented Mr. Strong and his team with working with JBS.

2014-2015 Golf Course Proposed Budget. Parks & Recreation Director Todd McCoy stated the rounds averaged around 30,000 each year. These figures fluctuated due to the weather. Revenues were forecast at \$674,746 for 2013-2014. Proposed capital projects for 2014-2015 were to replace the clubhouse windows at \$30,000 and recondition 26 golf carts at \$48,000.

Discussion was held concerning the new irrigation system. Mr. McCoy stated they hoped to see some energy savings in the near future.

RESOLUTIONS:

#2014-230 – Consideration of Approving 2014-2015 Fee Schedule. Finance Director Jaye Monter reviewed the following proposed changes to the 2014-2015 Fee Schedule:

- Administration – elimination of State issued liquor licenses
- Parks Department – fee increases for Cemetery, Golf Course, Heartland Public Shoot Park
- Fire Department – addition of 8 new fees
- Public Works – new Special Event fees
- Wastewater Treatment Plant – increase of various fees
- Solid Waste – addition of uncovered load fees

Motion by Minton, second by Nickerson to approve Resolution #2014-230.

Special Events fees were discussed. Police Chief Lamken commented on the lack of resources for police escorts. Currently they supplied off duty officers at the expense of the event sponsors. Ms. Monter stated the cost to the City for insurance was \$2,000 annually for use of state highways for special events.

Motion by Donaldson, second by Nickerson to remove the Special Event fee from the Public Works Department. Upon roll call vote, Councilmembers Paulick, Stelk, Gericke, Nickerson, Hehnke, Haase, Donaldson, and Mann voted aye. Councilmembers Minton and Gilbert voted no. Motion adopted.

Discussion was held regarding the Lincoln Park Pool costs and revenues. Mr. McCoy stated the fees were fairly low. Last year the fees were raised a little. They were forecasting \$55,000 in expenses and \$45,000 in revenues.

Discussed was the definition of the Engine company run fee. Ms. Monter stated this would be specified in the final budget document.

Motion by Gilbert, second by Haase to delay the final vote of the fee schedule as amended to a later date prior to budget approval. Upon roll call vote, Councilmembers Paulick, Stelk, Gilbert, Nickerson, Hehnke, Haase, and Donaldson voted aye. Councilmembers Minton, Gericke, and Mann voted no. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 9:34 p.m.

RaNae Edwards  
City Clerk





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-3

### Approving Minutes of August 19, 2014 City Council Special Meeting

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL SPECIAL MEETING

August 19, 2014

Pursuant to due call and notice thereof, a Special Meeting of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 19, 2014. Notice of the meeting was given in the *Grand Island Independent* on August 16, 2014.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Vaughn Minton, Mike Paulick, Mark Stelk, John Gericke, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Chuck Haase, Julie Hehnke, and Kent Mann. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Treasurer and Finance Director Jaye Monter, City Attorney Robert Sivick, and Public Works Street Superintendent Shannon Callahan.

INVOCATION was given by Community Youth Council member Diego Tum-Monge followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council member Diego Tum-Monge and board member Maria Lopez.

SPECIAL ITEMS:

CRA 2014-2015 Proposed Annual Budget. Regional Planning Director Chad Nabity gave an overview of the Community Redevelopment Authority (CRA) budget. The CRA was requesting property tax revenues of \$686,119 with a proposed levy of \$0.026.

The CRA budget highlights were: operating expenses - \$88,550; façade improvement - \$200,000; property purchase - \$200,000; Lincoln Pool, bond payment principal and interest - \$198,050; other projects - \$175,000; and Fire, Life Safety and Infrastructure Grants - \$200,000.

The following carry over projects were mentioned: Kaufman Park project; Life Safety Grant for Tower 217; J Elizabeth Façade Grant; and Ryan Waind Chiropractic office.

Reviewed were the proposed Fire, Life Safety and Infrastructure Grant Program. The goal was to add 50 additional upper story residential units in Downtown Grand Island within the next 5 years. Improvements needed would include but were not limited to: fire sprinklers, additional exits, monitoring equipment, fire separation walls, and elevators to meet fire and building code requirements. This 5 year program, beginning with the 2015 fiscal year, was proposed to be funded by the City of Grand Island - \$100,000 and the CRA - \$100,000 to be match by private funds from the developer. Funds would not be paid until Occupancy Certificates were obtained for new residential units. The program would be reviewed by the CRA annually beginning with the 2017 fiscal year budget and presented to Council with the CRA budget. The program could be cancelled or suspended based on the results of the review.

The following people spoke in support of the Fire, Life Safety and Infrastructure Grant Program:

- Jeremiah Krance, 201 West 17<sup>th</sup> Street

- Tom Ziller, 324 West 18<sup>th</sup> Street
- Amos Anson, 4234 Arizona Avenue

Comments were made by Council of the importance of revitalizing Downtown. Discussion was held concerning the process for approving the grants.

Motion by Gilbert, second by Haase to approve the CRA budget as presented with the Fire, Life Safety and Infrastructure Grant Program. Upon roll call vote, all voted aye. Motion adopted.

Motion by Donadlson, second by Gilbert to reduce the \$250,000 item for the study of the Fire Station and backup Emergency 911 Center be reduced to \$50,000 to relocate the 911 Center.

Discussion was held regarding the appropriateness of this motion as this time. City Attorney Bob Sivick stated due to the open meetings laws and this item not being on the agenda this should be brought back at a later date.

Tracy Overstreet representing The Grand Island Independent spoke in opposition of the motion and commented on filing a complaint with the City due to the number of changes of the agendas less than 48 hours before the meetings.

Insurance Reserve Fund. Finance Director Jaye Monter updated the Council on the cash reserve balances within the Insurance Reserve Fund. The Insurance Reserve Fund consisted of Worker's Compensation, General Insurance, and Health Insurance funds. Total budgeted for 2015 was \$5,602,347. Claims had increased and \$8,409,000 was budgeted for 2015. Proposed 2015 ending cash balance for General Property was \$713,835; Work Comp - \$879,347; and Health Insurance - \$3,109,165.

#### RESOLUTIONS:

2014-231 Consideration of Approving Health Insurance Renewal with Blue Cross Blue Shield. Human Resources Director Brenda Sutherland reported the City had a partially self-funded health and dental benefits plan for its employees. Claims were paid by the premium dollars generated through the plan to a specified limit and a third party, Blue Cross Blue Shield of Nebraska, administered and paid claims and provided stop loss coverage.

Explained was the Health Savings Account (HSA) and the recommendation of increasing the HSA contribution to \$1,250 for single coverage and \$2,500 for family coverage. Also recommended was to adjust the contribution for new employees based on their starting date to be calculated quarterly. The funding level for the 2014-2015 budget would remain the same as last year at \$7.2 million.

Councilmember Minton recused himself from this item.

Motion by Nickerson, second by Paulick to approve Resolution #2014-231.

Discussion was held regarding increasing the HSA Seed fund. Ms. Sutherland stated the goal was to incentivize employees to move to the high deductible plan and continue to control rising costs with increased consumerism. Explained was the transitional fee.

Motion by Gilbert, second by Paulick to leave the HAS contribution at the same level. Upon roll call vote, Councilmembers Stelk, Gilbert, Hehnke, Haase, and Donaldson voted aye. Councilmembers Paulick, Gericke, Nickerson, and Mann voted no. Mayor Vavricek cast the sixth and deciding no vote. Motion failed.

Upon roll call vote of the main motion, Councilmembers Paulick, Stelk, Gericke, Nickerson, Hehnke, Haase, Donaldson, and Mann voted aye. Councilmember Gilbert voted no. Motion adopted.

#2014-232 - Consideration of Approving Voluntary Employee Vision Plan. Human Resources Director Brenda Sutherland reported that as part of the City's comprehensive benefit package to its employee, vision was not included. Request for proposals had been issued for a voluntary employee vision plan with no funding from the City. Eye Med from Mason, OH had been recommended to provide the voluntary vision plan.

Motion by Paulick, second by Minton to approve Resolution #2014-232. Upon roll call vote, all voted aye. Motion adopted.

OTHER ITEMS:

Food and Beverage Occupation Tax Ballot Language. Finance Director Jaye Monter reported that any ballot measure for voter consideration in the 2014 General Election would need to be submitted to the Hall County Election Office no later than September 2, 2014. The current food and beverage occupation tax would expire on December 31, 2015. Any new occupation tax or rate increase would be subject to voter approval.

The following potential allocation of the tax proposed was:

- Provide a funding source for the Nebraska State Fair host city expense (2015 budget amount is \$425,000).
- Remainder of the revenue would be dedicated to the city's capital improvement projects.

The following people spoke in support of using part of this money for marketing the City of Grand Island:

- Cindy Johnson, President of the Chamber of Commerce, 309 West 2<sup>nd</sup> Street
- Brad Mellema, Director of the Convention and Visitors Bureau
- Joseph McDermott, Executive Director of the Nebraska State Fair
- Steve Kunzman, President of Fonner Park, 2408 Riverside Drive
- Lewis Kent, 624 Meves Avenue

Comments were made concerning the importance of bringing events to the City. Mr. McDermott, Ms. Johnson, and Mr. Mellema commented on incentives to bring events to Fonner Park. Mr. Kunzman asked why this had to be decided now since this tax did not sunset until December 31, 2015. Comments were made by Council to take more time to discuss this issue.

Motion by Minton, second by Stelk to approve the ballot language as presented for the Food and Beverage Occupation Ballot.

Comments were made concerning changes in the governing body and wanting to hear their thoughts before this issue is decided.

Motion by Gilbert, second by Hehnke to postpone this matter until after the budget has been completed after the first of October. Upon roll call vote, Councilmembers Minton, Paulick, Stelk, Gericke, Gilbert, Hehnke, Haase, Donaldson, and Mann voted aye. Councilmember Nickerson voted no. Motion adopted.

ADJOURN TO EXECUTIVE SESSION: Motion by Gilbert, second by Haase to adjourn to Executive Session at 9:33 p.m. for the purpose of a strategy session with respect to labor negotiations with IBEW - Utilities. Unanimously approved.

RETURN TO REGULAR SESSION: Motion by Paulick, second by Gilbert to return to Regular Session at 10:28 p.m. Unanimously approved.

ADJOURNMENT: The meeting was adjourned at 10:28 p.m.

City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-4

**#2014-234 - Approving Preliminary Plat for Sterling Estates  
Subdivision and Final Plat and Subdivision Agreement for Sterling  
Estates Fourth Subdivision**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Regional Planning Commission

**Meeting:** August 26, 2014

**Subject:** Sterling Estates Preliminary Plat & Sterling Estates Fourth Subdivision – Final Plat

**Item #'s:** G-4

**Presenter(s):** Chad Nabity AICP, Regional Planning Director

## Background

This property is located south of Capital Ave and east of North Road, in the City of Grand Island, in Hall County, Nebraska. Consisting of (78 Lots) and 23.46 acres.

## Discussion

The final plat for Sterling Estates Fourth Subdivision was considered by the Regional Planning Commission at the August 6, 2014 meeting.

A motion was made by Ruge and seconded by McCarty to approve the plat as presented.

A roll call vote was taken and the motion passed with 9 members present and voting in favor (McCarty, O'Neill, Connick, Ruge, Heckman, Reynolds, Kjar, Haskins and Bredthauer) and no members abstaining.

## 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

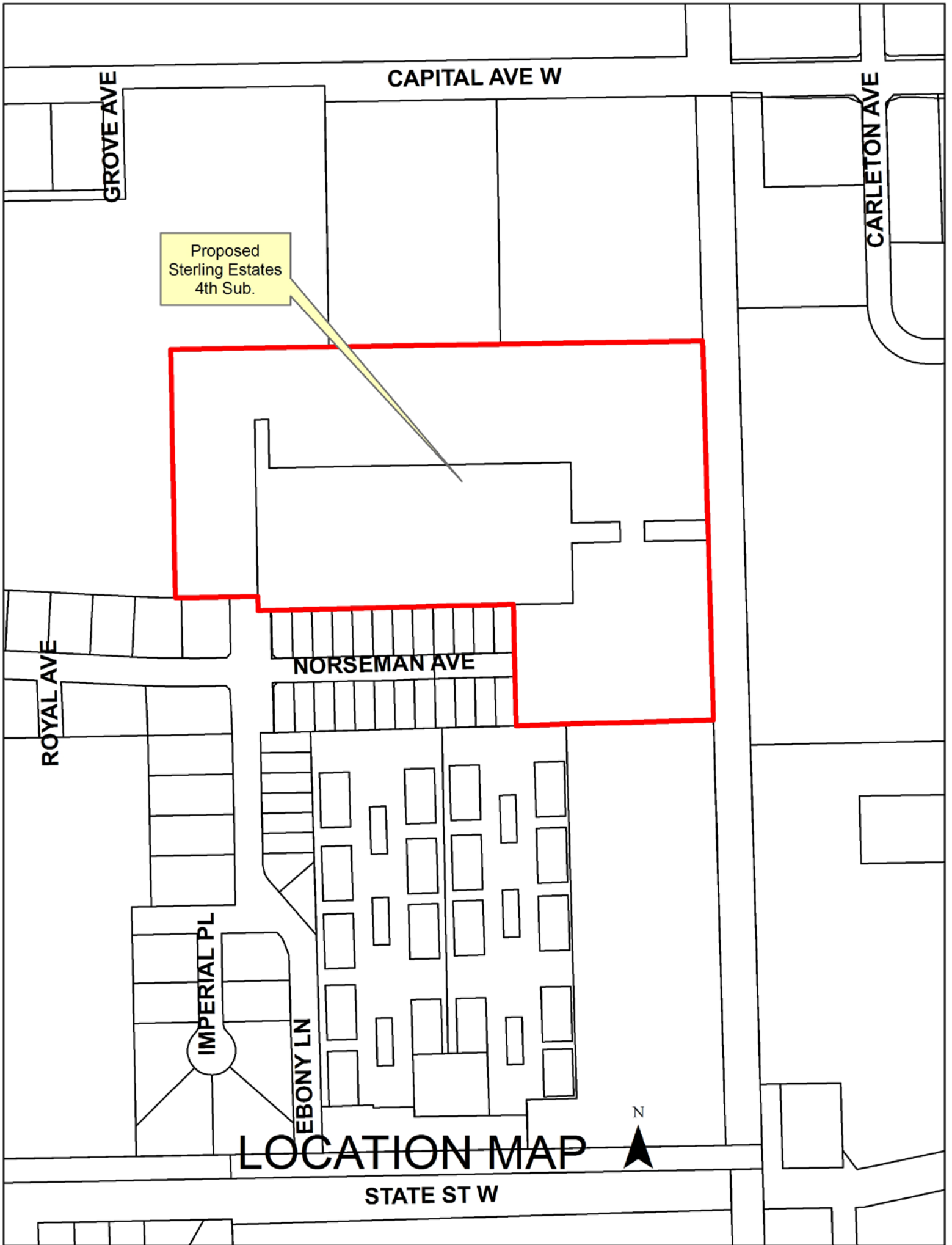
## **Recommendation**

City Administration recommends that the Council approve the final plat as presented.

## **Sample Motion**

Move to approve as recommended.





**Niedfelt Property Management Preferred LLC  
Developer/Owner**

Niedfelt Property Management Preferred LLC  
PO Box 1445  
Grand Island NE 68802

To create 78 lots located south of Capital Ave and east of North Rd., in the City of Grand Island, in Hall County, Nebraska.

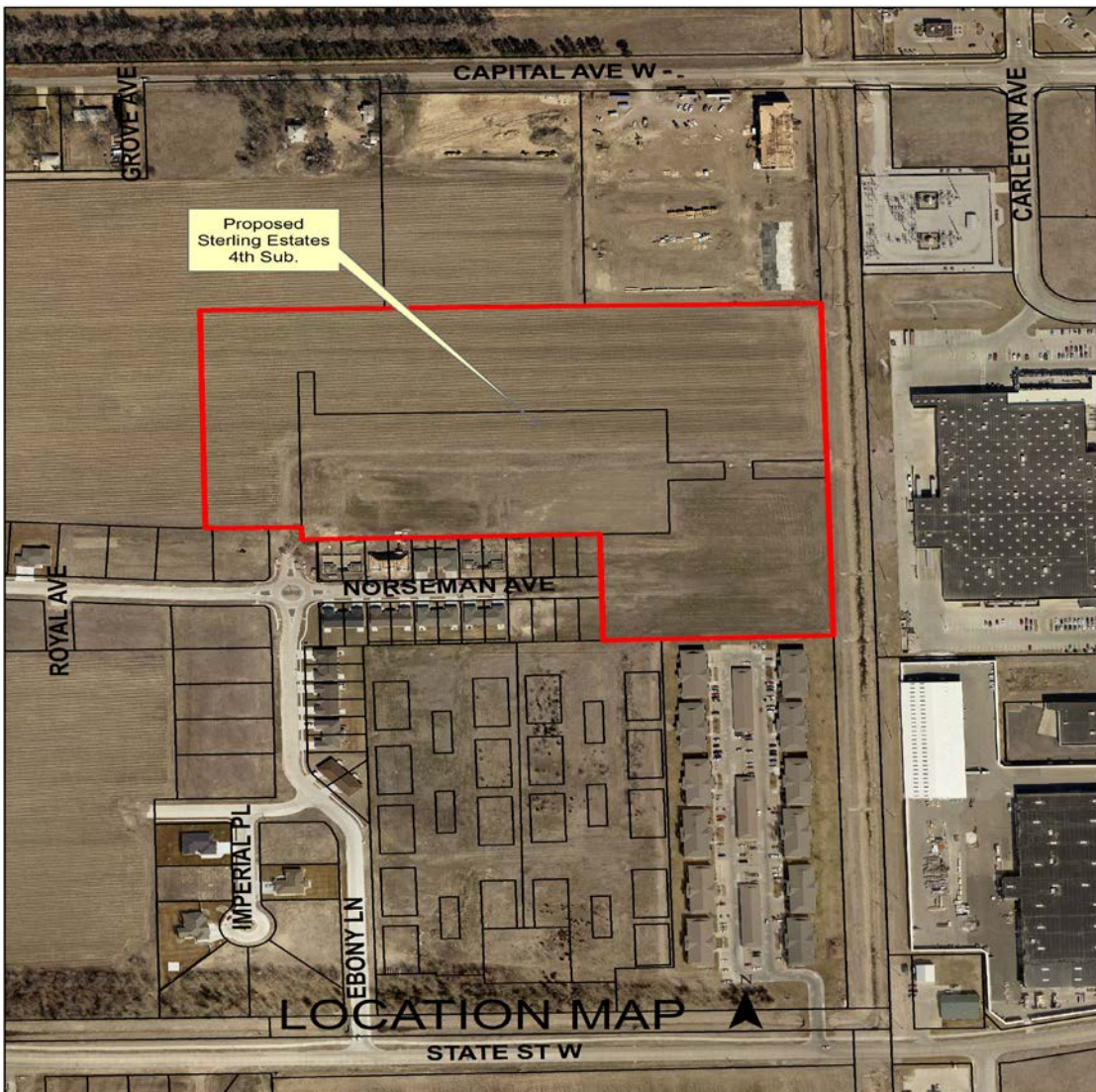
**Size:** 23.46 acres

**Zoning:** R1 – Suburban Residential Zone

**Road Access:** City Roads

**Water Public:** City water is available.

**Sewer Public:** City sewer is available.



July 22, 2014

Dear Members of the Board:

**RE: Preliminary Plat – Sterling Estates and Final Plat - Sterling Estates Fourth and Fifth Subdivision**

For reasons of Section 19-923 Revised Statutes of Nebraska, as amended, there is herewith submitted a preliminary and final plat of Sterling Estates Fourth and Fifth Subdivision, located in the City of Grand Island, in Hall County Nebraska.

These final plats propose to create 78 lots on Sterling Estates Fourth Subdivision, on a tract of land located in part of the Northwest Quarter (NW1/4) of Section Twelve (12), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> P.M., in Grand Island, Hall County, NE said tract containing 23.46 acres and 9 lots on Sterling Estates Fifth Subdivision, a replat of all of Lots 1-6, Block 6, Sterling Estates Subdivision in the City of Grand Island in the City of Grand Island, Hall County, Nebraska, said tract containing 3.26 acres.

You are hereby notified that the Regional Planning Commission will consider this final plat at the next meeting that will be held at 6:00 p.m. on August 6, 2014 in the Council Chambers located in Grand Island's City Hall.

Sincerely,

Chad Nability, AICP  
Planning Director

Cc: City Clerk  
City Attorney  
City Public Works  
City Building Department  
City Utilities  
Manager of Postal Operations  
Olsson Associates

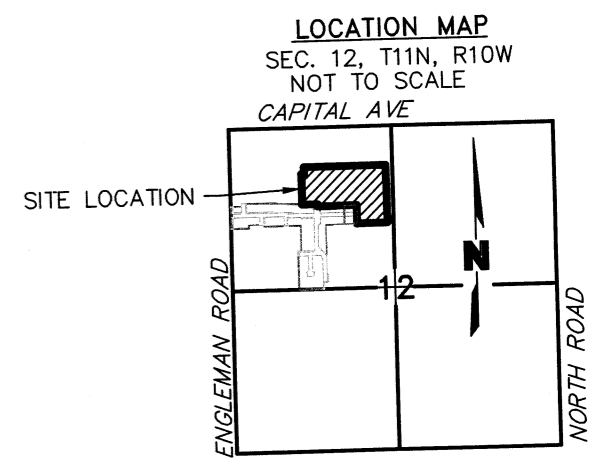
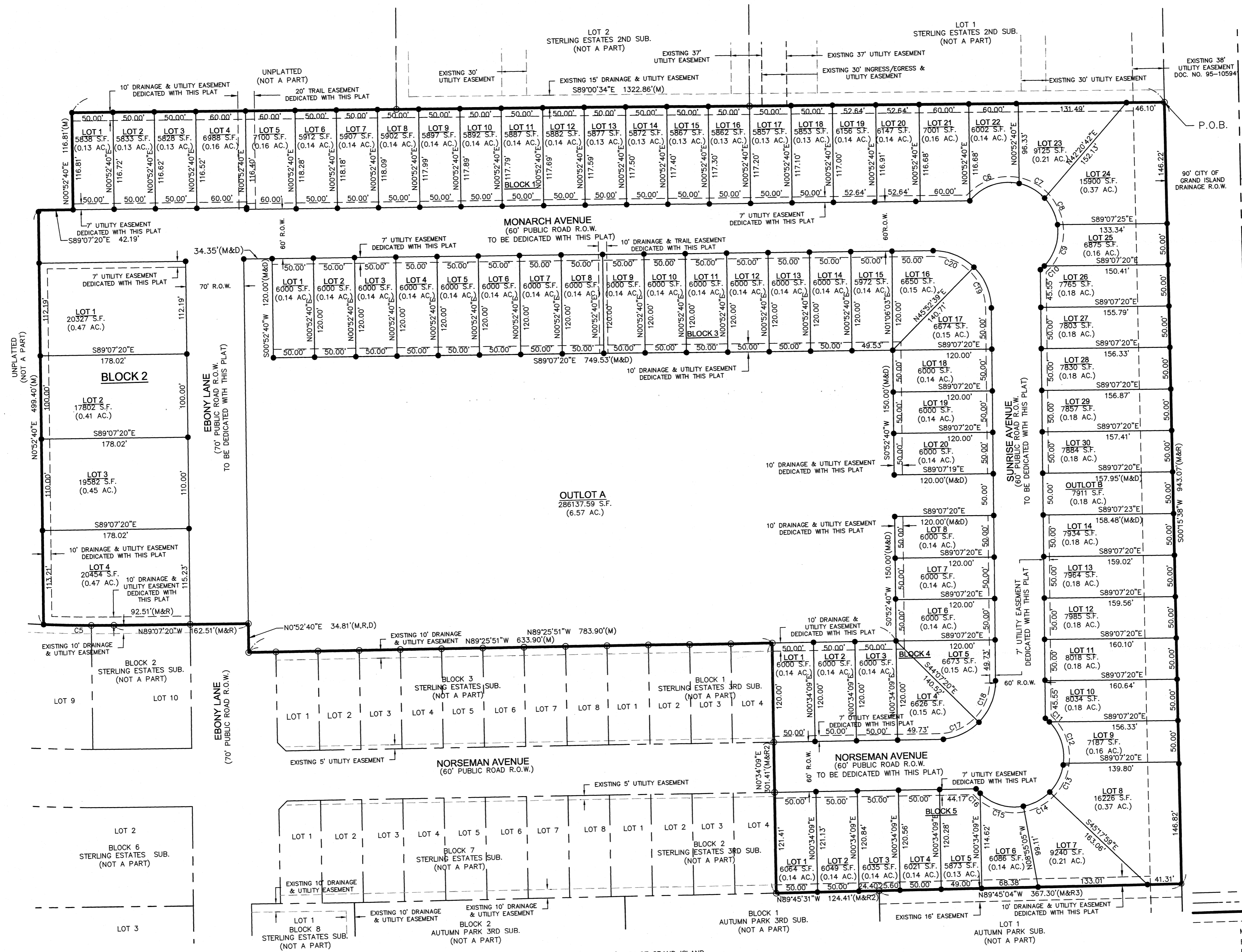
This letter was sent to the following School Districts 1R, 2, 3, 19, 82, 83, 100, 126.

# STERLING ESTATES FOURTH SUBDIVISION

## IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA

### FINAL PLAT

DWG: F:\projects\014-0116\STERLING\_5TH SUB\Final\_Plot\Sterling Estates 4th Sub.dwg  
 USER: lwheeler  
 DATE: Jul 18, 2014 2:49pm  
 XREFS: Sterling\_3rd\_FP 051638\_1ST-FP 0121026\_ROW 014-0116\_ROW\_7-15 014-0116\_PBASE 051638\_ROW-1ST



- LEGEND**
- SET CORNER (5/8"x24" REBAR W/CAP)
  - ⊙ FOUND CORNER (5/8" REBAR W/CAP)
  - SECTION LINE
  - - - EXISTING PROPERTY LINE
  - PROPERTY LINE
  - - - EASEMENT LINE
  - M MEASURED DISTANCE
  - R RECORDED DISTANCE STERLING ESTATES SUB.
  - R2 RECORDED DISTANCE STERLING ESTATES THIRD SUB.
  - R3 RECORDED DISTANCE AUTUMN PARK SUB.
  - R4 RECORDED DISTANCE STERLING ESTATES SECOND SUB.
  - D RECORDED DISTANCE DOC. NO. 0200905078

OWNERS: NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC./ CITY OF GRAND ISLAND  
 SUBDIVIDER: NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC./ CITY OF GRAND ISLAND  
 SURVEYOR: OLSSON ASSOCIATES  
 ENGINEER: OLSSON ASSOCIATES  
 NUMBER OF LOTS: 78

	201 East 2nd Street P.O. Box 1072 Grand Island, NE 68802-1072 TEL 308.384.8750 FAX 308.384.8752	PROJECT NO. 2014- <b>NIEDFELT SURVEY</b> FB
	SHEET 1 OF 2	

RESOLUTION 2014-234

WHEREAS the Niedfelt Property Management Preferred, LLC., a Nebraska Limited Liability Company, being the owner of the land described hereon, has caused same to be surveyed, subdivided, platted and designated as "STERLING ESTATES FOURTH SUBDIVISION", to be laid out into 78 lots, on a tract of land located in part of the Northwest Quarter (NW1/4) of Section Twelve (12), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> P.M., in the City of Grand Island, Hall County, Nebraska, and has caused a plat thereof to be acknowledged by it; and

WHEREAS, a copy of the plat of such subdivision has been presented to the Boards of Education of the various school districts in Grand Island, Hall County, Nebraska, as required by Section 19-923, R.R.S. 1943; and

WHEREAS, a form of subdivision agreement has been agreed to between the owner of the property and the City of Grand Island.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the form of subdivision agreement hereinbefore described is hereby approved, and the Mayor is hereby authorized to execute such agreement on behalf of the City of Grand Island.

BE IT FURTHER RESOLVED that the final plat of STERLING ESTATES FOURTH SUBDIVISION, as made out, acknowledged, and certified, is hereby approved by the City Council of the City of Grand Island, Nebraska, and the Mayor is hereby authorized to execute the approval and acceptance of such plat by the City of Grand Island, Nebraska.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-5

**#2014-235 - Approving Final Plat and Subdivision Agreement for Sterling Estates Fifth Subdivision**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Regional Planning Commission  
**Meeting:** August 26, 2014  
**Subject:** Sterling Estates Fifth Subdivision – Final Plat  
**Item #'s:** G-5  
**Presenter(s):** Chad Naby AICP, Regional Planning Director

## Background

This property is located south of Capital Ave and east of North Road, in the City of Grand Island, in Hall County, Nebraska. Consisting of (9 Lots) and 3.26 acres.

## Discussion

The final plat for Sterling Estates Fifth Subdivision was considered by the Regional Planning Commission at the August 6, 2014 meeting.

A motion was made by Ruge and seconded by McCarty to approve the plat as presented.

A roll call vote was taken and the motion passed with 9 members present and voting in favor (McCarty, O’Neill, Connick, Ruge, Heckman, Reynolds, Kjar, Haskins and Bredthauer) and no members abstaining.

## Alternatives

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

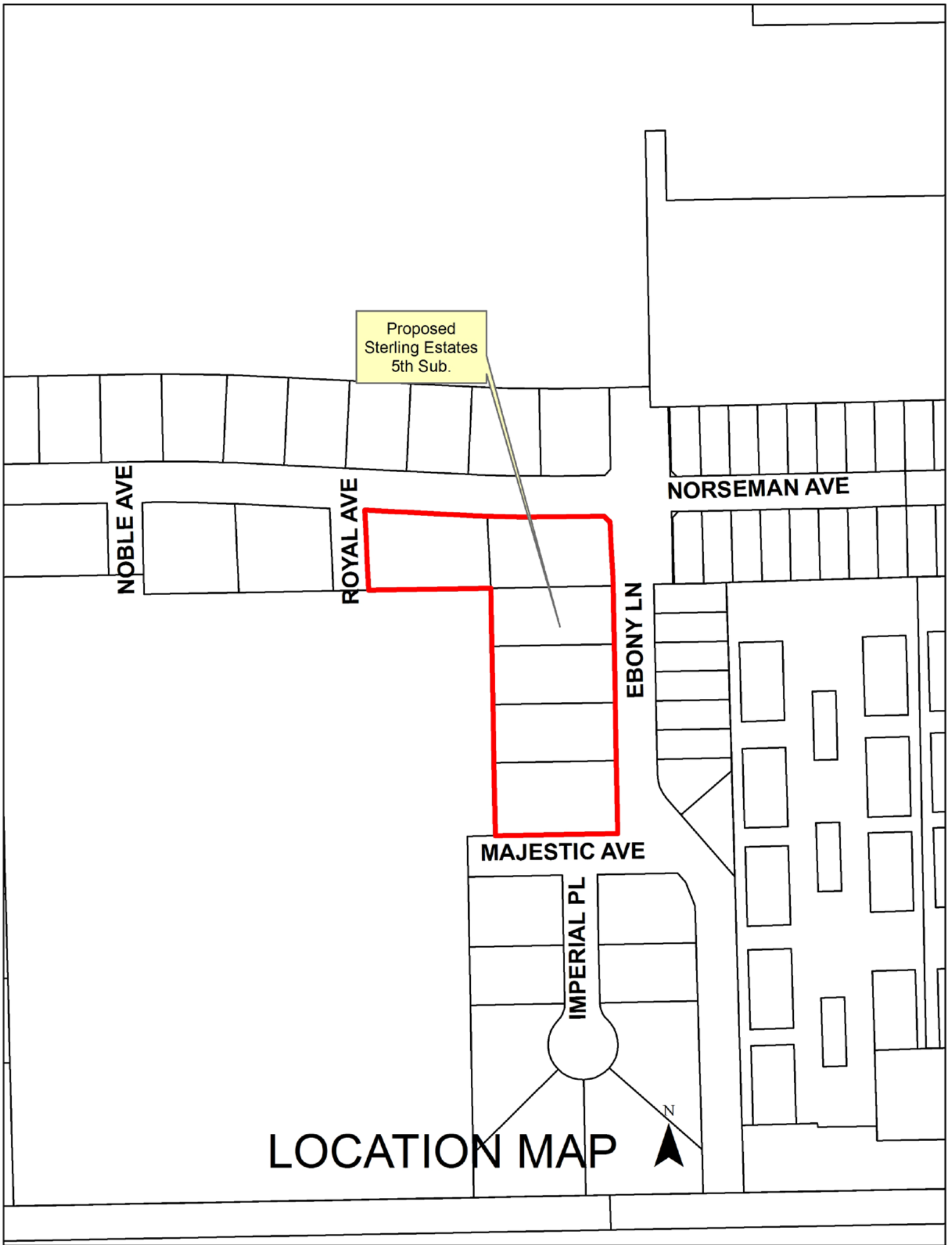
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## Recommendation

City Administration recommends that the Council approve the final plat as presented.

## Sample Motion

Move to approve as recommended.





**Niedfelt Property Management Preferred LLC  
Developer/Owner**

Niedfelt Property Management Preferred LLC  
PO Box 1445  
Grand Island NE 68802

To create 9 lots located south of Capital Ave and east of North Rd., in the City of Grand Island, in Hall County, Nebraska.

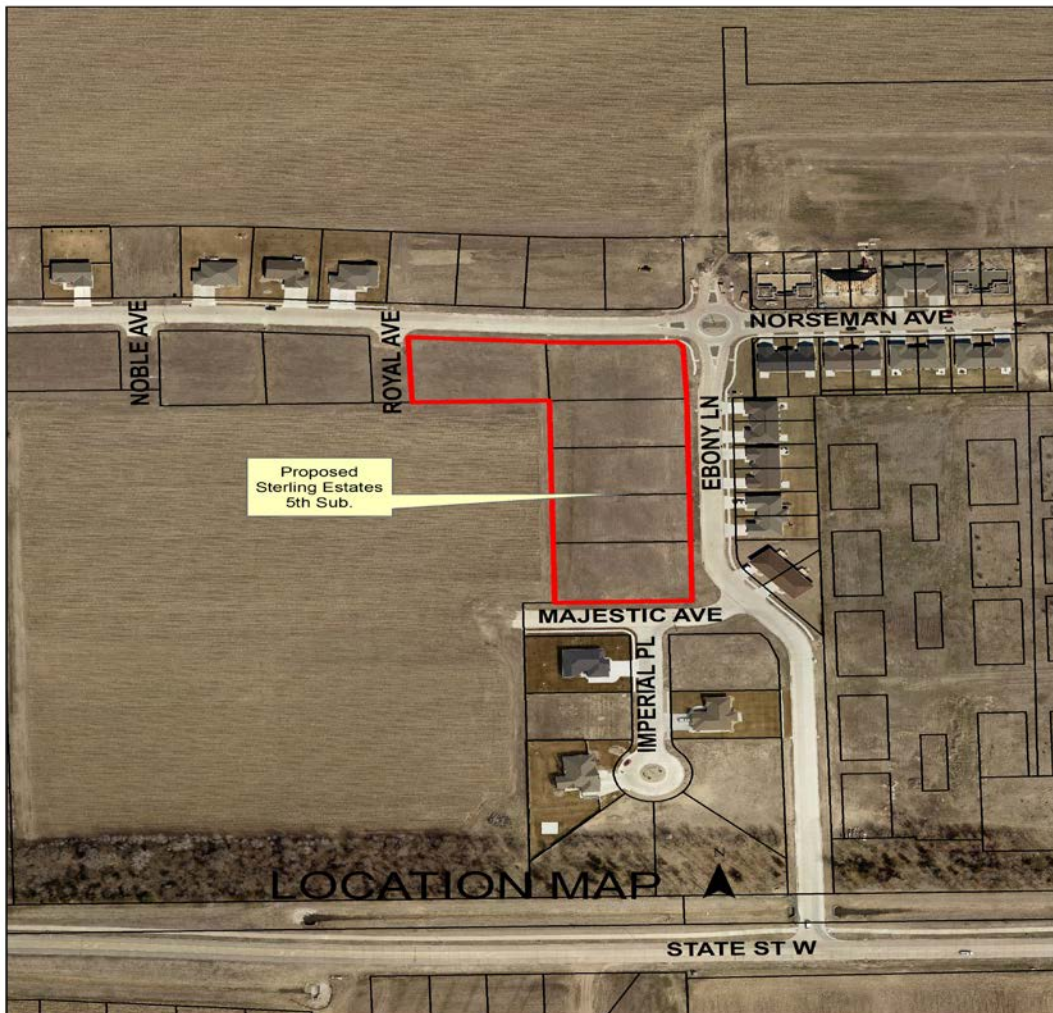
**Size:** 3.26 acres

**Zoning:** R1 – Suburban Residential Zone

**Road Access:** City Roads

**Water Public:** City water is available.

**Sewer Public:** City sewer is available.



July 22, 2014

Dear Members of the Board:

**RE: Preliminary Plat – Sterling Estates and Final Plat - Sterling Estates Fourth and Fifth Subdivision**

For reasons of Section 19-923 Revised Statutes of Nebraska, as amended, there is herewith submitted a preliminary and final plat of Sterling Estates Fourth and Fifth Subdivision, located in the City of Grand Island, in Hall County Nebraska.

These final plats propose to create 78 lots on Sterling Estates Fourth Subdivision, on a tract of land located in part of the Northwest Quarter (NW1/4) of Section Twelve (12), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> P.M., in Grand Island, Hall County, NE said tract containing 23.46 acres and 9 lots on Sterling Estates Fifth Subdivision, a replat of all of Lots 1-6, Block 6, Sterling Estates Subdivision in the City of Grand Island in the City of Grand Island, Hall County, Nebraska, said tract containing 3.26 acres.

You are hereby notified that the Regional Planning Commission will consider this final plat at the next meeting that will be held at 6:00 p.m. on August 6, 2014 in the Council Chambers located in Grand Island's City Hall.

Sincerely,

Chad Nability, AICP  
Planning Director

Cc: City Clerk  
City Attorney  
City Public Works  
City Building Department  
City Utilities  
Manager of Postal Operations  
Olsson Associates

This letter was sent to the following School Districts 1R, 2, 3, 19, 82, 83, 100, 126.

# STERLING ESTATES FIFTH SUBDIVISION

## IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA

### FINAL PLAT

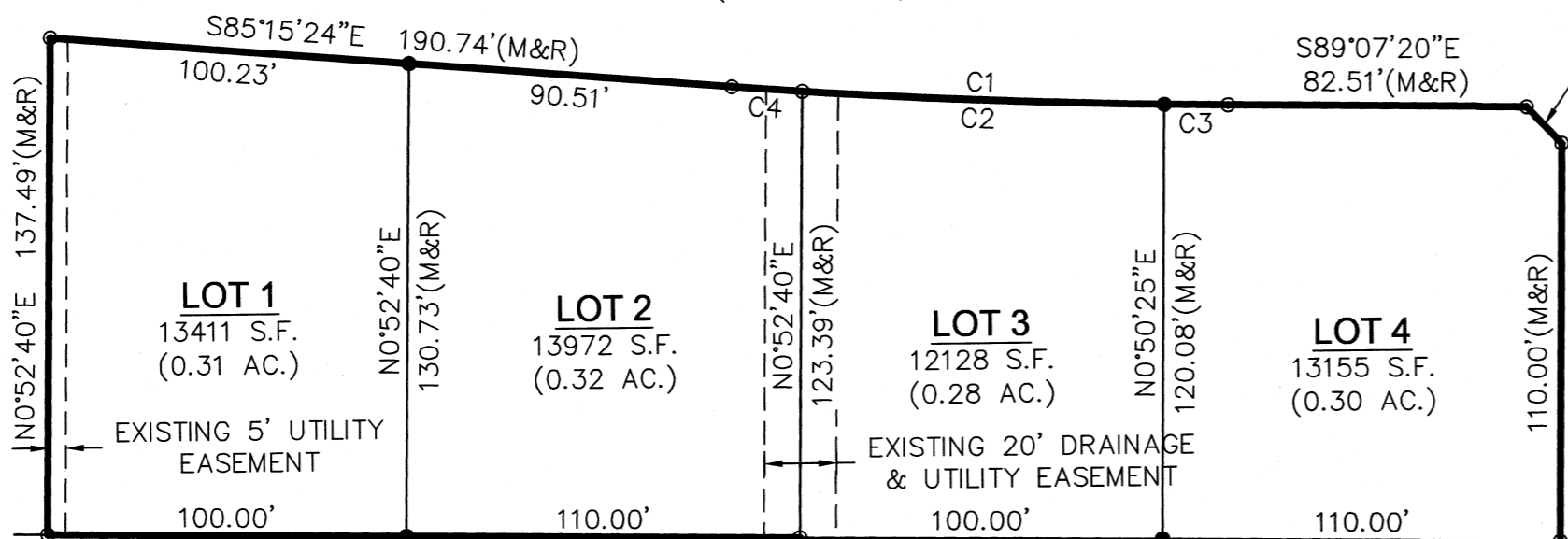
**NORSEMAN AVENUE**  
(70' R.O.W.)

**ROYAL AVENUE**  
(60' R.O.W.)

**EBONY LANE**  
(70' R.O.W.)

**MAJESTIC AVENUE**  
(70' R.O.W.)

LOT 2  
BLOCK 5  
STERLING ESTATES SUB.  
(NOT A PART)

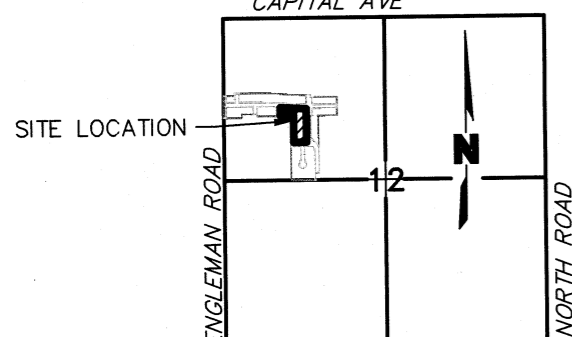


CURVE TABLE					
CURVE #	DELTA	RADIUS	DIRECTION	LENGTH	CHORD
C1	003°51'56"	2035.00'	N87°11'22"W	137.29'(M&R)	137.27'
C2	002°48'54"	2035.00'	N87°13'12"W	99.99'	99.98'
C3	000°29'41"	2035.00'	N88°52'30"W	17.57'(M&R)	17.57'
C4	000°33'20"	2035.00'	N85°32'04"W	19.74'	19.74'

UNPLATTED  
(NOT A PART)

**LOCATION MAP**

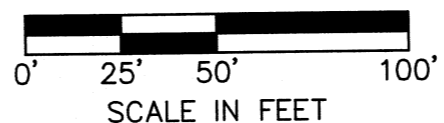
SEC. 12, T11N, R10W  
NOT TO SCALE



OWNERS: NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC.  
SUBDIVIDER: NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC.  
SURVEYOR: OLSSON ASSOCIATES  
ENGINEER: OLSSON ASSOCIATES  
NUMBER OF LOTS: 9

**LEGEND**

- SET CORNER (5/8"x24" REBAR W/CAP)
- ⊙ FOUND CORNER (5/8" REBAR W/CAP)
- EXISTING PROPERTY LINE
- PROPERTY LINE
- M MEASURED DISTANCE
- R RECORDED DISTANCE STERLING ESTATES SUB.



**LEGAL DESCRIPTION**

A REPLAT OF ALL OF LOTS 1-6, BLOCK 6, STERLING ESTATES SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA. SAID REPLAT CONTAINS A CALCULATED AREA OF 141,916 SQUARE FEET OR 3.26 ACRES MORE OR LESS.

**SURVEYOR'S CERTIFICATE**

I HEREBY CERTIFY THAT ON \_\_\_\_\_, I COMPLETED AN ACCURATE SURVEY, UNDER MY PERSONAL SUPERVISION, OF ALL OF LOTS 1-6, BLOCK 6, STERLING ESTATES SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, AS SHOWN ON THE ACCOMPANYING PLAT THEREOF; THAT IRON MARKERS, EXCEPT WHERE INDICATED, WERE FOUND AT ALL CORNERS; THAT THE DIMENSIONS ARE AS SHOWN ON THE PLAT; AND THAT SAID SURVEY WAS MADE WITH REFERENCE TO KNOWN AND RECORDED MONUMENTS.

JAI JASON ANDRIST, REGISTERED LAND SURVEYOR NUMBER, LS-630

**DEDICATION OF PLAT**

KNOW ALL MEN BY THESE PRESENTS, THAT NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC., BEING THE OWNERS OF THE LAND DESCRIBED HEREON, HAVE CAUSED SAME TO BE SURVEYED, SUBDIVIDED, PLATTED AND DESIGNATED AS "**STERLING ESTATES FIFTH SUBDIVISION**" BEING ALL OF LOTS 1-6, BLOCK 6, STERLING ESTATES SUBDIVISION IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, AS SHOWN ON THE ACCOMPANYING PLAT THEREOF AND DO HEREBY DEDICATE THE EASEMENTS, AS SHOWN THEREON TO THE PUBLIC FOR THEIR USE FOREVER FOR THE LOCATION, CONSTRUCTION AND MAINTENANCE FOR PUBLIC SERVICE UTILITIES, TOGETHER WITH THE RIGHTS OF INGRESS AND EGRESS THERETO, AND HEREBY PROHIBITING THE PLANTING OF TREES, BUSHES AND SHRUBS, OR PLACING OTHER OBSTRUCTIONS UPON, OVER, ALONG OR UNDERNEATH THE SURFACE OF SUCH EASEMENTS; AND THAT THE FOREGOING SUBDIVISION IS MORE PARTICULARLY DESCRIBED IN THE DESCRIPTION HEREON AS APPEARS ON THIS PLAT IS MADE WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDERSIGNED OWNERS AND PROPRIETORS.

IN WITNESS WHEREOF, I HAVE AFFIXED MY SIGNATURE HERETO, AT \_\_\_\_\_, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC, A NEBRASKA LIMITED LIABILITY COMPANY  
JOHN NIEDFELT, MANAGER

**ACKNOWLEDGMENT**

STATE OF NEBRASKA      SS  
COUNTY OF HALL

ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014, BEFORE ME \_\_\_\_\_, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY, PERSONALLY APPEARED JOHN NIEDFELT, MANAGER, NIEDFELT PROPERTY MANAGEMENT PREFERRED LLC, A NEBRASKA LIMITED LIABILITY COMPANY, TO ME PERSONALLY KNOWN TO BE THE IDENTICAL PERSON WHOSE SIGNATURES ARE AFFIXED HERETO AND ACKNOWLEDGED THE EXECUTION THEREOF TO BE HIS VOLUNTARY ACT AND DEED. IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED MY OFFICIAL SEAL AT \_\_\_\_\_, NEBRASKA, ON THE DATE LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES \_\_\_\_\_

NOTARY PUBLIC

**APPROVAL**

SUBMITTED TO AND APPROVED BY THE REGIONAL PLANNING COMMISSION OF HALL COUNTY, CITIES OF GRAND ISLAND, WOOD RIVER, AND THE VILLAGES OF ALDA, CAIRO, AND DONIPHAN, NEBRASKA.

CHAIRMAN \_\_\_\_\_ DATE \_\_\_\_\_

APPROVED AND ACCEPTED BY THE CITY OF GRAND ISLAND, NEBRASKA

THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

MAYOR \_\_\_\_\_

CITY CLERK \_\_\_\_\_

DWG: F:\projects\014-0116\STERLING 5TH SUB\Final Plat\Sterling Estates 5th Sub.dwg      USER: Wheeler  
DATE: Jul 18, 2014 2:55pm      XREFS: Sterling 3rd\_FF 051638\_1ST-FF 0121026\_ROW 014-0116\_ROW\_7-15

**OLSSON ASSOCIATES**  
201 East 2nd Street  
P.O. Box 1072  
Grand Island, NE 68802-1072  
TEL 308.384.8750  
FAX 308.384.8752

PROJECT NO. 2014-  
NIEDFELT SURVEY  
FB

RESOLUTION 2014-235

WHEREAS the Niedfelt Property Management Preferred, LLC., a Nebraska Limited Liability Company, being the owner of the land described hereon, has caused same to be surveyed, subdivided, platted and designated as "STERLING ESTATES FIFTH SUBDIVISION", to be laid out into 9 lots, a replat of all of Lots 1-6, Block 6, Sterling Estates Subdivision in the City of Grand Island, Hall County, Nebraska, and has caused a plat thereof to be acknowledged by it; and

WHEREAS, a copy of the plat of such subdivision has been presented to the Boards of Education of the various school districts in Grand Island, Hall County, Nebraska, as required by Section 19-923, R.R.S. 1943; and

WHEREAS, a form of subdivision agreement has been agreed to between the owner of the property and the City of Grand Island.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the form of subdivision agreement hereinbefore described is hereby approved, and the Mayor is hereby authorized to execute such agreement on behalf of the City of Grand Island.

BE IT FURTHER RESOLVED that the final plat of STERLING ESTATES FIFTH SUBDIVISION, as made out, acknowledged, and certified, is hereby approved by the City Council of the City of Grand Island, Nebraska, and the Mayor is hereby authorized to execute the approval and acceptance of such plat by the City of Grand Island, Nebraska.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

---

Jay Vavricek, Mayor

Attest:

---

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-6

**#2014-236 - Approving Final Plat and Subdivision Agreement for  
TLST Spiels Subdivision**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Regional Planning Commission  
**Meeting:** August 26, 2014  
**Subject:** TLST Spiels Subdivision – Final Plat  
**Item #'s:** G-6  
**Presenter(s):** Chad Nability AICP, Regional Planning Director

## Background

This property is located south of Capital Ave. and east of St. Paul Rd., in the City of Grand Island, in Hall County, Nebraska. Consisting of (2 Lots) and 5.781 acres.

## Discussion

The plat for TLST Spiels Subdivision Final Plat was considered by the Regional Planning Commission at the August 6, 2014 meeting.

A motion was made by Ruge and seconded by McCarty to approve the plat as presented.

A roll call vote was taken and the motion passed with 9 members present and voting in favor (McCarty, O'Neill, Connick, Ruge, Heckman, Reynolds, Kjar, Haskins and Bredthauer) and no members abstaining.

## Alternatives

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

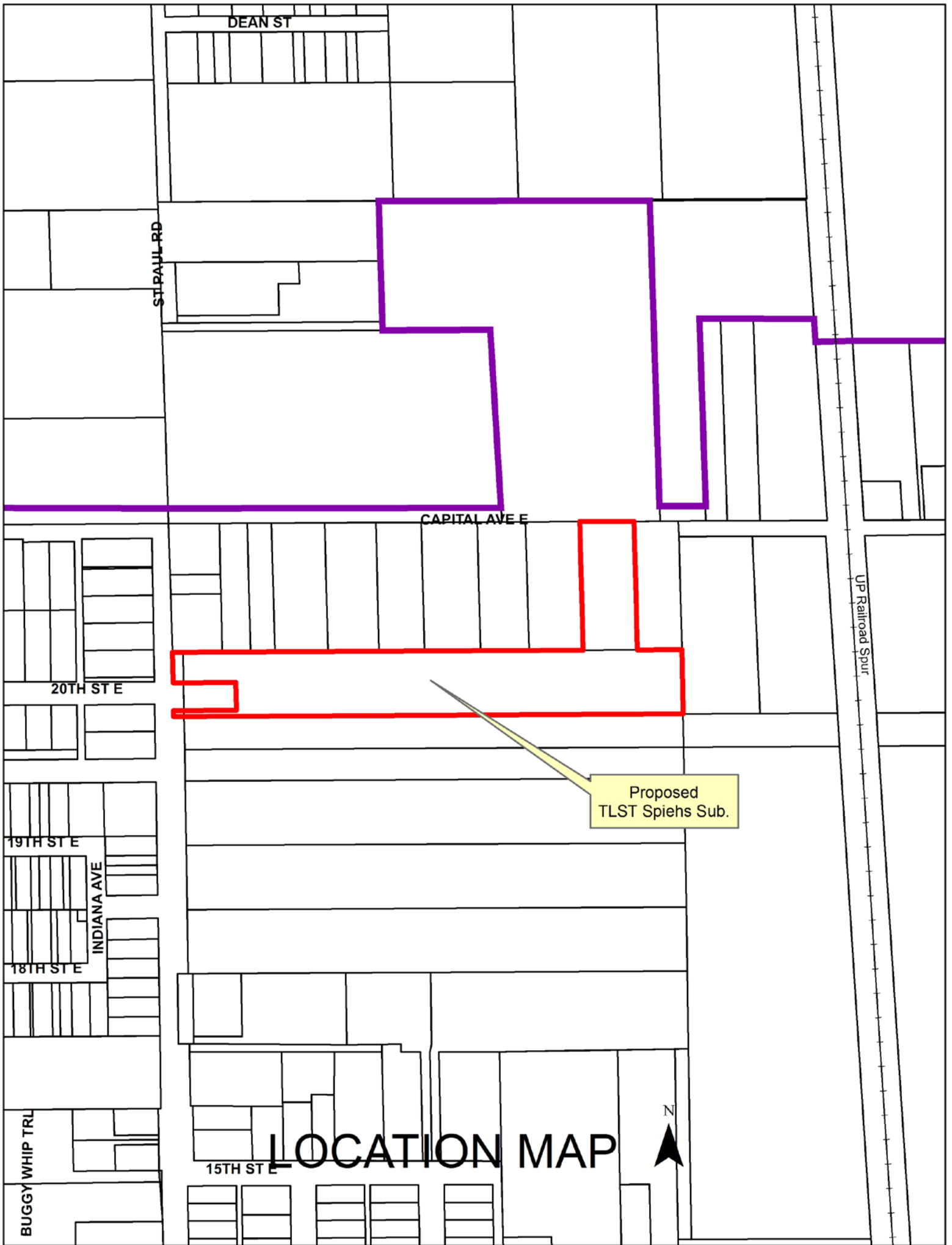
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## Recommendation

City Administration recommends that the Council approve the final plat as presented.

## Sample Motion

Move to approve as recommended.



**Timothy Spiehs & Gary Ummel**  
**Developer/Owner**

Timothy Spiehs  
909 E Capital Ave  
Grand Island NE 68801

Gary Ummel  
1723 St Paul Rd  
Grand Island NE 68801

To create 2 lots located south of Capital Ave and east of St. Paul Rd., in the City of Grand Island, in Hall County, Nebraska.

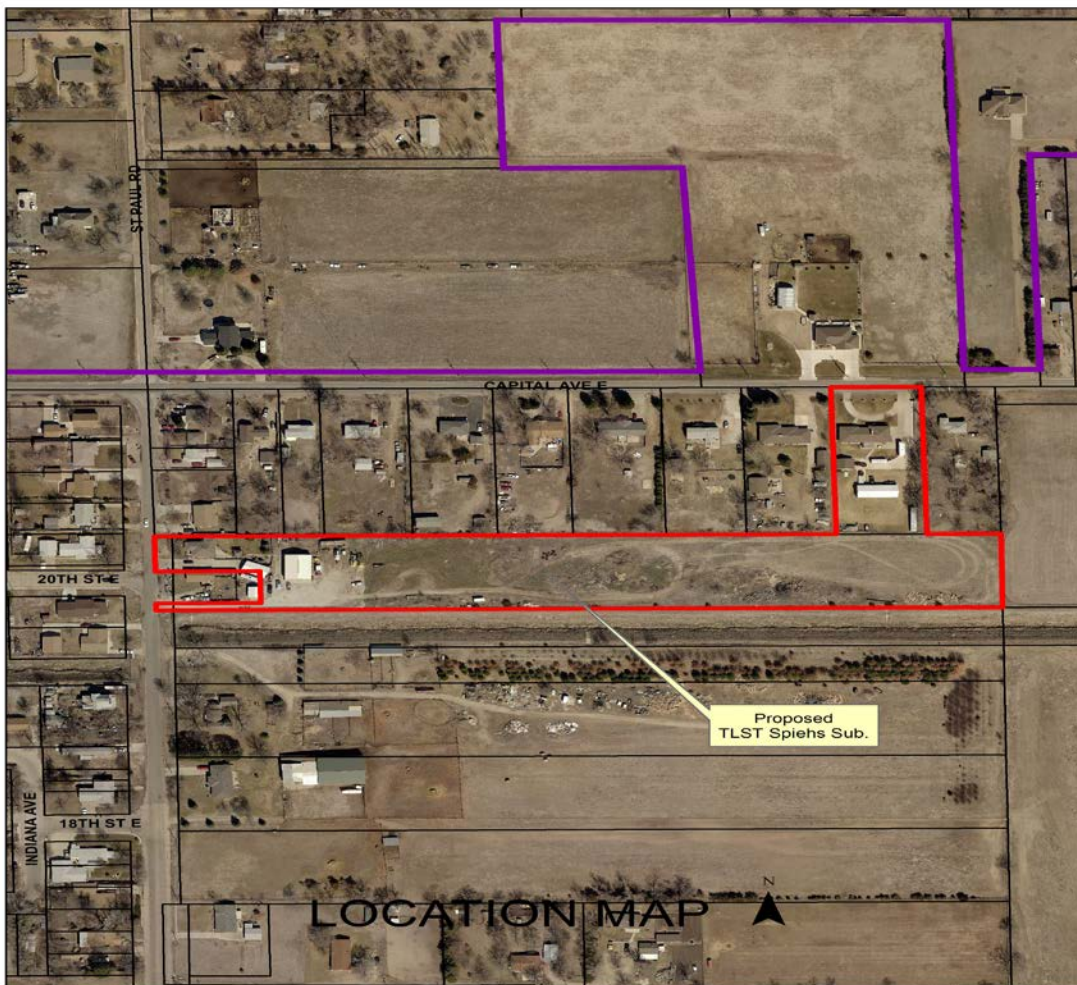
**Size:** 5.781 acres

**Zoning:** LLR – Large Lot Residential Zone

**Road Access:** City Roads

**Water Public:** City water is available.

**Sewer Public:** City sewer is available.





July 22, 2014

Dear Members of the Board:

**RE: Final Plat – TLST Spiehs Subdivision**

For reasons of Section 19-923 Revised Statutes of Nebraska, as amended, there is herewith submitted a final plat of TLST Spiehs Subdivision, located in the City of Grand Island, in Hall County Nebraska.

This final plat proposes to create 2 lots, on a tract of land comprising a part of Lot One (1), Norwood Subdivision and a part of the North Ten (10) Acres of the West Half of the Northwest Quarter (W ½ NW ¼) all in section Ten (10), Township Eleven (11) North, Range Nine (9) West of the 6<sup>th</sup> P.M., in the City of Grand Island, Hall County, Nebraska, said tract containing 5.781 acres.

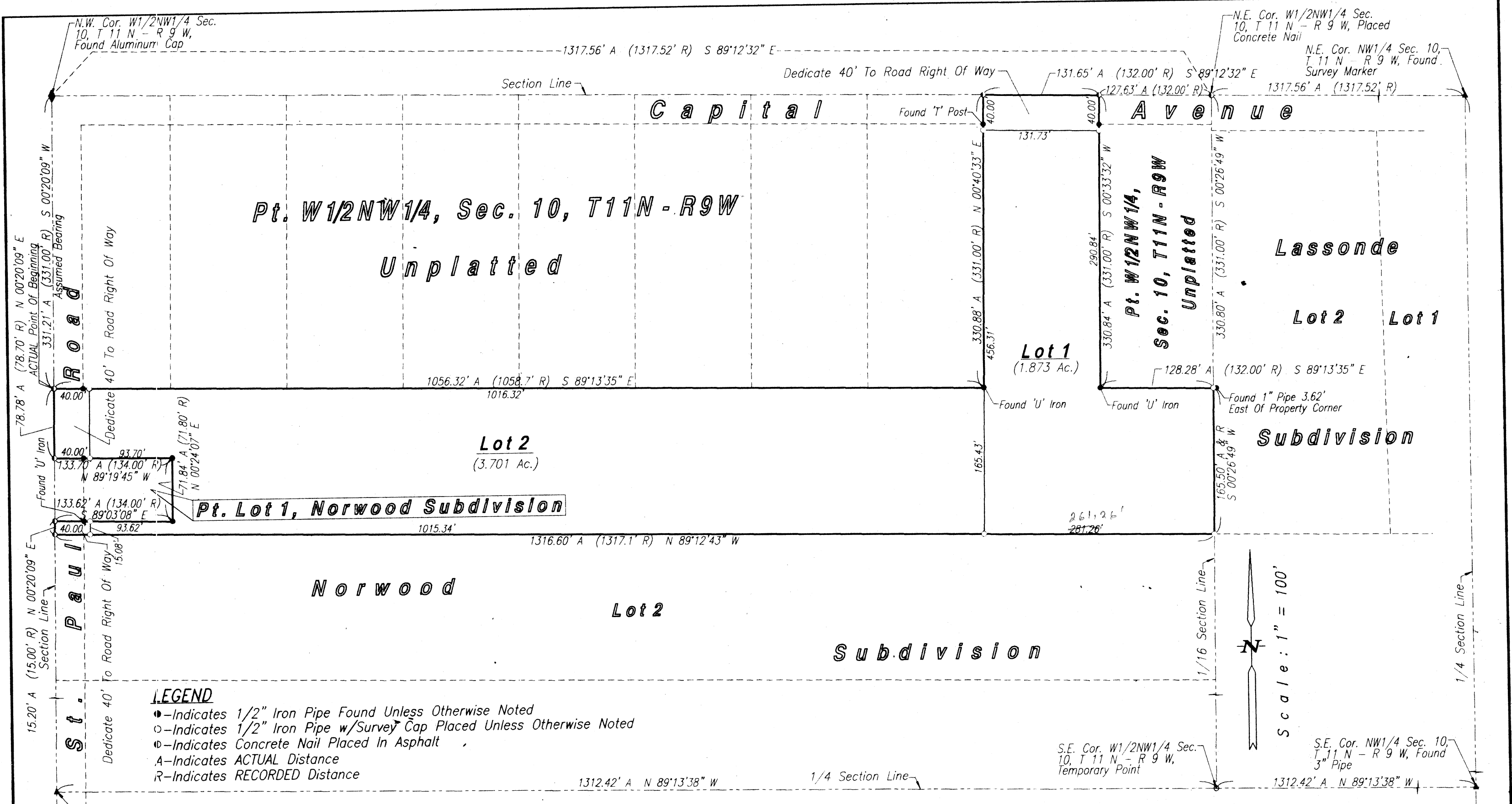
You are hereby notified that the Regional Planning Commission will consider this final plat at the next meeting that will be held at 6:00 p.m. on August 6, 2014 in the Council Chambers located in Grand Island's City Hall.

Sincerely,

Chad Nabity, AICP  
Planning Director

Cc: City Clerk  
City Attorney  
City Public Works  
City Building Department  
City Utilities  
Manager of Postal Operations  
Rockwell & Associates LLC

This letter was sent to the following School Districts 1R, 2, 3, 19, 82, 83, 100, 126.



**Dedication**

KNOW ALL MEN BY THESE PRESENTS, that TIMOTHY S. SPIEHS and LISA M. SPIEHS, husband and wife, and GARY UMMEL and ESTEL UMMEL, husband and wife, being the owners of the land described hereon, have caused same to be surveyed, subdivided, platted and designated as 'T L S T SPIEHS SUBDIVISION' in the City of Grand Island, Nebraska, as shown on the accompanying plat thereof, and do hereby dedicate the easements, if any, as shown thereon for the location, construction and maintenance of public service utilities, together with the right of ingress and egress thereto, and hereby prohibiting the planting of trees, bushes and shrubs, or placing other obstructions upon, over, along or underneath the surface of such easements; and that the foregoing subdivision as more particularly described in the description hereon as appears on this plat is made with the free consent and in accordance with the desires of the undersigned owners and proprietors.

IN WITNESS WHEREOF, I we affixed our signatures hereto, at Grand Island, Nebraska, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Timothy S. Spiehs

\_\_\_\_\_  
Lisa M. Spiehs

\_\_\_\_\_  
Gary Ummel

\_\_\_\_\_  
Estel Ummel

**Surveyor's Certificate**

I hereby certify that on July 15, 2014, I completed an accurate survey of 'T L S T SPIEHS SUBDIVISION', in the City of Grand Island, Nebraska, as shown on the accompanying plat thereof; that the lots, blocks, streets, avenues, alleys, parks, commons and other grounds as contained in said subdivision as shown on the accompanying plat thereof are well and accurately staked off and marked; that iron markers were placed at all lot corners; that the dimensions of each lot are as shown on the plat; that each lot bears its own number; and that said survey was made with reference to known and recorded monuments.

Deryl D. Sorgenfrei, Reg. Land Surveyor No. 578

**Approvals**

Submitted to and approved by the Regional Planning Commission of Hall County, Grand Island, Wood River and the Villages of Alda, Cairo and Doniphan, Nebraska.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

Approved and accepted by the City of Grand Island, Nebraska, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

**Legal Description**

A tract of land comprising a part of Lot One (1), Norwood Subdivision and a part of the North Ten (10) Acres of the West Half of the Northwest Quarter (W1/2NW1/4) all in Section Ten (10), Township Eleven (11) North, Range Nine (9) West of the 6th. P.M., in the City of Grand Island, Hall County, Nebraska and more particularly described as follows:

Beginning at the northwest corner of said West Half of the Northwest Quarter (W1/2NW1/4); thence running southerly on the west line of said West Half of the Northwest Quarter (W1/2NW1/4), on an Assumed Bearing of S00°20'09"W, a distance of Three Hundred Thirty One and Twenty One Hundredths (331.21) feet, to the ACTUAL Point of Beginning and to the northwest corner of said Lot One (1); thence running S89°13'35"E on the north line of said Lot One (1), a distance of One Thousand Fifty Six and Thirty Two Hundredths (1056.32) feet; thence running N00°40'33"E, a distance of Three Hundred Thirty and Eighty Eight Hundredths (330.88) feet, to a point on the north line of said West Half of the Northwest Quarter (W1/2NW1/4); thence running S89°12'32"E, on the north line of said West Half of the Northwest Quarter (W1/2NW1/4), a distance of One Hundred Thirty One and Sixty Five Hundredths (131.65) feet; thence running S00°33'32"W, a distance of Three Hundred Thirty and Eighty Four Hundredths (330.84) feet, to a point on the north line of said Lot One (1); thence running S89°13'35"E, on the north line of said Lot One (1), a distance of One Hundred Twenty Eight and Twenty Eight Hundredths (128.28) feet, to the northeast corner of said Lot One (1), and to a point on the east line of said West Half of the Northwest Quarter (W1/2NW1/4); thence running S00°26'49"W, on the east line of said Lot One (1) and the east line of said West Half of the Northwest Quarter (W1/2NW1/4), a distance of One Hundred Sixty Five and Fifty Hundredths (165.50) feet, to the southeast corner of said Lot One (1); thence running N89°12'43"W on the south line of said Lot One (1), a distance of One Thousand Three Hundred Sixteen and Sixty Hundredths (1316.60) feet, to the southwest corner of said Lot One (1) and to a point on the west line of said West Half of the Northwest Quarter (W1/2NW1/4); thence running N00°20'09"W, on the west line of said Lot One (1), and the west line of said West Half of the Northwest Quarter (W1/2NW1/4), a distance of Fifteen and Twenty Hundredths (15.20) feet; thence running S89°03'08"E, a distance of One Hundred Thirty Three and Sixty Two Hundredths (133.62) feet; thence running N00°24'07"E, a distance of Seventy One and Eighty Four Hundredths (71.84) feet; thence running N89°19'45"W, a distance of One Hundred Thirty Three and Seventy Hundredths (133.70) feet, to a point on the west line of said Lot One (1), and the west line of said West Half of the Northwest Quarter (W1/2NW1/4); thence running N00°20'09"E, on the west line of said Lot One (1) and the west line of said West Half of the Northwest Quarter (W1/2NW1/4), a distance of Seventy Eight and Seventy Eight Hundredths (78.78) feet, to the ACTUAL Point of Beginning and containing 5.781 acres more or less.

**Acknowledgement**

State Of Nebraska  
County Of Hall

On the \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, \_\_\_\_\_ a Notary Public within and for said County, personally appeared TIMOTHY S. SPIEHS and LISA M. SPIEHS, husband and wife, and GARY UMMEL and ESTEL UMMEL, husband and wife and to me personally known to be the identical persons whose signatures are affixed hereto, and that each did acknowledge the execution thereof to be his or her voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal at Grand Island, Nebraska, on the date last above written.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**TLST SPIEHS SUBDIVISION**  
**IN THE CITY OF GRAND ISLAND, NEBRASKA**

ROCKWELL AND ASSOC. LLC - ENGINEERING & SURVEYING - GRAND ISLAND, NEBRASKA

Sheet No. 1 Of 1

RESOLUTION 2014-236

WHEREAS Timothy S. Spiels and Lisa M. Spiels, husband and wife, and Gary Ummel and Estel Ummel, husband & wife being the owners of the land described hereon, have caused same to be surveyed, subdivided, platted and designated as "TLST SPIEHS SUBDIVISION", to be laid out into 2 lots, on a tract of land comprising a part of Lot One (1), Norwood Subdivision and a part of the North Ten (10) Acres of the West Half of the Northwest Quarter (W1/2 NW1/4) all in Section Ten (10), Township Eleven (11) North, Range Nine (9) West of the 6<sup>th</sup> P.M., in the City of Grand Island, Hall County, Nebraska, and has caused a plat thereof to be acknowledged by it; and

WHEREAS, a copy of the plat of such subdivision has been presented to the Boards of Education of the various school districts in Grand Island, Hall County, Nebraska, as required by Section 19-923, R.R.S. 1943; and

WHEREAS, a form of subdivision agreement has been agreed to between the owner of the property and the City of Grand Island.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the form of subdivision agreement hereinbefore described is hereby approved, and the Mayor is hereby authorized to execute such agreement on behalf of the City of Grand Island.

BE IT FURTHER RESOLVED that the final plat of TLST SPIEHS SUBDIVISION, as made out, acknowledged, and certified, is hereby approved by the City Council of the City of Grand Island, Nebraska, and the Mayor is hereby authorized to execute the approval and acceptance of such plat by the City of Grand Island, Nebraska.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-7

**#2014-237 - Approving Preliminary and Final Plat and Subdivision Agreement for Kurz Subdivision**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Regional Planning Commission  
**Meeting:** August 26, 2014  
**Subject:** Kurz Subdivision – Preliminary Plat & Final Plat  
**Item #'s:** G-7  
**Presenter(s):** Chad Nabity AICP, Regional Planning Director

## Background

This property is located north of 8<sup>th</sup> St and east of Superior St., in the City of Grand Island, in Hall County, Nebraska. Consisting of (7 Lots) and 1.80 acres.

## Discussion

The preliminary and final plat for Kurz Subdivision was considered by the Regional Planning Commission at the August 6, 2014 meeting

A motion was made by Ruge and seconded by McCarty to approve the plat as presented.

A roll call vote was taken and the motion passed with 9 members present and voting in favor (McCarty, O'Neill, Heckman, Ruge, Connick, Reynolds, Kjar, Haskins and Bredthauer) and no members abstaining.

## Alternatives

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

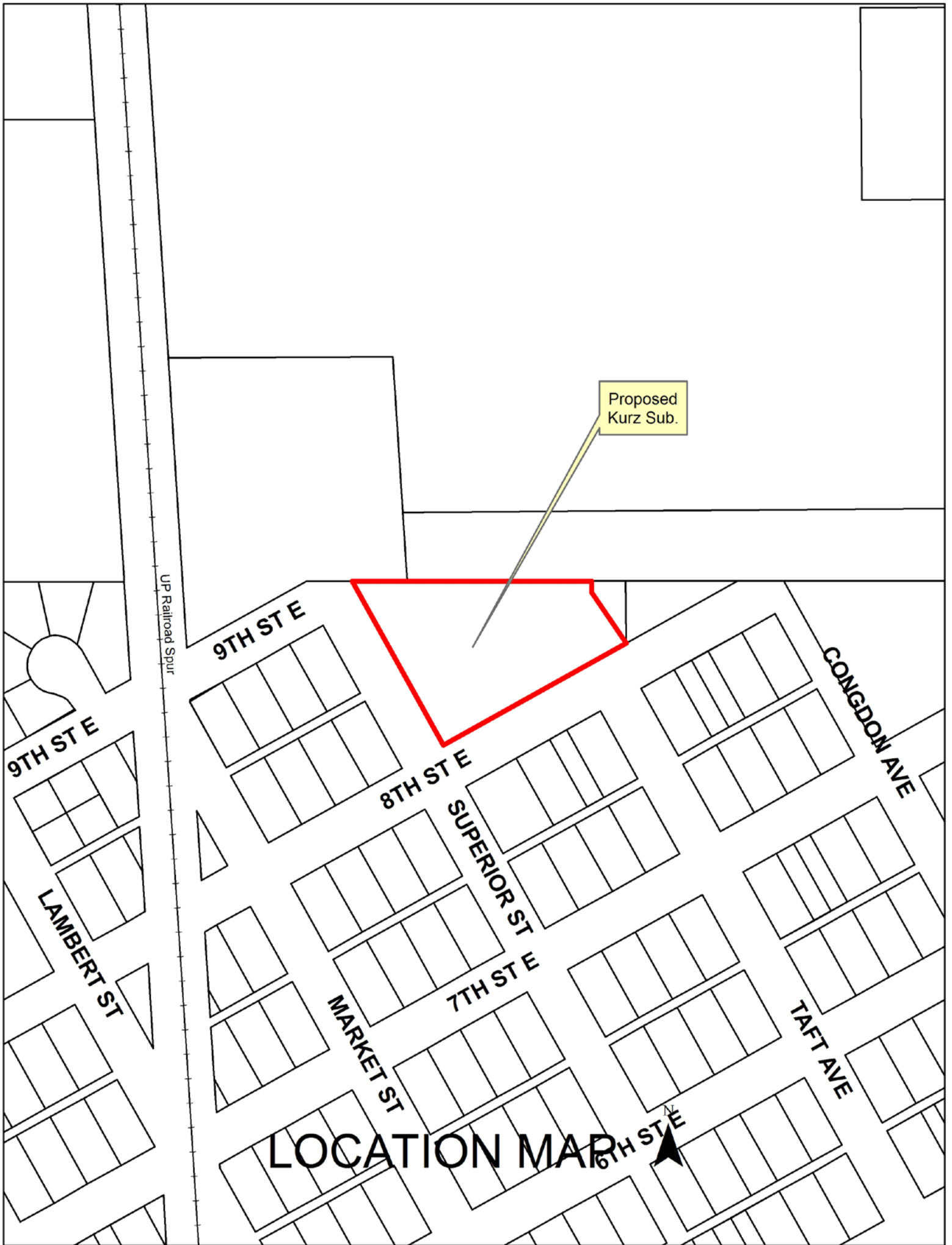
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the final plat as presented.

## **Sample Motion**

Move to approve as recommended.



**Grand Island Area Habitat for Humanity  
Developer/Owner**

**Grand Island Area Habitat for Humanity  
PO Box 1001  
Grand Island NE 68802**

To create 7 lots located north of 8<sup>th</sup> Street and east of Superior St., in the City of Grand Island, in Hall County, Nebraska.

**Size:** 1.80 acres

**Zoning:** R2 – Low Density Residential Zone

**Road Access:** City Roads

**Water Public:** City water is available.

**Sewer Public:** City sewer is available.





July 22, 2014

Dear Members of the Board:

**RE: Preliminary Plat & Final Plat – Kurz Subdivision**

For reasons of Section 19-923 Revised Statutes of Nebraska, as amended, there is herewith submitted a final plat of Kurz Subdivision, located in the City of Grand Island, in Hall County Nebraska.

This final plat proposes to create 7 lots, on a tract of land in part of the Northeast Quarter of the Southeast Quarter (NW 1/4 , SE 1/4) of Section Ten (10), Township Eleven (11) North, Range Nine (9) West of the 6<sup>th</sup> P.M., in the City of Grand Island, Hall County, Nebraska, said tract containing 1.80 acres.

You are hereby notified that the Regional Planning Commission will consider this final plat at the next meeting that will be held at 6:00 p.m. on August 6, 2014 in the Council Chambers located in Grand Island's City Hall.

Sincerely,

Chad Nabity, AICP  
Planning Director

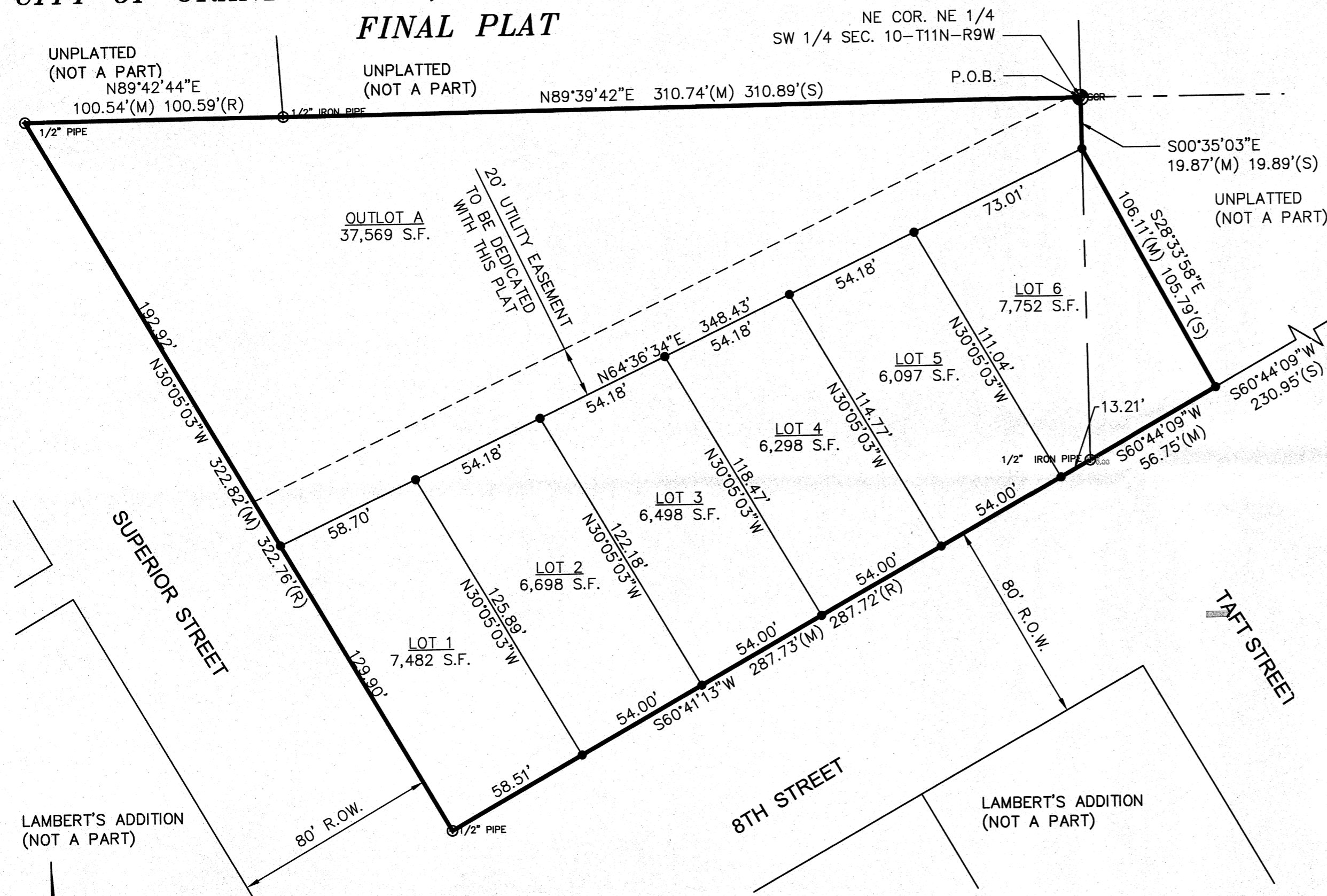
Cc: City Clerk  
City Attorney  
City Public Works  
City Building Department  
City Utilities  
Manager of Postal Operations  
Keith Kurz

This letter was sent to the following School Districts 1R, 2, 3, 19, 82, 83, 100, 126.

# KURZ SUBDIVISION

## CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA

### FINAL PLAT



#### LEGAL DESCRIPTION

A TRACT OF LAND IN PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER (NE1/4, SW1/4) AND PART OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER (NW 1/4, SE 1/4) OF SECTION TEN (10), TOWNSHIP ELEVEN (11) NORTH, RANGE NINE (9) WEST OF THE 6TH P.M., CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE POINT OF BEGINNING; THENCE ON AN ASSUMED BEARING OF S00°35'03"E, ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER A DISTANCE OF 19.87 FEET TO THE POINT OF INTERSECTION OF THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THENCE S28°33'58"E, ALONG SAID LINE FROM D. SORGENFRE SURVEY OF TRACT "B" ON MAY 31, 2011, A DISTANCE OF 106.11 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF 8TH STREET; THENCE S60°44'09"W, ALONG THE NORTHERLY RIGHT OF WAY LINE OF 8TH STREET, A DISTANCE OF 56.75 FEET; THENCE S60°41'13"W, CONTINUING ON SAID NORTHERLY RIGHT OF WAY LINE OF 8TH STREET, A DISTANCE OF 287.73 FEET TO THE POINT OF INTERSECTION ON THE EASTERLY RIGHT OF WAY LINE OF SUPERIOR STREET; THENCE N30°05'03"W, ON THE EASTERLY RIGHT OF WAY LINE OF SUPERIOR STREET, A DISTANCE OF 322.82 FEET TO A POINT ON THE NORTH LINE OF SAID NORTHEAST QUARTER OF THE SOUTHWEST QUARTER; THENCE N89°42'44"E, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 100.54 FEET; THENCE N89°39'42"E, CONTINUING ON THE NORTH LINE OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 310.74 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 78,393 SQUARE FEET OR 1.80 ACRES MORE OR LESS.

#### SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT ON \_\_\_\_\_, I COMPLETED AN ACCURATE SURVEY, OF A TRACT OF LAND IN PART OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER (NE1/4, SW1/4) AND PART OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER (NW 1/4, SE 1/4) OF SECTION TEN (10), TOWNSHIP ELEVEN (11) NORTH, RANGE NINE (9) WEST OF THE 6TH P.M., CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, AS SHOWN ON THE ACCOMPANYING PLAT THEREOF; THAT EXCEPT WHERE INDICATED, WERE FOUND ALL PROPERTY CORNERS; THAT THE DIMENSIONS ARE AS SHOWN ON THE PLAT; AND THAT SAID SURVEY WAS MADE WITH REFERENCE TO KNOWN AND RECORDED MONUMENTS.

JAI JASON ANDRIST, REGISTERED LAND SURVEYOR NUMBER, LS-630

#### DEDICATION OF PLAT

KNOW ALL MEN BY THESE PRESENTS, THAT GRAND ISLAND AREA HABITAT FOR HUMANITY, BEING THE OWNER OF THE LAND DESCRIBED HEREON, HAVE CAUSED SAME TO BE SURVEYED, PLATTED AND DESIGNATED AS "H4H SUBDIVISION" TO THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, AS SHOWN ON THE ACCOMPANYING PLAT THEREOF AND DO HEREBY DEDICATE THE ROAD RIGHT OF WAY, AS SHOWN THEREON TO THE PUBLIC FOR THEIR USE FOREVER; AND HEREBY DEDICATE THE EASEMENTS, AS SHOWN THEREON TO THE PUBLIC FOR THEIR USE FOREVER FOR THE LOCATION, CONSTRUCTION AND MAINTENANCE FOR PUBLIC SERVICE UTILITIES, TOGETHER WITH THE RIGHTS OF INGRESS AND EGRESS THERETO, AND HEREBY PROHIBITING THE PLANTING OF TREES, BUSHES AND SHRUBS, OR PLACING OTHER OBSTRUCTIONS UPON, OVER, ALONG OR UNDERNEATH THE SURFACE OF SUCH EASEMENTS; AND THAT THE FOREGOING ADDITION AS MORE PARTICULARLY DESCRIBED IN THE DESCRIPTION HEREON AS APPEARS ON THIS PLAT IS MADE WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDERSIGNED OWNERS AND PROPRIETORS.

IN WITNESS WHEREOF, I HAVE AFFIXED MY SIGNATURE HERETO, AT

\_\_\_\_\_, NEBRASKA, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

\_\_\_\_\_  
 DANA JELINEK, EXECUTIVE DIRECTOR  
 GRAND ISLAND AREA HABITAT FOR HUMANITY

#### ACKNOWLEDGMENT

STATE OF NEBRASKA  
 SS  
 COUNTY OF HALL

ON THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014, BEFORE ME \_\_\_\_\_, A NOTARY PUBLIC WITHIN AND FOR SAID COUNTY, PERSONALLY APPEARED DANA JELINEK, TO ME PERSONALLY KNOWN TO BE THE IDENTICAL PERSON WHOSE SIGNATURE IS AFFIXED HERETO AND ACKNOWLEDGED THE EXECUTION THEREOF TO BE HER VOLUNTARY ACT AND DEED. IN WITNESS WHEREOF, I HAVE HEREUNTO SUBSCRIBED MY NAME AND AFFIXED MY OFFICIAL SEAL AT \_\_\_\_\_, NEBRASKA, ON THE DATE LAST ABOVE WRITTEN.

MY COMMISSION EXPIRES \_\_\_\_\_

\_\_\_\_\_  
 NOTARY PUBLIC

OWNERS: GRAND ISLAND AREA HABITAT FOR HUMANITY  
 SUBDIVIDER: GRAND ISLAND AREA HABITAT FOR HUMANITY  
 SURVEYOR: OLSSON ASSOCIATES  
 ENGINEER: KEITH KURZ  
 NUMBER OF LOTS: 7

**OLSSON ASSOCIATES**  
 201 East 2nd Street  
 P.O. Box 1072  
 Grand Island, NE 68802-1072  
 TEL 308.384.8750  
 FAX 308.384.8752

PROJECT NO. 2013-3  
 X SURVEY  
 FB GRAND ISLAND 201

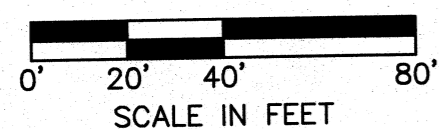
#### APPROVAL

SUBMITTED TO AND APPROVED BY THE REGIONAL PLANNING COMMISSION OF HALL COUNTY, CITIES OF GRAND ISLAND, WOOD RIVER, AND THE VILLAGES OF ALDA, CAIRO, AND DONIPHAN, NEBRASKA.

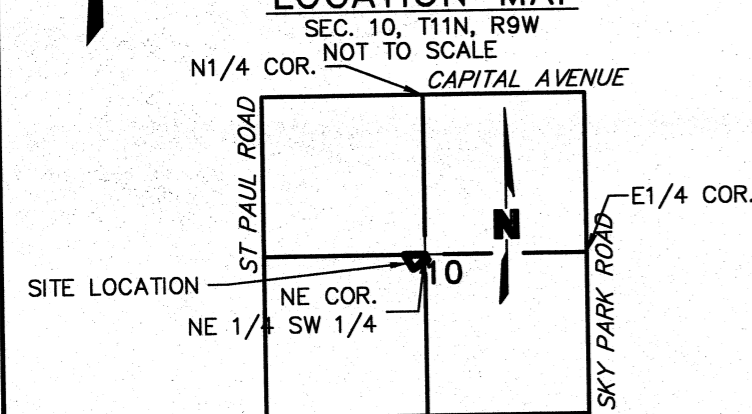
CHAIRMAN \_\_\_\_\_ DATE \_\_\_\_\_  
 APPROVED AND ACCEPTED BY THE CITY OF GRAND ISLAND, NEBRASKA

THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2014.

MAYOR \_\_\_\_\_  
 CITY CLERK \_\_\_\_\_



#### LOCATION MAP



#### LEGEND

- SECTION CORNER
- SET CORNER (5/8"x36" REBAR W/CAP)
- FOUND CORNER (3/4" IRON PIPE)
- ROW LINE
- NEW ROW LINE
- SECTION LINE
- PROPERTY LINE
- M MEASURED DISTANCE
- R RECORDED DISTANCE BY L. WAGNER L.S. #557
- S RECORDED DISTANCE BY D. SORGENFRE L.S. #578

#### SECTION TIES

NORTHWEST CORNER, NORTHEAST QUARTER OF THE SOUTHWEST QUARTER SEC. 10-T11N-R9W  
 FOUND 3" PIPE, 0.3' BELOW GRADE  
 NW 8.44' TO A MAG NAIL w/WASHER IN NE FACE OF 15" TREE  
 NE 30.22' TO A MAG NAIL w/WASHER IN WEST FACE OF BLAZED 9" DIAMETER TREE  
 SW 12.79' TO MAG NAIL w/WASHER IN BLAZED 6" DIAMETER TREE  
 SSW 28.88' TO A MAG NAIL w/WASHER IN EAST FACE OF BLAZED 24" DIAMETER TREE

RESOLUTION 2014-237

WHEREAS the Grand Island Area Habitat for Humanity, being the owner of the land described hereon, has caused same to be surveyed, subdivided, platted and designated as "KURZ SUBDIVISION", to be laid out into 7 lots, on a tract of land in part of the Northeast Quarter of the Southwest Quarter (NE1/4, SE1/4) of Section Ten (10), Township Eleven (11) North, Range Nine (9) West of the 6<sup>th</sup> P.M., in the City of Grand Island, Hall County, Nebraska, and has caused a plat thereof to be acknowledged by it; and

WHEREAS, a copy of the plat of such subdivision has been presented to the Boards of Education of the various school districts in Grand Island, Hall County, Nebraska, as required by Section 19-923, R.R.S. 1943; and

WHEREAS, a form of subdivision agreement has been agreed to between the owner of the property and the City of Grand Island.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the form of subdivision agreement hereinbefore described is hereby approved, and the Mayor is hereby authorized to execute such agreement on behalf of the City of Grand Island.

BE IT FURTHER RESOLVED that the final plat of KURZ SUBDIVISION, as made out, acknowledged, and certified, is hereby approved by the City Council of the City of Grand Island, Nebraska, and the Mayor is hereby authorized to execute the approval and acceptance of such plat by the City of Grand Island, Nebraska.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-8

**#2014-238 - Approving Acquisition of Utility Easement - Next to South Hwy. 281 by Case New Holland**

*This item relates to the aforementioned Public Hearing item E-3.*

Staff Contact: Tim Luchsinger, Utilities Director

RESOLUTION 2014-238

WHEREAS, a public utility easement is required by the City of Grand Island from CNH Industrial America LLC, to survey, construct, inspect, maintain, repair, replace, relocate, extend, remove, and operate thereon, public utilities and appurtenances, including lines and transformers; and;

WHEREAS, a public hearing was held on August 26, 2014, for the purpose of discussing the proposed acquisition of a twenty foot wide easement located in the City of Grand Island, Hall County, Nebraska; and more particularly described as follows:

Commencing at the northeast corner of the Southeast Quarter of the Northeast Quarter (SE ¼, NE ¼), Section Twenty Five (25), Township Eleven (11) North, Range Ten (10) West of the 6<sup>th</sup> PM, in the City of Grand Island, Hall County, Nebraska; thence westerly along the northerly line of said Southeast Quarter of the Northeast Quarter (SE ¼, NE ¼), a distance of four hundred fifty seven and three tenths (457.3) feet to a point on the westerly right-of-way line of U.S. Highway 281 being the ACTUAL Point of Beginning; thence southeasterly 110° 16' 00" left and running along the westerly right-of-way of said U.S. Highway 281, a distance of three hundred ninety eight and six tenths (398.6) feet to a point of curvature, thence continuing southeasterly along the westerly right-of-way of said U.S. Highway 281, on a 2,774.79 foot radius curve to the right (initial tangent which coincides with the last described course produced), a distance of nine hundred seventy and one tenth (970.1) feet to a point of termination being on the southerly line of the said Southeast Quarter of the Northeast Quarter (SE ¼, NE ¼), said point being one hundred thirty two and four tenths (132.4) feet west of the southeast corner of the said Southeast Quarter of the Northeast Quarter (SE ¼, NE ¼).

The above described easement and right-of-way containing 0.6 acres, more or less, as shown on the plat dated 11/15/2013, marked Exhibit "D" attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island be, and hereby is, authorized to acquire a public utility easement from CNH Industrial America LLC, on the above-described tract of land.

- - -

Approved as to Form August 25, 2014	by _____ City Attorney
--	---------------------------

Adopted by the City Council of the City of Grand Island, Nebraska August 26, 2014.

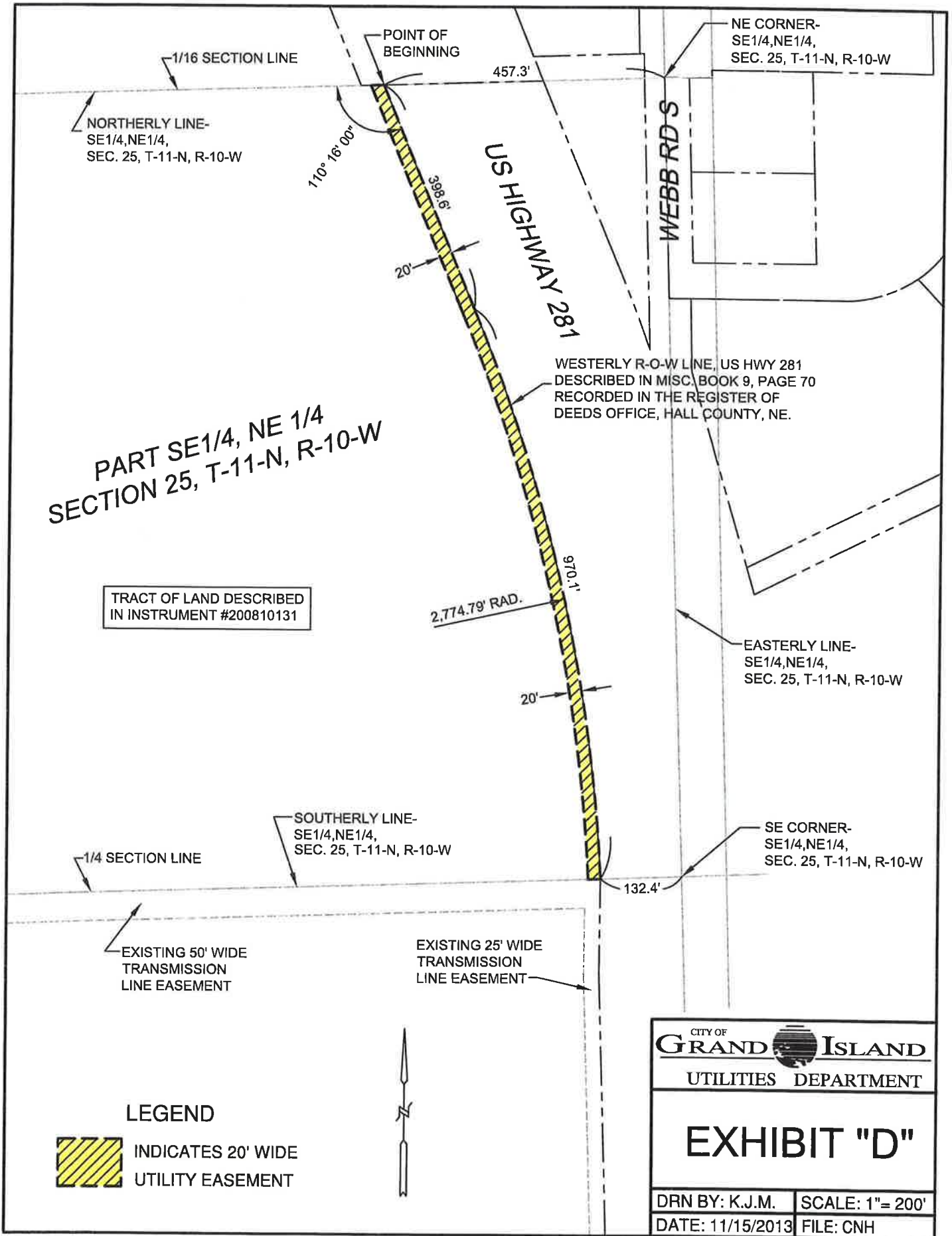
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Jay Vavricek, Mayor

Attest:

---

RaNae Edwards, City Clerk





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-9

**#2014-239 - Approving Acquisition of Utility Easement - On the South Side of Airport Road just East of St. Paul Road - Copart**

*This item relates to the aforementioned Public Hearing item E-4.*

Staff Contact: Tim Luchsinger, Utilities Director



RESOLUTION 2014-239

WHEREAS, a public utility easement is required by the City of Grand Island from Copart of Connecticut, Inc., to survey, construct, inspect, maintain, repair, replace, relocate, extend, remove, and operate thereon, public utilities and appurtenances, including lines and transformers; and;

WHEREAS, a public hearing was held on August 26, 2014, for the purpose of discussing the proposed acquisition of a twenty-seven foot wide easement located in the City of Grand Island, Hall County, Nebraska; and more particularly described as follows:

The northerly twenty seven (27.0) feet of Lot One (1) Garden Place.

The above described easement and right-of-way containing 0.92 acres, more or less, as shown on the plat dated 1/15/2013, marked Exhibit "A" attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island be, and hereby is, authorized to acquire a public utility easement from Copart of Connecticut, Inc., on the above-described tract of land.

- - -

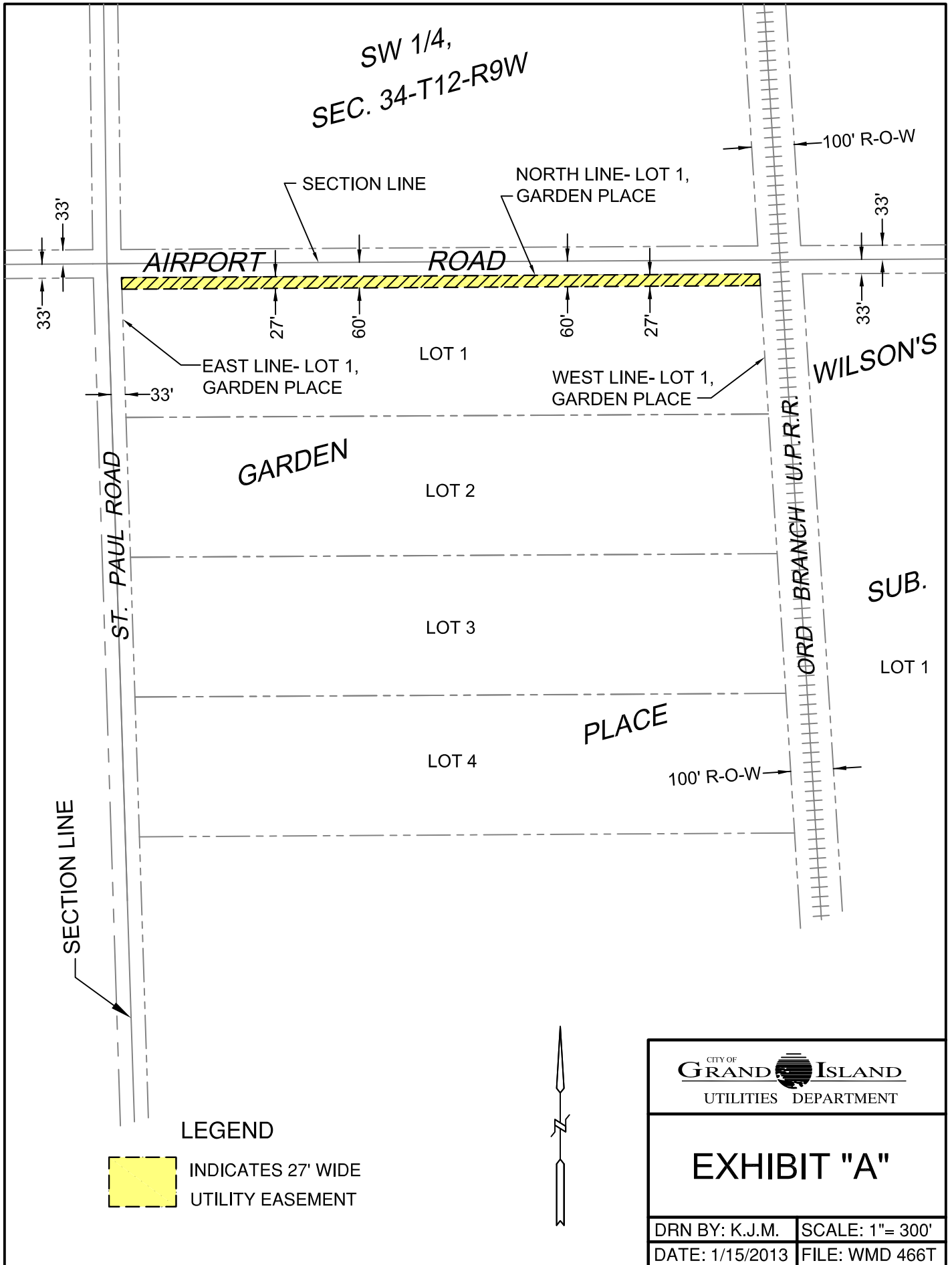
Adopted by the City Council of the City of Grand Island, Nebraska August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-10

**#2014-240 - Approving Bid Award - Communication Tower & Shelter Project at Phelps Control Center**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

**From:** Tim Luchsinger, Utilities Director  
**Meeting:** August 26, 2014  
**Subject:** Contract for Phelps Control Center Communication Tower and Shelter Building  
**Item #'s:** G-10  
**Presenter(s):** Tim Luchsinger, Utilities Director

## Background

The Utilities Department relies on wireless radio communications, both hand held and truck mounted, for work throughout the City. In addition, other wireless communication equipment is utilized, such as the recently installed smart metering system pilot project. To improve the sending and receiving of signals, and to provide additional tower space on which to mount future equipment, Department engineering staff determined a 120 foot tall steel lattice tower, similar to a cell phone tower, would be the best solution. In addition, a small standalone building would be at the base of the tower to house the necessary communication equipment. The tower and building would be placed at the Phelps Control Center where the existing equipment resides. A conditional use permit from the City has been obtained, as well as a permit from the Federal Aviation Administration.

## Discussion

The bid package was sent directly to 9 potential bidders and advertised. The following bids were received by the City on August 12, 2014 for providing the tower and shelter building, and the labor and materials to install both. The engineer's estimate for this work was \$175,000.

Bidder	Bid Price	Exceptions
Platte Valley Communications, Grand Island, NE	\$ 73,723.00	None
Allstate Tower Inc., Henderson, KY	\$109,086.00	Noted

## **Alternatives**

It appears that the Council that 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 a future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council award the contract for the Phelps Control Center Communication Tower and Shelter to the low bidder, Platte Valley Communications of Grand Island, Nebraska, in the amount of \$73,723.00.

## **Sample Motion**

Move to approve the contract for the Phelps Control Center Communication Tower and Shelter to Platte Valley Communications of Grand Island, Nebraska, in the amount of \$73,723.00.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** August 12, 2014 at 2:30 p.m.  
**FOR:** Communication Tower & Shelter Project  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$175,000.00  
**FUND/ACCOUNT:** 520  
**PUBLICATION DATE:** July 21, 2014  
**NO. POTENTIAL BIDDERS:** 6

**SUMMARY**

<b>Bidder:</b>	<u>Allstate Tower Inc.</u> Henderson, KY	<u>Platte Valley Communications, Inc.</u> Grand Island, NE
<b>Bid Security:</b>	Old Republic Surety Co.	Cashier's Check
<b>Exceptions:</b>	Noted	None
<b>Bid Price:</b>	\$101,950.00	\$68,900.00
<b>Sales Tax:</b>	<u>\$ 7,136.00</u>	<u>\$ 4,823.00</u>
<b>Total Bid:</b>	\$109,086.00	\$73,723.00

cc: Tim Luchsinger, Utilities Director  
Mary Lou Brown, City Administrator  
Stacy Nonhoff, Purchasing Agent  
Jeff Mead, Utilities Senior Engineer

Bob Smith, Assist. Utilities Director  
Jaye Monter, Finance Director  
Pat Gericke, Utilities Admin. Assist.

**P1747**

RESOLUTION 2014-240

WHEREAS, the City of Grand Island invited sealed bids for Phelps Control Center Communication Tower and Shelter Building, according to plans and specifications on file with the Utilities Department; and

WHEREAS, on August 12, 2014, bids were received, opened and reviewed; and

WHEREAS, Platte Valley Communications of Grand Island, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$73,723.00; and

WHEREAS, the bid of Platte Valley Communications is less than the estimate for the Phelps Control Center Communication Tower and Shelter Building.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Platte Valley Communications of Grand Island Nebraska, in the amount of \$73,723.00, for the Phelps Control Center Communication Tower and Shelter Building, is hereby approved as the lowest responsible bid.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form    ✕ \_\_\_\_\_  
August 25, 2014        ✕ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-11

**#2014-241 - Approving Bid Award - Ortho-Polyphosphate for Corrosion Control**

Staff Contact: Tim Luchsinger, Stacy Nonhof



# Council Agenda Memo

**From:** Timothy G. Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting Date:** August 26, 2014

**Subject:** Purchase of Liquid Ortho-Polyphosphate for Corrosion Control

**Item #'s:** G-11

**Presenter(s):** Timothy G. Luchsinger, Utilities Director

## Background

The City was issued an Administrative Order by the Nebraska Health and Human Services on March 24, 1998, requiring compliance with the Lead and Copper Rule. Because City water was corrosive enough to leach copper from household plumbing and fixtures in excess of EPA limits, the order required the preparation of an Optimum Corrosion Control Treatment program (OCCT).

The OCCT program includes the addition of liquid ortho-polyphosphate solution to the source water to reduce the corrosiveness of the naturally occurring source water. The addition was implemented in May 2003. Subsequent testing of the water system indicates that the goal of reducing corrosiveness, and thus copper levels, to comply with the regulatory order has been achieved.

## Discussion

The Utilities Department solicits bids annually for the treatment solution. The current contract to provide the additive for this year is completed. Therefore, specifications for the purchase of Liquid Ortho-Polyphosphate for Corrosion Control for another year were prepared and issued for bid. The specifications require a firm price for the product to maintain the guaranteed dose rate. Bids were publicly opened on August 14, 2014. Four bids were received as listed below. The bids were evaluated based upon the total cost to treat 4.5 billion gallons of water (a high estimate of annual treatment needed). The engineer's estimate for this project was \$175,000.00.

Bidder	Unit Price/gal	Price/mil gal	Annual cost
Carus Phosphates, Inc.	\$ 4.651	\$18.604	\$ 83,718.00

Hawkins, Inc.	\$ 4.780	\$19.120	\$ 86,040.00
Shannon Chemical Corporation	\$ 6.770	\$27.080	\$121,860.00
AquaSmart, Inc.	\$ 8.620	\$31.890	\$143,505.00

Department staff has reviewed the bids for compliance with the City's detailed specifications. The products proposed by the suppliers are similar in chemical composition, as well as with another product successfully used in the past. The current dosage rate has been approved as part of the OCCT and has proven to achieve compliance with State Health Department Regulations. Based on using the same dosage rates, the current supplier, Carus Phosphates, is recommended as the low evaluated bidder.

### **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 purchase of Liquid Ortho-Polyphosphate for Corrosion Control be awarded to Carus Phosphates, Inc., from Peru, Illinois, as the low responsive bidder, for a not-to-exceed price of \$18.604 per million gallons of water treated; an annual amount estimate at \$83,718.00. The actual annual amount will depend on City water usage.

### **Sample Motion**

Move to approve bid award for Liquid Ortho-Polyphosphate for Corrosion Control in the amount of \$18.604 per million gallons of treated water, to Carus Phosphates, Inc., of Peru, Illinois.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** August 14 2014 at 2:00 p.m.  
**FOR:** Purchase of Liquid Ortho-Polyphosphate for Corrosion Control  
**DEPARTMENT:** Utilities  
**ESTIMATE:** \$175,000.00  
**FUND/ACCOUNT:** 525  
**PUBLICATION DATE:** August 5, 2014  
**NO. POTENTIAL BIDDERS:** 10

**SUMMARY**

<b>Bidder:</b>	<b><u>Hawkins, Inc.</u></b> Minneapolis, MN	<b><u>Carus Chemical Company</u></b> Peru, IL
<b>Bid Security:</b>	Western Surety Co.	International "Fidelity Ins. Co.
<b>Exceptions:</b>	None	None
<b>Unit Price Bid:</b>	\$4.78	\$4.651
<b>Unit Cost of Treatment:</b>	<u>\$19.12</u>	<u>\$18.604</u>
<b>Total Cost:</b>	\$86,040.00	\$83,718.00

<b>Bidder:</b>	<b><u>Aqua Smart, Inc.</u></b> Atlanta, GA	<b><u>Shannon Chemical</u></b> Exton, PA
<b>Bid Security:</b>	Cashier's Check	Cashier's Check
<b>Exceptions:</b>	Noted	None
<b>Unit Price Bid:</b>	\$8.62	\$6.77
<b>Unit Cost of Treatment:</b>	<u>\$31.89</u>	<u>\$27.08</u>
<b>Total Cost:</b>	\$143,505.00	\$121,860.00

cc: Tim Luchsinger, Utilities Director  
Mary Lou Brown, City Administrator  
Stacy Nonhof, Purchasing Agent  
Karen Nagel, Utilities Secretary

Bob Smith, Assist. Utilities Director  
Jaye Monter, Finance Director  
Pat Gericke, Utilities Admin. Assist.  
Emily Muth, Reg./Environmental Mgr.

**P1758**

RESOLUTION 2014-241

WHEREAS, the City Water Department invited sealed bids for Liquid Ortho-Polyphosphate for Corrosion Control; and

WHEREAS, on August 14, 2014, bids were received, opened and reviewed; and

WHEREAS, Carus Phosphates, Inc., of Peru, Illinois, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, for a not to exceed price of \$18.604 per million gallons of water treated, at an annual amount estimated at \$83,718.00 (the actual annual amount will depend on City water usage); and

WHEREAS, the bid of Carus Phosphates, Inc., is less than the estimate for Liquid Ortho-Polyphosphate for Corrosion Control.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Carus Phosphates, Inc., of Peru, Illinois, for a not to exceed price of \$18.604 per million gallons of water treated, in an annual amount estimated at \$83,718.00, is hereby approved as the lowest responsible bid.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-12

**#2014-242 - Approving Change Order #1 - Construction of Substation "J" - IES Commercial, Inc.**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

**From:** Timothy G. Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting Date:** August 26, 2014

**Subject:** Substation J Construction - Change Order #1

**Item #'s:** G-12

**Presenter(s):** Timothy Luchsinger, Utilities Director

## Background

On September 24, 2013, City Council approved the contract for construction of a new electrical substation to IES Commercial, Inc., of Holdrege, Nebraska. The new substation is located in the northwest corner of Platte Generation Station property. The substation was recommended in order to reliably serve the expanding load in the Platte Valley Industrial Park and along the Highway 281 corridor. Construction is well underway with an estimated completion later this year.

## Discussion

During the construction of the substation, several minor changes were made to improve the design and correct minor deficiencies. In addition, due to the separation of the control building and relay panels from the construction contract, some labor and material quantities were unknown when contracts were originally awarded. All additions to date have been included. The total for this change order is \$97,844.00 and increases the contract by approximately 4% to \$2,570,678.38.

## 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 Council approve Change Order #1 to the Contract for Substation J Construction to IES Industrial, Inc., of Holdrege, Nebraska, in the amount of \$97,844.00, for a final contract amount of \$2,570,678.38.

## **Sample Motion**

Move to approve Change Order #1 for Substation J Construction to IES Industrial, Inc., in the amount of \$97,844.00, for a final contract amount of \$2,570,678.38.

**TO:** IES Commercial Inc.  
 120 South Lincoln St.  
 PO Box 27  
 Holdredge, NE 68949

**PROJECT:** Contract for "Substation J Construction"

You are hereby directed to make the following change in your contract:

1 Additional payment per the attached spreadsheet.

ADDITION           \$97,844.00          

<b>The original Contract Sum</b>	<u>\$2,472,834.38</u>
<b>Previous Change Order Amounts</b>	<u>\$ -</u>
<b>The Contract Sum is increased by this Change Order</b>	<u>\$ 97,844.00</u>
<b>The Contract Sum is decreased by this Change Order</b>	<u>\$</u>
<b>The total modified Contract Sum to date</b>	<u>\$ 2,570,678.38</u>

Approval and acceptance of this Change Order acknowledges understanding and agreement that the cost and time adjustments included represent the complete values arising out of and/or incidental to the work described therein.

**APPROVED: CITY OF GRAND ISLAND**

By: \_\_\_\_\_

Date \_\_\_\_\_

Attest: \_\_\_\_\_

\_\_\_\_\_  
 Approved as to Form, City Attorney

**ACCEPTED: IES COMMERCIAL, INC.**

By: \_\_\_\_\_

Date \_\_\_\_\_



**Substation J Construction**

Comments: Changes due to design modifications and building installation

**Contract: IES Commercial, Inc.**

**\$2,472,834.38**

<u>Change Order Request</u>	<u>Description</u>	<u>Amount</u>
001	Culvert Size Increase	\$ 2,840.00
002	Labor to bend and custom fit rebar in piers	\$ 7,175.00
003	Revised limestone for oil containment system	\$ 5,897.00
004	Labor to install conduit runs between PME pedestals	\$ 11,161.00
005	Labor and materials to install building foundation	\$ 59,900.00
006	Additional connectors	\$ 8,961.00
007	Control Building Entry	\$ 1,910.00
008		
009		
010		
011		
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014		
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019		
020		
021		
023		
024		
028		
029		
030		
	Total	\$ 97,844.00

RESOLUTION 2014-242

WHEREAS, IES Commercial, Inc., of Holdrege, Nebraska was awarded the contract for construction of Substation J, at the September 24, 2013 City Council meeting; and

WHEREAS, during construction, several minor changes were made to improve the design and correct minor deficiencies; and

WHEREAS, due to the separation of the control building and relay panels from the construction contract, some labor and material quantities were unknown when contracts were originally awarded; and

WHEREAS, Change Order #1 was prepared for a contract adjustment of an increase in the amount of \$97,844.00, resulting in a final contract amount to date of \$2,570,678.38.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 with IES Commercial, Inc., of Holdrege, Nebraska, resulting in an increased cost of \$97,844.00, for a final contract price to date of \$2,570,678.38, is hereby approved.

---

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-13

**#2014-243 - Approving Change Order #1 - Installation of 72/48  
Fiber - Contract #2013-OPWG-V with IES**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# Council Agenda Memo

**From:** Timothy Luchsinger, Utilities Director  
Stacy Nonhof, Assistant City Attorney

**Meeting:** August 26, 2014

**Subject:** Change Order #1 – Installation of 72/48 Fiber OPGW  
Shield Wire – IES

**Item #'s:** G-13

**Presenter(s):** Timothy Luchsinger, Utilities Director

## Background

The referenced project was awarded to IES Commercial, Inc., of Holdrege, Nebraska at the September 24, 2013 Council meeting.

The construction contract completes the fiber optics loop between the Electric Service Center (1116 W. North Front Street) and the City's Substation "B" (3645 Faidley Avenue). The project also extends fiber to the Utilities Engineering Office (1306 W. 3<sup>rd</sup> Street); and to the City Library (211 N. Washington Street). The installation provides high speed communication, internet service, and redundant network connections between City Hall and off-site locations. Attached is a site map of the project.

## Discussion

The project specified furnishing and installing an OPGW (optical ground wire) aerial fiber optic cable. The OPGW is installed at the top of power poles and provides multiple functions. The conductive part of the cable serves to "ground" the electric system, and shields the high-voltage conductors from lightning strikes. The optical fibers within the cable are used for transmitting voice, data, and system control communication.

During installation of the OPGW cable, it was determined that instead of removing the existing shield wire and replacing it with the new OPGW, it would be beneficial to utilize both sets of conductors. This would provide additional system protection, and a quicker and cleaner installation; thereby insuring a safer work environment, and less chance of power outages during and following the reconstruction.

Since less labor was required for shield conductor change-out, the Utilities Department entered into negotiations with IES to reduce the project's original contract amount of \$307,117.00. The result is Change Order #1, decreasing the contract amount by \$34,000.00. The new contract amount is \$273,117.00.

### **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 approve Change Order #1, decreasing the contract amount due to IES Commercial, Inc., by \$34,000.00.

### **Sample Motion**

Move to approve Change Order #1; decreasing the amount due to IES Commercial, Inc., of Holdrege, Nebraska, by \$34,000.00, for Contract 2013-PPGW-V – Installation of 72/48 Fiber OPGW Shield Wire.

**CHANGE ORDER #1**

TO: IES Commercial, Inc.  
120 S Lincoln St,  
Holdrege, NE 68949

PROJECT: Contract 2013-OPGW-V  
Installation of 72/48 Fiber OPGW Shield Wire.

You are hereby directed to make the following change in your contract:

Amend the original contract price of \$307,117.00 to \$273,117.00, a decrease of \$34,000.00, due to decrease in labor on the project.

Description	Original Bid Total \$	Decrease \$	Total Amount \$
<b>Original Contract Amount</b>	<b>\$307,117.00</b>		
Decrease in Labor		\$34,000.00	
<b>Final Contract Amount</b>			<b>\$273,117.00</b>

Approval and acceptance of this Change Order acknowledges understanding and agreement that no additional claims will be considered.

APPROVED: **CITY OF GRAND ISLAND**

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Approved as to Form, City Attorney

ACCEPTED: **IES Commercial, Inc.**

By: *Ad Keytors*

Date: 8/22/14

RESOLUTION 2014-243

WHEREAS, IES Commercial, Inc., of Holdrege, Nebraska was awarded the contract for Installation of 72/48 Fiber OPGW Shield Wire, at the September 24, 2013 City Council meeting; and

WHEREAS, during installation of the OPGW cable, it was determined that instead of removing the existing shield wire and replacing it with the new OPGW, it would be beneficial to utilize both sets of conductors; and

WHEREAS, this change would provide additional system protection, and a quicker and cleaner installation; thereby insuring a safer work environment, and less chance of power outages during and following the reconstruction; and

WHEREAS, the Utilities Department entered into negotiations with IES to reduce the project's original contract amount; and

WHEREAS, Change Order #1 was prepared for a contract adjustment of a decrease in the amount of \$34,000.00, resulting in a final contract amount of \$273,117.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Change Order #1 with IES Commercial, Inc., of Holdrege, Nebraska, resulting in a decreased cost of \$34,000.00, for a final contract price of \$273,117.00, is hereby approved.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-14

**#2014-244 - Approving Acquisition of Public Utility Easement for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4 (J & B Rentals, LLC)**

*This item relates to the aforementioned Public Hearing item E-5.*

Staff Contact: John Collins, P.E. - Public Works Director



RESOLUTION 2014-244

WHEREAS, a public utility easement is required by the City of Grand Island, from an affected property owner for the North Interceptor Phase II; Sanitary Sewer Project No. 2013-S-4, described as follows:

Tract No	Owner	Legal	Total
6	J & B Rentals, LLC	<p>A TRACT OF LAND COMPRISING PART OF LOT TWO (2) NORWOOD SUBDIVISION, IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:</p> <p>COMMENCING AT THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE SOUTHERLY ALONG THE WEST LINE OF SAID LOT TWO (2) A DISTANCE OF 85.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE EASTERLY ALONG THE SOUTH LINE OF THE NORTH 85.00 FEET OF SAID LOT TWO (2) A DISTANCE OF 62.00 FEET; THENCE SOUTHERWESTERLY TO A POINT ON THE WEST LINE OF SAID LOT TWO (2), SAID POINT BEING 122.73 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT TWO (2); THENCE NORTHELY ALONG SAID WEST LINE OF LOT TWO (2) A DISTANCE OF 37.73 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 1,170 SQUARE FEET OR 0.027 ACRES MORE OR LESS.</p>	\$100.00
			\$100.00

WHEREAS, an agreement for the public utility easement has been reviewed and approved by the City Legal Department.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island be, and hereby is, authorized to enter into the agreement for the public utility easement on the above described tract of land, in the amount of \$100.00.

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

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form    ✕ _____ August 25, 2014        ✕ City Attorney
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# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-15

**#2014-245 - Approving the Adoption of a Resolution Designating Responsible Charge Individuals for Federal Aid Transportation Projects**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown, Assistant Public Works Director

**Meeting:** August 26, 2014

**Subject:** Approving the Adoption of a Resolution Designating Responsible Charge Individuals for Federal Aid Transportation Projects

**Item #'s:** G-15

**Presenter(s):** John Collins PE, Public Works Director

## Background

Grand Island is a Local Public Agency (LPA) in the State of Nebraska receiving federal transportation funding from the Federal Highway Administration (FHWA). FHWA federal transportation funds are limited to Roadway, Bridge, and Trail Projects. As a sub-recipient of federal transportation funding, the City of Grand Island is charged with the responsibility of spending these funds in accordance with Federal and State law. The Nebraska Department of Roads (NDOR) administers these funds under guidelines in the NDOR's Local Projects Agency (LPA) Manual.

## Discussion

There are a number of requirements to comply with the NDOR's LPA Manual, one of which is the designation of a Responsible Charge (RC) individual to oversee federal aid transportation projects.

At the December 21, 2010 council meeting Project Manager, Scott Griepenstroh, was named the City's RC for all projects receiving federal transportation funding. With the recent resignation of Scott, all projects are being transferred to Terry Brown, Assistant Public Works Director, as the RC.

## 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**

Public Works Administration recommends that the Council approve a resolution, designating Terry Brown as the Responsible Charge for all currently active federal aid transportation projects.

### **Sample Motion**

Move to approve the resolution designating Responsible Charge individuals.

**DISCLAIMER APPLICABLE TO  
THE LPA RESOLUTION DESIGNATING RC**

The following is a resolution drafted by the Nebraska Department of Roads (NDOR) that includes definitions and substantive commitments required of a Local Public Agency (LPA) when designating a public employee to be in Responsible Charge (RC) of a Federal-aid transportation project. This sample resolution should only be used after the LPA has thoroughly reviewed all Federal-aid program requirements, investigated all issues related to the LPA's statutory duties and responsibilities, and determined that it is in its best interest to designate a RC public employee and to undertake a Federal-aid project. NDOR has not made any effort to investigate, or include in this sample resolution, the other requirements that the LPA must meet in order to undertake a project of this type or to designate a RC. **Any changes to the definitions or the substantive commitments of this sample resolution shall be approved in advance in writing by NDOR, or such changes will be considered null and void.** The LPA is ultimately responsible for all language used in its actual resolution and in making sure that the resolution is accurate and complete and meets all requirements of Federal, State and local laws, rules, regulations, policies and guidelines, and the NDOR LPA Guidelines Manual for Federal-aid Projects.

**RESOLUTION  
(DESIGNATING RC)**

City of Grand Island

Resolution No. 2014-245

**Whereas:** The CITY OF GRAND ISLAND has a full-time public employee on staff, or has obtained the services of a full-time public employee (an inter-local cooperation agreement, if applicable, is attached) who is fully qualified and has the time and interest in serving as a “Responsible Charge” (RC) for this project. The designated RC will be in day-to-day responsible charge of all aspects of the project, from planning through post-construction activities, with the express purpose of doing all things necessary for the project to remain eligible for federal-aid transportation project funding; and

**Whereas:** the RC will ensure that, at a minimum, (1) the project receives independent and careful development, supervision and inspection, (2) the project is constructed in compliance with the plans and specifications, (3) all aspects of the project, from planning through construction activities, including all environmental commitments, remain eligible for federal funding, and (4) decisions made and actions taken for the project have adequate supporting documentation filed in an organized fashion.

For purposes of this resolution, the following definitions will apply:

**Fully qualified** means a person who has satisfactorily completed all applicable Nebraska Department of Roads (NDOR) training courses and who has met the other requirements necessary to be included on the NDOR list of qualified Local Public Agency (LPA) RCs.

**Full-time public employee** means a public employee who meets all the requirements and is afforded all the benefits of full-time employees as that phrase is applied to other employees of the employing public entity. A person is not a full-time public employee if that person provides outside private consulting services, or is employed by any private entity, unless that person can prove to NDOR in advance, that employee’s non-public employment is in a field unrelated to any aspect of the project for which federal aid is sought.

**Public employee** means a person who is employed solely by a county, a municipality, a political subdivision; a Native American tribe; a school district; another entity that is either designated by statute as public or quasi-public; or an entity included on the list of entities determined by the NDOR, and approved by the Federal Highway Administration (FHWA), as fulfilling public or quasi-public functions.

**Responsible charge** means the public employee who is fully empowered by the LPA and has actual day-to-day working knowledge and responsibility for all decisions related to all aspects of the federal-aid project from planning through construction project activities, including all environmental commitments. The RC is the day-to-day project manager, and the LPA's point-of-contact for the project. Responsible charge does not mean merely delegating the various tasks; it means active day-to-day involvement in identifying issues, investigating options, working directly with stakeholders, making decisions, and actively monitoring project construction. It is understood that the RC may delegate or contract certain technical tasks associated with the project so long as the RC actively manages and represents the owner's interests in the delegated technical tasks.

**Be It Resolved:** by the City Council of the CITY OF GRAND ISLAND that:

TERRY BROWN is hereby designated as Responsible Charge (RC) for pre-construction and construction phases, in accordance with the Project Program Agreement previously executed, the NDOR LPA Guidelines Manual for Federal-aid Projects, and all Federal, State and local laws, rules, regulations, policies and guidelines for the following Federal-aid transportation projects:

NDOR Project Number [SRTS-40(57)],

NDOR Control Number [42521],

Walk to Walnut Safe Routes to School Project at 15<sup>th</sup> Street and Custer Avenue

NDOR Project Number [URB-5436(5)],

NDOR Control Number [42707],

Capital Avenue Widening from Webb Road to Broadwell Avenue

NDOR Project Number [URB-30-4(151)],

NDOR Control Number [42477],

Storm Sewer from US Highway 30 to Wasmer Detention Cell

NDOR Project Number [ENH-40(59)],

NDOR Control Number [42650],

Bike Trail along Moore's Creek Drainway; State Street to Capital Avenue

NDOR Project Number [ENH-40(61)],

NDOR Control Number [42666]

Mormon Island bridges on Locust Street north of I-80

NDOR Project Number [ENH-40(60)],

NDOR Control Number [42651]

Grand Island – 3<sup>rd</sup> Street & Wheeler Avenue Historical Lighting Project

NDOR Project Number [URB-5409(2)]

NDOR Control Number [42706]

Various Locations in Grand Island

The City of Grand Island assures and agrees that:

- 1) It has authorized and fully empowered the RC to be in day-to-day responsible charge of the subject federal-aid project; this does not mean merely supervising, overseeing or delegating the various tasks, it means active day-to-day involvement in the project including identifying issues, investigating options, working directly with stakeholders, and decision-making.
- 2) The RC is a full-time public employee.
- 3) The RC is fully qualified and has successfully completed required training to serve as a RC.
- 4) It will allow the RC to spend all time reasonably necessary to properly discharge all duties associated with the project, including ensuring that all aspects of the project, from planning through post-construction activities, remain eligible for federal-aid highway project funding.
- 5) It will not assign other duties to the RC that would affect his or her ability to properly carry out the duties set out in this agreement.
- 6) It will provide necessary office space, materials and administrative support for the RC.
- 7) It will fully cooperate with, support and not unreasonably interfere with the day-to-day control of the RC concerning the acts necessary for making the project eligible for federal funding.
- 8) It will take all necessary actions and make its best good faith efforts to comply and assist the RC in complying with all federal and state requirements and policies applicable to federal-aid transportation projects, including, but not limited to, all applicable requirements of 23 CFR 635.105.



- 9) It will take all necessary actions and make its best good faith efforts to ensure that the RC's work on the project would be deemed to meet the same standards that the Nebraska Department of Roads must meet under 23 CFR 635.105.
- 10) It will comply with the conflict-of-interest requirements of 23 CFR 1.33.
- 11) It will notify NDOR immediately in the event the designated RC(s) will no longer be assigned to the project. **A supplemental agreement designating a replacement RC may be required by NDOR.**
- 12) It is ultimately responsible for complying with all federal and state requirements and policies applicable to federal-aid highway projects. This includes meeting all post-construction environmental commitments. The LPA understands that failure to meet any eligibility requirements for federal funding may result in the loss of all Federal funding for the project. In the event that the acts or omissions of RC, the LPA or its agents or representatives result in a finding that a project is ineligible for Federal funding, the LPA will be required to repay NDOR some or all previously paid Federal funds and any costs or expenses NDOR has incurred for the project, including but not limited to, those costs for the RC.

The CITY OF GRAND ISLAND understands that the following are the duties of the RC:

- a) Serve as the LPA's contact for issues or inquiries for Federal-aid projects assigned by the LPA;
- b) Ensure that all applicable Federal, State and local laws, rules, regulations, policies and guidelines are followed during the development and construction of the project;
- c) Know and follow the NDOR LPA Guidelines Manual for Federal-aid Projects;
- d) Have active day-to-day involvement in identifying issues, investigating options, working directly with stakeholders, and decision-making;
- e) Ensure that the project plans and specifications are sealed, signed and dated by a professional engineer licensed in the State of Nebraska, and that estimates have been prepared and the construction has been observed by a professional engineer licensed in the State of Nebraska or a person under the direct supervision of a professional engineer licensed in the State of Nebraska (reference Neb. Rev. Stat. § 81-3445);
- f) Competently manage and coordinate the project day-to-day operations, including all project-related decisions, on behalf of the LPA, which includes the LPA's governing body, staff and any extended staff dedicated to the project such as consulting engineers;
- g) Ensure that project documents are thoroughly checked, reviewed and have had quality control measures applied, prior to submitting to NDOR and/or FHWA;
- h) Monitor the progress and schedule of the project and be responsible for ensuring that the project is completed on time in accordance with established milestone dates;
- i) Properly serve as the owner's representative, and to visit the project site during construction on a frequency commensurate with the magnitude and complexity of the project;
- j) Ensure that proper construction management processes have been developed and implemented for the project;

- k) Serve as a steward of the public funds, i.e. ensure that the public gets what it is paying for;
- l) Attend all required training including the annual workshop; and
- m) Fulfill continuing education requirements as specified in the NDOR LPA Guidelines Manual for Federal-aid Projects.

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

The City Council of the CITY OF GRAND ISLAND

Vaughn Minton	Kent Mann
Peg Gilbert	Mark Stelk
Julie Hehnke	Linna Dee Donaldson
Mike Paulick	Mitch Nickerson
Chuck Haase	John Gericke

Council Member \_\_\_\_\_  
 Moved the adoption of said resolution  
 Member \_\_\_\_\_ Seconded the motion  
 Roll Call: \_\_\_Yes \_\_\_No \_\_\_Abstained \_\_\_Absent  
 Resolution adopted, signed and billed as adopted

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

Attest:

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



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-16

**#2014-246 - Approving Agreement for Temporary Construction Easement for Faidley Avenue Paving Improvements; Project No. 2014-P-1 (T & E Cattle Company)**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Keith Kurz PE, Public Works Engineer

**Meeting:** August 26, 2014

**Subject:** Approving Agreement for Temporary Construction Easement for Faidley Avenue Paving Improvements; Project No. 2014-P-1 (T & E Cattle Company)

**Item #'s:** G-16

**Presenter(s):** John Collins PE, Public Works Director

## Background

On January 22, 2014 the Engineering Division of the Public Works Department advertised for Engineering Services for Faidley Avenue Paving Improvements; Project No. 2014-P-1. Alfred Benesch & Company of Lincoln, Nebraska was awarded an agreement in the amount of \$60,885.81 for engineering design services, by Resolution No. 2014-49.

This project will extend paving to join the two (2) existing segments of Faidley Avenue, between North Road and Irongate Avenue.

Temporary Construction Easements are necessary for this project to be completed, which must be approved by City Council.

## Discussion

Temporary construction easements are needed from T & E Cattle Company in this project area. The necessary documents have been signed and returned by the property owner. Authorization of the documents is contingent upon City Council approval. There will be no compensation for said temporary construction easements.

Temp Easement No	Owner/Address	Legal	Payment	Payment of Damages	Total
1	T & E Cattle Company	<p><u>Temporary Access Easement No. 1-</u>  A temporary access easement located in part of the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West in the City of Grand Island, Hall County, Nebraska and more particularly described as follows:  A 15 foot strip adjacent to the existing north R.O.W. line of Faidley Avenue, in the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West, said temporary access easement contains a calculated area of 0.41 acres (17,663.4 square feet) more or less.</p> <p>AND</p> <p>A 30 foot strip adjacent to the existing south R.O.W. line of Faidley Avenue in the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West. Said temporary access easement contains a calculated area of 0.81 acres (35,316.3 square feet) more or less.</p> <p><u>Temporary Access Easement No. 2 –</u>  A temporary access easement located in part of the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West in the City of Grand Island, Hall County, Nebraska and more particularly described as follows:  The Northwestern portion of the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West, north of the existing 80 foot Faidley Avenue R.O.W. and south of the existing 60 foot ditch R.O.W.. Said temporary access easement contains a calculated area of 2.74 acres (119,407.1 square feet) more or less.</p> <p>AND</p> <p>A 15 foot strip adjacent to the existing south R.O.W. line of Faidley Avenue in the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West. Said temporary access easement contains a calculated area of 0.32 acres (13,808.4 square feet) more or less.</p>	\$0.00	\$0.00	\$0.00
				<b>Grand Total</b>	<b>\$0.00</b>

### 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**

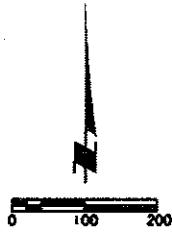
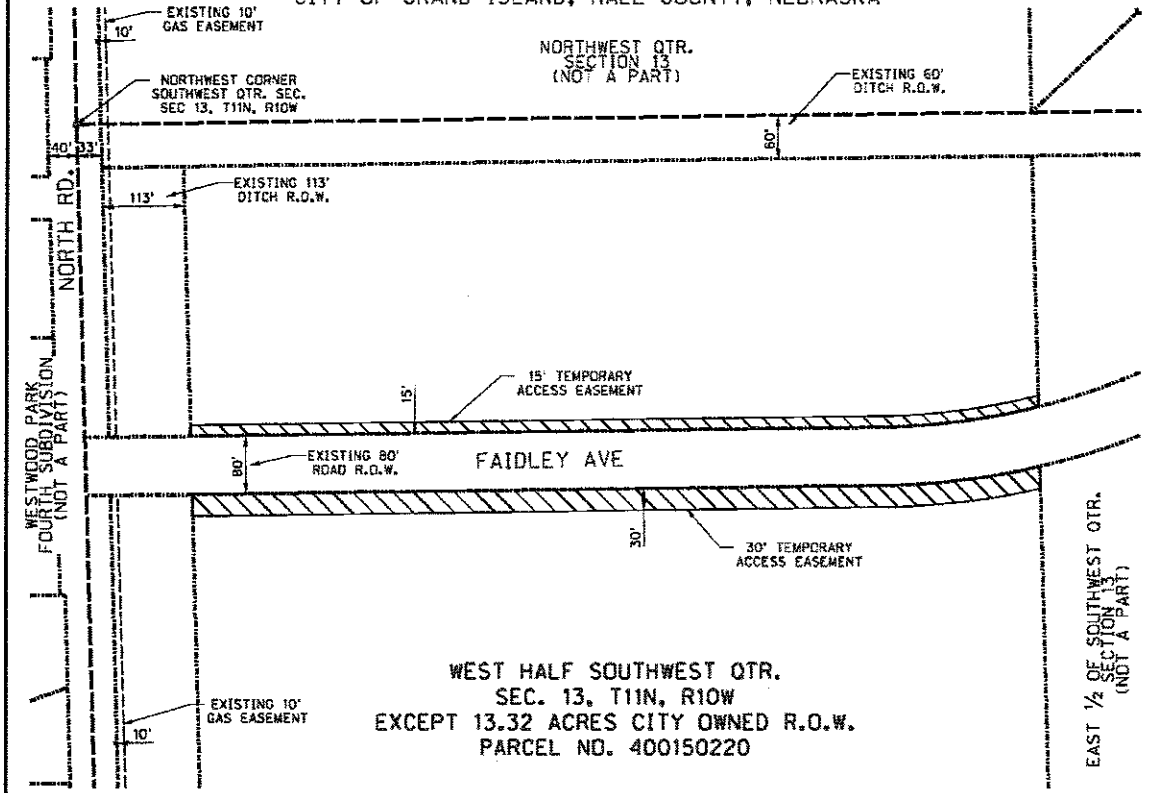
City Administration recommends that the Council approve the Agreement for Temporary Construction Easements between the City of Grand Island, Public Works Department and the affected property owner in the Faidley Avenue Paving Improvements; Project No. 2014-P-1.

### **Sample Motion**

Move to approve the Temporary Construction Easement Agreement.

# TEMPORARY ACCESS EASEMENT

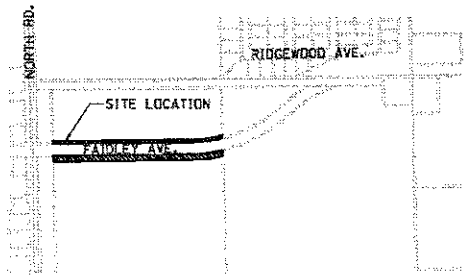
CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA



**LEGEND**

- SECTION LINE
- PROPERTY LINE
- - - EXISTING EASEMENT LINE
- ▨ PERMANENT UTILITY EASEMENT AREA
- ▨ TEMPORARY ACCESS EASEMENT AREA

**LOCATION MAP**  
NOT TO SCALE



**TEMPORARY ACCESS EASEMENT DESCRIPTION**

A TEMPORARY ACCESS EASEMENT LOCATED IN PART OF THE WEST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A 15 FOOT STRIP ADJACENT TO THE EXISTING NORTH R.O.W. LINE OF FAIDLEY AVE. IN THE WEST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W. SAID TEMPORARY ACCESS EASEMENT CONTAINS A CALCULATED AREA OF 0.41 ACRES (17,663.4 SQUARE FEET) MORE OR LESS.

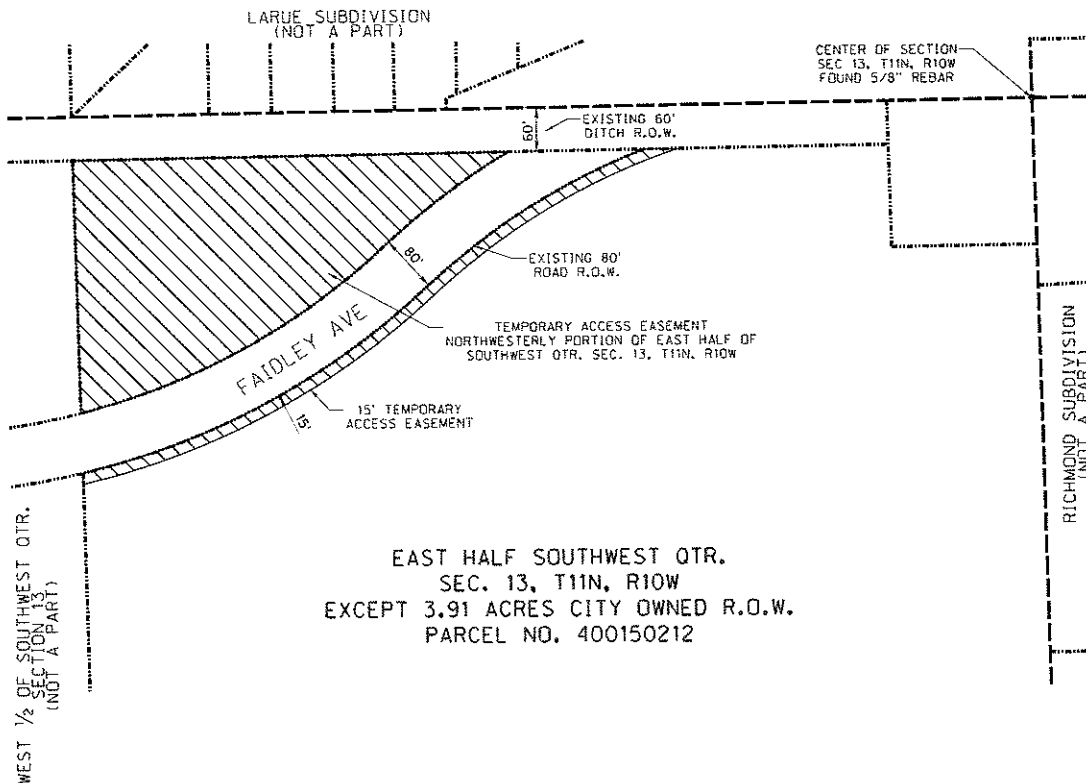
AND

A 30 FOOT STRIP ADJACENT TO THE EXISTING SOUTH R.O.W. LINE OF FAIDLEY AVE. IN THE WEST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W. SAID TEMPORARY ACCESS EASEMENT CONTAINS A CALCULATED AREA OF 0.81 ACRES (35,316.3 SQUARE FEET) MORE OR LESS.

EXHIBIT <b>I</b>	PROJECT NO. 10998.00	<b>FAIDLEY AVENUE PAVING IMPROVEMENTS NO. 2014-P-1</b> GRAND ISLAND, NEBRASKA	 <b>benesch</b> <small>engineers - architects - planners</small>
	DRAWN BY: LJS		
	DATE: 07/11/2014		

# TEMPORARY ACCESS EASEMENT

CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA

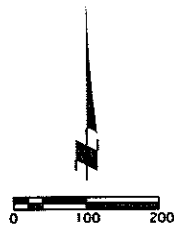
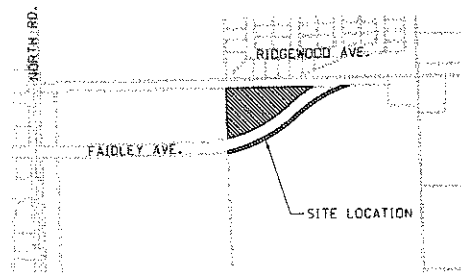


EAST HALF SOUTHWEST QTR.  
SEC. 13, T11N, R10W  
EXCEPT 3.91 ACRES CITY OWNED R.O.W.  
PARCEL NO. 400150212

WEST 1/2 OF SOUTHWEST QTR.  
SECTION 13  
(NOT A PART)

RICHMOND SUBDIVISION  
(NOT A PART)

LOCATION MAP  
NOT TO SCALE



### LEGEND

- SECTION LINE
- - - - - PROPERTY LINE
- - - - - EXISTING EASEMENT LINE
- ▨ TEMPORARY ACCESS EASEMENT AREA

### TEMPORARY ACCESS EASEMENT DESCRIPTION

A TEMPORARY ACCESS EASEMENT LOCATED IN PART OF THE EAST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W IN THE CITY OF GRAND ISLAND, HALL COUNTY, NEBRASKA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHWESTERLY PORTION OF THE EAST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W, NORTH OF THE EXISTING 80 FOOT FAIBLEY AVE. R.O.W. AND SOUTH OF THE EXISTING 80 FOOT DITCH R.O.W.  
SAID TEMPORARY ACCESS EASEMENT CONTAINS A CALCULATED AREA OF 2.74 ACRES (119,407.1 SQUARE FEET) MORE OR LESS.

AND

A 15 FOOT STRIP ADJACENT TO THE EXISTING SOUTH R.O.W. LINE OF FAIBLEY AVE. IN THE EAST HALF OF THE SOUTHWEST QTR. SEC. 13, T11N, R10W  
SAID TEMPORARY ACCESS EASEMENT CONTAINS A CALCULATED AREA OF 0.32 ACRES (13,808.4 SQUARE FEET) MORE OR LESS.

EXHIBIT	PROJECT NO.	10918 00
	DRAWN BY	LJS
	DATE	07/17/2014

FAIBLEY AVENUE PAVING IMPROVEMENTS NO. 2014-P-1  
GRAND ISLAND, NEBRASKA





RESOLUTION 2014-246

WHEREAS, a temporary construction easement agreement is required by the City of Grand Island, from the affected property owner in the Faidley Avenue Paving Improvements; Project No. 2014-P-1 area, as follows:

Temp Easement No	Owner/Address	Legal	Payment	Payment of Damages	Total
1	T & E Cattle Company	<p><u>Temporary Access Easement No. 1-</u>                      A temporary access easement located in part of the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West in the City of Grand Island, Hall County, Nebraska and more particularly described as follows:                      A 15 foot strip adjacent to the existing north R.O.W. line of Faidley Avenue, in the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West, said temporary access easement contains a calculated area of 0.41 acres (17,663.4 square feet) more or less.</p> <p>AND</p> <p>A 30 foot strip adjacent to the existing south R.O.W. line of Faidley Avenue in the West Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West. Said temporary access easement contains a calculated area of 0.81 acres (35,316.3 square feet) more or less.</p> <p><u>Temporary Access Easement No. 2 –</u>                      A temporary access easement located in part of the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West in the City of Grand Island, Hall County, Nebraska and more particularly described as follows:                      The Northwesterly portion of the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West, north of the existing 80 foot Faidley Avenue R.O.W. and south of the existing 60 foot ditch R.O.W.. Said temporary access easement contains a calculated area of 2.74 acres (119,407.1 square feet) more or less.</p> <p>AND</p> <p>A 15 foot strip adjacent to the existing south R.O.W. line of Faidley Avenue in the East Half of the Southwest Quarter of Section 13, Township 11 North, Range 10 West. Said temporary access easement contains a calculated area of 0.32 acres (13,808.4 square feet) more or less.</p>	\$0.00	\$0.00	\$0.00
<b>Grand Total</b>					<b>\$0.00</b>

Approved as to Form    ✕ _____ August 25, 2014            ✕ City Attorney
--

WHEREAS, an Agreement for Temporary Easements has been reviewed and approved by the City Legal Department.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island be, and hereby is, authorized to enter into the Agreements for Temporary Easements on the above described tracts of land.

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

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-17

**#2014-247 - Approving Agreement for Utility Relocation Services to be performed by NorthWestern Energy for the Capital Avenue – Webb Road to Broadwell Avenue Project**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown PE, Assistant Public Works Director

**Meeting:** August 26, 2014

**Subject:** Approving Agreement for Utility Relocation Services to be performed by NorthWestern Energy for the Capital Avenue – Webb Road to Broadwell Avenue Project

**Item #'s:** G-17

**Presenter(s):** John Collins PE, Public Works Director

## Background

All agreements must be approved by the City Council.

The Capital Avenue – Webb Road to Broadwell Avenue widening project will consist of removal of the existing 24' wide asphalt roadway and construction of new concrete pavement on Capital Avenue from Webb Road through Broadwell Avenue. The new roadway will consist of five lane curbed concrete pavement. Other improvements include construction of sidewalks and a concrete hike/bike trail, updated street lighting, and construction of new storm sewer. A pedestrian signal will be constructed approximately 1000' east of Webb Road to provide for safe crossing for users of the hike/bike trail.

This project will be coordinated with the North Interceptor Sanitary Sewer project.

This project will receive federal funding through the Surface Transportation Program (STP), which has typically been applied on an 80/20 basis. However, due to changes brought about by the new federal highway bill, the Moving Ahead for Progress in the 21st Century Act (MAP-21), federal funding for this project has been capped. Reference is made to Resolution 2013-141 approved by City Council on May 14, 2013.

The improvements require that utilities owned by the City of Grand Island, Northwestern Energy and CenturyLink are relocated due to the roadway widening and the construction of the hike/bike trail.

## **Discussion**

During the project design process, Public Works staff and the design team from Olsson Associates met with officials from NorthWestern Energy to review impacts the roadway improvement would have on their gas line and associated facilities. Through these meetings, it was determined where aboveground structures will be in conflict with the roadway improvements and where underground gas line will need to be relocated.

The estimated cost for the relocation work of NorthWestern Energy's facilities is \$620,000.00. Since the facilities resided in a private easement formerly owned by NorthWestern Energy on the north side of Capital Avenue, the relocation work is a project cost and eligible for federal aid. The Nebraska Department of Roads Local Projects Division developed the agreement for utility relocation services.

The Capital Improvements Program will fund the utility relocation costs, and the City will be reimbursed 80% of the actual costs.

Final design plans have been submitted by Olsson Associates to the Nebraska Department of Road for review. Acquisition of right-of-way and easements has been completed. Construction of this project is anticipated to begin in 2015.

## **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 approve the agreement for Utility Relocation Services to be performed by NorthWestern Energy for the Capital Avenue – Webb Road to Broadwell Avenue Project.

## **Sample Motion**

Move to approve the agreement.

**A G R E E M E N T**

CITY OF GRAND ISLAND  
NORTHWESTERN ENERGY  
PROJECT NO. URB-5436(5)  
CONTROL NO. 42707  
CAPITAL AVE FROM WEBB TO BROADWELL

THIS AGREEMENT, made and entered into by and between NorthWestern Corporation d/b/a NorthWestern Energy hereinafter referred to as the "Utility" and the City of Grand Island, hereinafter referred to as the "LPA".

WITNESSETH:

WHEREAS, the Project has plans for the relocation of 5,175 ft. of NorthWestern Energy's 8" steel main, rebuild a regulator station near Custer Avenue as a replacement for the regulator station at Capital and Broadwell, tie in the new regulator station to the service lines south of Capital Avenue, abandon the 6" steel line and remove the regulator station at Capital Avenue and Broadwell Avenue; and

WHEREAS, said engineering will be undertaken under the project designation URB-5436(5), and

WHEREAS, the Utility owns and operates a gas line and associated facilities along and adjacent to a portion of this project, some of which is resting outside of the limits of the old highway right of way and on private property, and

WHEREAS, because of the widened right of way which the LPA has acquired for the new construction, and because of the construction itself, it becomes necessary for the Utility to adjust some, if not all, of its facilities along this project, and

WHEREAS, the Utility is willing to rehabilitate its facility where necessary in accordance with the conditions hereinafter provided in this agreement, and

WHEREAS, the LPA is willing to reimburse the Utility for its nonbetterment costs to rehabilitate its facilities when the Utilities facility is presently located outside of the old public right-of-way and on private property, and

WHEREAS, the LPA is willing to pay the Utility for eligible nonbetterment expenses incurred in connection with the rehabilitation of its facilities as provided by Federal-Aid Policy Guide 23 CFR 645A, "Utility Relocations, Adjustments and Reimbursement", and Federal-Aid Policy Guide, 23 CFR 645B, "Accommodation of Utilities" issued by the Federal Highway Administration.

NOW THEREFORE, in consideration of these facts, the parties hereto agree as follows:

SECTION 1. The Utility hereby agrees to furnish, or cause to be furnished, all of the tools, labor, equipment and materials necessary for the rehabilitation of its facility as made necessary by construction.

SECTION 2. This section is applicable only if overhead facilities belonging to the Utility are part of the work covered under this Agreement. Where, applicable, the LPA has prepared a tabulation of all the poles belonging to the Utility along and adjacent to this project, showing the poles which will have to be moved and indicating in the "Remarks" column by means of the word "Pay" that the moving of such poles will be eligible for payment from the LPA. If overhead facilities belonging to the Utility are involved, a copy of the tabulation is attached as "B" and hereby made part of this Agreement.

SECTION 3. Prints of the construction plans for this project, showing the location of the poles referred in the above tabular form, have been forwarded to the Utility and are by this reference hereby made a part of this agreement.

SECTION 4. The Utility, upon receipt of construction plans, shall furnish detailed plans, specifications, and estimates based upon plans furnished by the LPA. If the Utility plans to use consultant engineering service for any part of the work, the Utility shall notify the LPA in advance of commencement of work. The LPA will inform the Utility of requirements and documentation needed for the consultant costs to be eligible for reimbursement. The Utility shall include the following with its plans, specifications, and estimates:

- A. Its tentative work schedule and construction phasing plan.
- B. A statement describing whether the work is to be done by force account, a continuing contract or if a contract is to be let. If the Utility plans to use a contractor under an existing written continuing contract, the Utility shall furnish the State a copy of all pertinent parts of the contract.
- C. A statement that plans, specifications, and estimates are part of this agreement.
- D. Betterment disclaimer or cost sharing percentage if Utility work includes a betterment.
- E. Explanation of why the Utility's costs are eligible for reimbursement.

Approval by the State and, when applicable, the Federal Highway Administration, of plans, specifications, and estimates constitutes a binding agreement between the parties for work made necessary by the individual projects. If applicable, the LPA will send plans to the Federal Highway Administration for review as part of the approval process. Any utility rehabilitation excluding utility engineering costs, done by the Utility prior to authorization by the LPA will be done at the expense of the Utility.

SECTION 5. The description of work to be performed and the estimate of costs prepared by the

Utility have been approved by the LPA and are hereby made a part of this agreement. These items are attached as Exhibit "B". The total amount of this estimate is \$620,000.00 of which \$620,000.00 is the share of the cost chargeable to the LPA. It is expressly understood that notwithstanding this estimate the LPA will reimburse the Utility for 100% of its actual nonbetterment expenses less any credits for salvaged or junked materials.

SECTION 6. The Utility agrees, as a part of the above described estimate to advise the LPA as to the method which will be used in accumulating the actual costs. If this method is prescribed by a Federal or State regulatory body, a statement to that effect shall be made by the Utility. If the accounting method is not prescribed by an agency of the State or Federal Government, it shall be described in the Utility estimate and be approved as a part of this agreement.

SECTION 7. The Utility may submit progress billings for the portions of its rehabilitation that have been completed. The Utility agrees not to submit progress billings for amounts less than \$2,500.00. The LPA will make progress payments, based upon satisfactory prosecution of work, for 95 percent of the amount billed. The LPA will limit its payments to 95 percent of the approved estimate referenced in Section 5 of this agreement pending the results of the final cost audit. The LPA will make every effort to pay the Utility within thirty days of receipt of the Utility's invoice.

SECTION 8. If the Utility wants to let a construction contract, the Utility shall do the following:

- A. If the Utility solicits bids from a list of known Contractors, upon request the list must be submitted to the LPA for concurrence.
- B. Upon request, submit the bid proposal, plans and construction schedule to the LPA for approval prior to letting a contract.
- C. Require the Contractor to abide by the provisions of the Nebraska Fair Employment Practices Act as provided by Neb.Rev.Stat. §48-1101 through 48-1126 (Reissue 2004), as amended, provisions of the and all regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation, Title 49 CFR, Parts 21 and 27 as set forth in Exhibit "A" attached hereto and made a part of this agreement.
- D. Upon request, submit a copy of the bids received and the Utility's recommendation of award to the LPA for concurrence prior to any award.
- E. Require any Contractor or subcontractor engaged under this agreement to fully comply with the provisions of the Nebraska Employment Security Law as



provided by Neb.Rev.Stat. §48-610 through 48-671 (Reissue 2004), as amended, and the same are incorporated herein by this reference.

SECTION 9. It is agreed and understood by the parties hereto that Federal-Aid Policy Guide 23 CFR 645A, "Utility Relocations, Adjustments and Reimbursement", and Federal-Aid Policy Guide, 23 CFR 645B, "Accommodation of Utilities" issued by the U.S. Department of Transportation, Federal Highway Administration, as supplemented, revised or updated heretofore, is hereby expressly made a part of and incorporated into this agreement by this reference.

SECTION 10. In consideration of the payment as mentioned in Section 5 of this agreement the Utility agrees to relinquish or subordinate sufficient property rights or interests that it may have in property upon which it has an easement or similar right that will be occupied by the proposed highway improvement as are necessary for the construction, operation and maintenance of the highway facility.

SECTION 11. All traffic controls must comply with the latest edition of the Manual on Uniform Traffic Control Devices (MUTCD). If the LPA furnishes the Utility a traffic control plan, the Utility must comply with the plan. The LPA has the right to shut down a Utility work area not in compliance with the Manual on Uniform Traffic Control Devices.

SECTION 12. The Utility shall comply with the regulations relative to nondiscrimination in federally-assisted programs of the Department of Transportation, Title 49 CFR, Parts 21 and 27, as set forth in Exhibit "A" attached hereto and hereby made a part of this agreement.

SECTION 13. The Utility agrees that it and any Contractor or subcontractor engaged under this agreement will fully comply with the provisions of the Nebraska Employment Security Law as provided by Neb.Rev.Stat. §48-601 through 48-671 (Reissue 2004).

SECTION 14. The Utility agrees that the billing will be prepared and submitted in a manner to allow comparison with the approved estimate.

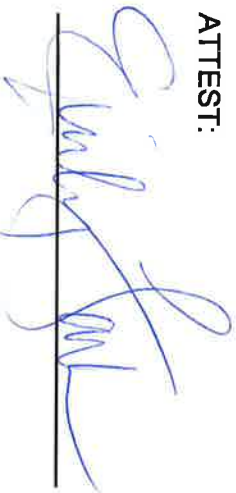
SECTION 15. Each party shall indemnify, hold harmless and defend the other party and its officers, directors and employees from any and all claims, demands, litigation, fines, expenses or liabilities (including costs and attorneys' fees) arising from or incident to the performance of the Utility Work for injuries to or the death of any third parties, damage to third party property, violations of applicable law or other breach of legal duty arising from performance of the Utility Work. In the event any claim, demand, litigation, fine, expense or liability is caused by the joint or concurrent negligence of the parties, the loss shall be borne by each party in proportion to its degree of negligence. The parties understand that no federal or state funds will be used to hold the Utility harmless under this provision.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their proper officials thereunto duly authorized as of the dates below indicated.

EXECUTED by the Utility this 18<sup>th</sup> day of August, 2014.

ATTEST:

Northwestern Energy



EXECUTED by the LPA this 18<sup>th</sup> day of August, 2014.

ATTEST:

City of Grand Island

\_\_\_\_\_

\_\_\_\_\_



AGR167

NONDISCRIMINATION CLAUSES

During the performance of this contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

- (1) Compliance with Regulations: The Contractor will comply with the Regulations of the Department of Transportation relative to nondiscrimination in federally assisted programs of the Department of Transportation (Title 49, Code of Federal Regulations, Parts 21 and 27, hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
- (2) Nondiscrimination: The Contractor, with regard to the work performed by it after award and prior to completion of the contract work, will not discriminate on the basis of disability, race, color, sex, religion or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix "A," "B," and "C" of Part 21 of the Regulations.
- (3) Solicitations for Subcontracts, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this contract and the Regulations relative to nondiscrimination on the basis of disability, race, color, sex, religion or national origin.
- (4) Information and Reports: The Contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the State Highway Department or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the Project Owner, State Highway Department, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
- (5) Sanctions for Noncompliance: In the event of the Contractor's noncompliance with the nondiscrimination provisions of this contract, the Project Owner, State Highway Department shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including but not limited to,
  - a) withholding of payments to the Contractor under the contract until the Contractor complies, and/or
  - b) cancellation, termination or suspension of the contract, in whole or in part.
- (6) Incorporation of Provisions: The Contractor will include the provisions of paragraph (1) through (5) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The Contractor will take such action with respect to any subcontract or procurement as the Project Owner, State Highway Department or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a Contractor becomes involved in, or is threatened with, litigation with a Project Owner subcontractor or supplier as a result of such direction, the Contractor may request the State to enter into such litigation to protect the interests of the Project Owner, and in addition, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT "A"



NorthWestern Corporation  
d/b/a NorthWestern Energy  
515 W 3rd Street  
Grand Island NE 68801  
Telephone: (308) 385-4519  
Facsimile: (308) 382-1105  
[www.northwesternenergy.com](http://www.northwesternenergy.com)

CONFIDENTIAL – Capital Avenue Road Move

July 10, 2013

Matthew M. Rief, P.E.  
Olsson Associates  
201 East 2<sup>nd</sup> Street  
Grand Island, NE 68801

Matt,

In review of the preliminary prints dated June 13, 2013 and our onsite meeting of the same day, I have worked up a scope of work and estimate based on the project scope as so defined. Estimated cost is \$620,000.

The widening of Capital Ave will affect NorthWestern's 8" steel line on the north of Capital and 6" steel under Capital Ave in the south lane. There may also be some service lines not yet identified but are expected to be minor and handled under the contingency funds.

The scope of work is to relocate 5,175 ft of NorthWestern's 8" steel main, rebuild a regulator station near Custer Ave as a replacement for the reg station at Capital and Broadwell, tie in the new reg station to the service lines south of Capital, abandon the 6" steel line and remove the reg station at Capital and Broadwell (at the VFW Hall).

Scope for reimbursable costs as described below.

- Utilize the existing 8" steel crossing of Capital Ave at Station 102+50 to 105+75
- Set an 8" bottom-out at approximate station 104+25
- Begin new pipe at station 104+45 thru 156+50
- There is no conflict with;
  - The new culvert at station 104+00 the wing wall.
  - The UGEMH at station 127+75
  - The inlet structure at station 128+00.
  - The proposed UGEMH at 133+10
  - The proposed UGEMH at 140+00
  - Storm sewer crossing at station 154+00
  - No conflict with any other storm inlet structures.
- If there is a conflict during construction a change order needs to be agreed upon.
  - Bore
    - 128+50 to 132+50 = 400ft
    - 139+50 to 141+00 = 150 ft
    - 144+50 to 145+50 = 100 ft
    - 148+50 to 149+50 = 100 ft

EXHIBIT "B"  
Page 1 of 10

- 151+50 to 152+50 = 100 ft
- 153+50 to 156+50 = 300 ft
- Set an 8" bottom-out at approximate station 156+50
- Tie-in and end construction at station 156+50
- An above ground reg station will be installed at approximate station 125+00. The City approves above ground structure approximately 20 ft in length by 10 ft wide. Install a 6" bottom out at Custer Avenue
- Bore Capital Ave with a new 6" steel main at approximate station 125+25
- Abandon 8" and 6" steel in-place.
- Remove reg station at Broadwell and Capital
- Install a 4" stopper between Grand Island Ave N and Huston Ave N
- New utility of easement to be granted by the City
- It is expected that the ROW will be cleared for the sewer installation and North Western will have minimal, if any, obstacles or other utilities to contend with.
- ROW to be seeded but no sod after construction
- Local inspection for 1 month during construction
- Third party contractor to complete construction with North Western over-site and assistance during tie-over's.
- Steel prices are based on \$27.50/ft for 8" steel pipe, coated and delivered.
- Contractor prices provided from North Western's blanket contractor. Prices could vary depending on time of year, scope change and any unforeseen circumstances.

North Western requests a written agreement to reimburse for actual construction costs.

Sincerely,

Dennis A. Placke, P.E.  
 515 W 3<sup>rd</sup> Street  
 Grand Island, NE 68801  
 (308) 385-4519  
 Large Projects Engineer

# Project Summary

Capital Road Move Estimate rev July 10  
7/15/2013  
8:36 AM

MAOP  
Project: Replace 8" Capital Ave, remove, abandon 6" and replace Reg Sta

Type	Project Summary	Total Cost
*	Northwestern's Labor Cost	\$ 31,615.95
*	Northwestern's Labor Overhead Cost	\$ 18,191.82
*	Contractor's Labor Cost	\$ 221,697.48
*	Contractor's Labor Overhead Cost	\$ 65,844.15
*	Gas Reg Station Material Cost	\$ 10,407.03
*	Gas Reg Station Material Overhead Cost	\$ 520.35
*	Gas Sectionalizing Valveset Material Cost	\$ -
*	Gas Sectionalizing Valveset Material Overhead Cost	\$ -
*	Gas Mainline Material Cost	\$ 216,330.74
*	Gas Mainline Material Overhead Cost	\$ 10,816.54
*	Gas Service Material Cost	\$ -
*	Gas Service Material Overhead Cost	\$ -
*	Other Cost	\$ 44,843.52
<b>Grand Total \$</b>		<b>620,267.57</b>

ORDINANCE NO. 9213

AN ORDINANCE OF THE CITY OF GRAND ISLAND, NEBRASKA, GRANTING TO NORTHWESTERN CORPORATION, DOING BUSINESS AS NORTHWESTERN ENERGY, THE NON-EXCLUSIVE RIGHT AND PRIVILEGE TO CONSTRUCT, MAINTAIN AND OPERATE A SYSTEM OF MAINS, PIPES, SERVICES AND OTHER APPLIANCES IN, UPON, OVER, ACROSS AND ALONG THE STREETS, AVENUES, ALLEYS, BRIDGES AND PUBLIC PLACES OF THE CITY OF GRAND ISLAND, NEBRASKA, FOR THE TRANSMISSION, TRANSPORTATION, DISTRIBUTION, AND SALE OF NATURAL GAS FOR DOMESTIC, COMMERCIAL, INDUSTRIAL AND OTHER USES IN THE CITY; PRESCRIBING THE TERMS AND CONDITIONS UNDER WHICH THE COMPANY IS TO OPERATE; TO REPEAL ORDINANCE NO. 6873 (AS AMENDED) AND ALL OTHER ORDINANCES AND RESOLUTIONS OR PARTS THEREOF IN CONFLICT HERewith; AND TO PROVIDE FOR PUBLICATION IN PAMPHLET FORM BY THE AUTHORITY OF THE CITY COUNCIL AND EFFECTIVE DATE OF THE ORDINANCE.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA

**Section 1. Grant of Franchise.** In consideration of the benefits to be derived from the installation and operation of a natural gas distribution system in the City of Grand Island, Nebraska (hereinafter sometimes designated as "City") by City and its inhabitants, there is hereby granted to NorthWestern Corporation, doing business as NorthWestern Energy, (hereinafter sometimes designated as "Grantee" or "Company"), the non-exclusive right, permission and authority to lay, install, maintain and operate a natural gas transmission and distribution system (hereinafter sometimes designated as "gas system within the limits of City, as the same now exists or may be hereafter extended, for a period of twenty (20) years from and after the effective date of this Ordinance and for such extended term as City may grant pursuant to the provisions of Section 4 hereof, and for this purpose there is hereby further granted to Grantee the right, permission and authority during said period to lay, install, maintain, and operate in, upon, over, across and along all of the streets, avenues, alleys, bridges and public places of City all mains, services, pipes, conduits, and/or appliances (Grantee's "Infrastructure") necessary for transmitting, transporting, distributing, and supplying natural gas for heating, industrial power, and other purposes for which natural gas may be used, and for the purpose of transmitting, transporting and conveying such gas into, through or beyond the immediate limits of City to other cities, villages, and customers.

The right and privilege to use and occupy such streets, alleys, public ways, and places for the purposes herein set forth, shall not be exclusive, and the City of Grand Island reserves the right to grant a similar use of such streets, alleys, public ways, and places, to any person or corporation at any time during the Grant of Authority. The laying or installation of additional pipe within the City for transmission of natural gas beyond City limits shall require a permit for that purpose.

Approved as to Form  March 23, 2009  City Attorney

ORDINANCE NO. 9213 (Cont.)

**Section 2. Obligation to Provide Natural Gas Service.** Grantee shall furnish a natural gas system, natural gas supply and infrastructure which is safe, adequate, efficient, reliable, and low-cost. Grantee shall maintain and operate the same in a manner to meet the necessities and requirements of City (including City-owned electric generating plants within the City's corporate limits), its inhabitants and industries, and in a manner consistent with the Natural Gas Regulation Act (the "Act") and with the rules and regulations of the Nebraska Public Service Commission (the "Commission").

**Section 3. Limitation on Obligation.** Grantee shall provide to City and its inhabitants requesting natural gas service reliable natural gas service.

**Section 4. City Right to Extend Terms of Franchise.** City may extend the term of this franchise by an additional five (5) years beyond the term hereof upon the same terms and conditions as herein set forth, upon giving Grantee sixty (60) days notice of its intent to exercise such right of extension. City may, but need not, conduct a public hearing in conjunction with such an extension. If requested by City to do so, Grantee shall promptly furnish to City such information as City may reasonably request in connection with City's deliberations as to whether to exercise such right of extension.

**Section 5. Installation of Infrastructure.** All infrastructure which shall be laid or installed under this grant shall be located in public right-of-way and shall be located and laid so as not to obstruct or interfere with any existing or planned water pipes, drains, sewers, paving, or other structures, and all such infrastructure shall be laid in place subject to the approval of City or subject to the approval of such representative as City may from time to time provide, and, in compliance with City policies, regulations and manuals. Grantee shall in doing any work in connection with infrastructure, avoid, so far as may be practical, interfering with the use of any street, alley, or other highway, and where paving or surface of the street is disturbed, Grantee shall, as its own expense and in a manner satisfactory to the duly authorized representative of City, replace and compact soils and reconstruct such paving or surface of the street or alley in as good condition as before said work was commenced in accordance with specifications of City, and Grantee shall ensure that the paving or surface of the street or alley is maintained free from any defects caused by Grantee or its employees or agents for a period of two (2) years from the time the work was completed.

**Section 6. Use of Streets, Alleys and Other Public Right-of-Way.** Grantee's Infrastructure to be placed in any public right-of-way or other public property shall be located, constructed, installed, maintained, renovated or replaced in accordance with applicable rules and regulations of City. Grantee shall acquire necessary permits, if any, required by City and City may inspect the manner of such work and requires such remedies as may be necessary to assure compliance. The replacement and restoration of the public right-of-way or other public property shall be completed as promptly as practical. Should Grantee not promptly and satisfactorily perform and complete the necessary work to restore the public right-of-way or other public property, the City shall notify Grantee of such restoration steps needed to be taken, and if Grantee fails to take such steps within the prescribed period of time given in the notice, and if shall have the right to do so at the expense of Grantee. If City, after proper notice and Grantee's failure to cure, exercises its right to restore the public right-of-way or other public property,



ORDINANCE NO. 9213 (Cont.)

Grantee shall reimburse City for the reasonable cost incurred for the work performed by City or its agents.

1. Use. All Infrastructure laid or placed by Company on public property shall, be so located in the streets, alleys or other public places in the City as not to obstruct or interfere with any water pipes, sewers, drains or other structures already installed under existing City policies. Company shall, when practical, avoid interfering with the use of any street, alley or other highway where the paving or surface of the street would be disturbed.
2. Restoration. In case of any disturbance of pavement, sidewalk, driveway or other surfacing, the Company shall, at its own cost and expense, replace and restore all paving, sidewalk, driveway or surface of any street or alley disturbed, in as good condition as before said work was commenced, and shall maintain the restoration free from any defects caused by Grantee or its employees or agents for a period of two (2) years from the time the work was completed.

If City elects to alter or change the grade of or otherwise improve any street, alley, public way, public property or public right-of-way, or construct, repair, or reconstruct any sewer, water, or other City owned system therein or thereon for a public purpose, Grantee, upon reasonable notice by City, shall remove, relay, and relocate its Infrastructure at the cost and expense of the Grantee. However, in the event of City's vacation or transfer of any public right-of-way or other public property in which Grantee's Infrastructure is placed to any third-party, such vacation or transfer shall be conditioned upon and subject to Grantee's right to use and occupy such with its Infrastructure, and the Grantee shall be entitled to a permanent easement to maintain such use and occupancy in perpetuity. In the event the City orders Grantee to relocate its Infrastructure for any nonpublic purpose where a vacation or transfer of public right-of-way will not occur, Grantee shall be entitled reimbursement from the City for the reasonable cost of a relocation of Grantee's Infrastructure.

**Section 7. Emergency Repairs.** It is understood that the work provided by Grantee as authorized in this Franchise involves the health, safety and welfare of the City and that certain emergency circumstances make the prior acquisition of a permit not feasible. In such instances, Grantee may take such immediate unilateral actions as it determines are necessary to protect the public health, safety and welfare; however, Grantee shall notify the City Administrator or City Communication Center of such emergency action as soon as practical.

**Section 8. Standard Equipment.** Grantee, in the construction, operation and maintenance of the natural gas system in the City, shall use only Infrastructure that meet applicable federal, state, and local construction and safety codes. Grantee shall also use all necessary safety devices to protect City and its residents from injury as required by federal, state and local laws and regulations. The Infrastructure materials used may be subject to City inspection at the option of the City.

**Section 9. Construction and Extension of Mains.** Subject to the Regulation of the Nebraska Public Service Commission, Grantee shall make such reasonable extensions of its

ORDINANCE NO. 9213 (Cont.)

mains and shall install services to parties located within City who have requested and received from Grantee approved applications therefore; provided, however, that no obligation shall extend to, or be binding upon Grantee, through no fault of its own, if it is unable to obtain delivery of an adequate supply of natural gas at or near the corporate limits of City to warrant the construction or extension of its mains and Grantee shall notify the City of its inability to furnish any requested service within five (5) business days of its decision; provided, further, that when the amount of natural gas supplied to Grantee at or near the City limits is insufficient to meet the additional firm requirements of connected or new customers, Grantee shall have the right to prescribe reasonable rules and regulations for allocating the available supply of natural gas for such additional firm requirements to domestic, commercial and industrial consumers, in that order of priority. Grantee agrees to conform to its tariffs filed with the Nebraska Public Service Commission as it relates to service line extensions.

**Section 10. Grantee Holds City Harmless.** It is expressly understood and agreed by and between Grantee and the City of Grand Island that Grantee shall save City harmless, indemnify, and become responsible for any and all claims, demands, losses, judgments, decrees, costs or expenses whatsoever, including reasonable attorneys' fees, which the City may legally suffer and/or incur, or which may be legally obtained against the City, to the extent said claims, demands, losses, judgments, decrees, costs or expenses accrue or result from the use and/or occupation of any street, alley, avenue or other public place in the City by Grantee pursuant to the terms of this Franchise, or which legally result or accrue from the exercise by Grantee of the privileges granted by this Franchise to Grantee; provided, however, that Grantee need not save harmless the City from claims, demands, losses, expenses and liabilities arising solely out of the negligence of City, its employees or agents.

**Section 11. Acceptance of Franchise.** Within thirty (30) days after the passage of this Ordinance: (a) Grantee shall prepare and file a written acceptance of this Ordinance with the City Clerk; and (b) the City shall furnish a certified copy of the Ordinance to the Grantee and the Grantee shall file the certified copy of the Ordinance with the Nebraska Public Service Commission. Failure of Grantee to so accept this Ordinance within said period of time shall be deemed a rejection thereof by Grantee and the rights and privileges herein granted shall after the expiration of said period of thirty (30) days, if not so accepted, absolutely cease and terminate, unless said period of time shall be extended by further Ordinance duly passed for that purpose.

**Section 12. Inspection of Records.** For the purpose of affording City the opportunity to enforce and collect any and all fees, taxes or other assessments imposed by City, Grantee shall provide all reasonable requested data and information necessary to ascertain or verify correctness and accuracy of all such fees and taxes paid. Grantee shall further permit City to inspect and audit during regular business hours, the relevant books and records kept by Grantee in the ordinary course of business.

**Section 13. Municipal Regulations.**

1. **Municipal Rules.** The right is hereby reserved to City to adopt, in addition to the provisions herein contained and existing applicable ordinances, such additional regulations as may be necessary in the exercise of the police power, or any other

ORDINANCE NO. 9213 (Cont.)

statutory authority, provided such regulations, by ordinance or otherwise shall not be in conflict with the laws of the State of Nebraska.

Grantee shall, at all times during the life of the Grant of Authority, be subject to the lawful exercise of the police power by City and all reasonable regulations which may now or hereafter be prescribed in ordinance or resolution with respect to the use of public streets, alleys, avenues, or other public places in the City.

2. Inspection. City shall have the right to inspect all construction and installation work performed subject to the provisions of the ordinance as it shall find necessary to insure compliance with governing ordinances.

**Section 14. Rates Made Public.** Upon request of City, Grantee shall make available to the public in the office of the City Clerk of the City a current copy of the tariffs, including rates and terms and conditions of service, as filed with the Nebraska Public Service Commission. In addition, Grantee shall maintain a current copy of the tariffs, including rates and terms and conditions of service, as filed with the Nebraska Public Service Commission, in its office in the City.

**Section 15. Transferability.** This Franchise and the rights created hereby are specific to Grantee and may not be assigned, transferred or any interest herein otherwise disposed of without the prior written consent of the City Council of the City, with the City to have ninety (90) days to review any proposed assignment, except in cases involving a reorganization or change of control (as defined by the Act) approved by the Nebraska Public Service Commission.

**Section 16. Breach/Revocation/Termination.** If Grantee or City fails to fulfill any of their respective obligations under this Franchise, the City or the Grantee, whichever the case may be, will have a breach of contract claim and remedy against the other in addition to any other remedy provided by law, provided that no remedy which would have the effect of amending the specific provisions of this Franchise shall become effective without the action necessary to formally amend the Franchise.

If the Grantee fails to perform any of the terms of this Franchise, the rights under this Franchise may be revoked by the City after giving written notice specifying the provision(s) claimed to be in default and allowing ninety (90) days for the Grantee to fully comply with the terms of this Franchise, and after a finding supporting such breach following a public hearing before the City Council.

**Section 17. Occupation Tax.** Grantee shall be required and, by acceptance of this Franchise, does agree to pay an occupation tax to the City as specified by Article I, "Natural Gas Companies", Sections 23-1 through 23-9 of the Grand Island City Code, as may be amended from time to time, so long as imposition of such tax is allowed under state law, or in the event of the replacement of such occupation tax with another form of franchise tax, to pay such franchise tax to the City, upon adoption of the City of an appropriate ordinance to impose such tax.

ORDINANCE NO. 9213 (Cont.)

**Section 18. Grantees' Duties.** Grantee shall maintain a local office within the corporate limits of the City during the term of this Franchise. Grantee agrees to respond to any emergencies within one (1) hour of notification for the protection of the public safety. All employees of the Grantee in working with the public and citizens of Grand Island outside of Grantee's facilities shall have on their person either a uniform issued by Grantee that clearly indicates that they are an employee of the Grantee or a clearly recognizable identification badge issued by the Grantee showing the name of the employee and their identification reflecting that they are an employee of the Grantee.

**Section 19. Invalidity.** If any term of this Franchise or its application to any circumstances is held invalid, or the ability to collect an occupation tax is repealed, the City shall have the option of either:

1. declaring the Franchise to continue in force as modified by deletion of the invalid provisions; or
2. terminating the Franchise.

City shall exercise such option by written notice to Grantee given within sixty (60) days of finality of the court proceedings, including any appeal thereof, in which the determination of invalidity was made.

**Section 20. No Waiver.** Failure of either the City or the Grantee to seek compliance by the other to any of the terms of this Franchise shall not be considered a waiver of that term and the non-complying party shall not be excused from complying with the term.

**Section 21. Notices.** All notices from Grantee to the City pursuant to or concerning this Franchise shall be delivered to the City Clerk, 100 East First Street, P.O. Box 1968, Grand Island, NE 68802-1968. All notices from the City to Grantee pursuant to or concerning this Franchise shall be delivered to the Operations Manager at Grantee's local office in the City, 515 W. Third Street, Grand Island, NE 68801, with a copy delivered to: Corporate Counsel/Regulatory Affairs, 3010 West 69<sup>th</sup> Street, Sioux Falls, SD 57108.

**Section 22. Compliance with Laws.** Grantee agrees to conduct its business under the terms of this Franchise in such a manner that it does not violate any federal, state or local laws or regulations applicable to the conduct of its operations under the terms of this Franchise agreement ordinance. This Ordinance shall be construed in accordance with the laws of the State of Nebraska.

**Section 23. Repealer.** To repeal Ordinance No. 6873 and all other ordinances and resolutions or part of ordinances and resolutions in conflict herewith are also hereby repealed.

**Section 24. Effective Date.** This Ordinance shall constitute a binding contract between the City of Grand Island, Nebraska and NorthWestern Corporation, doing business as NorthWestern Energy, as approved by the City, and shall be in full force and take effect (after acceptance by Grantee in accordance with the provisions of Section 11 above) upon passage,

ORDINANCE NO. 9213 (Cont.)

approval, publication and filing with the Nebraska Public Service Commission, in accordance with Nebraska law, unless it is determined by the Commission to be contrary to the provision of the Act. This Ordinance shall be published in pamphlet form by the authority of the Mayor and Council.

PASSED AND APPROVED THIS 24th DAY OF MARCH, 2009.

  
Margaret Hornady, Mayor

ATTEST:

  
RaNaë Edwards, City Clerk

2009

RESOLUTION 2014-247

WHEREAS, the City of Grand Island is developing a transportation project for which it intends to obtain Federal funds; and

WHEREAS, the City of Grand Island as a sub-recipient of Federal-Aid funding is charged with the responsibility of expending said funds in accordance with Federal, State and local laws, rules, regulations, policies and guidelines applicable to the funding of the Federal-aid project; and

WHEREAS, the City of Grand Island and Northwestern Energy wish to enter into a Utility Services Agreement to provide utility relocation services for the Federal-aid project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Utility Services Agreement between the City of Grand Island and Northwestern Energy is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item G-18

**#2014-248 - Approving Subordination Agreement for Miguel & Maria Mendoza - 405 E. 3rd Street**

Staff Contact: Jaye Monter, Finance Director

# Council Agenda Memo

**From:** Tonja Carey, Community Development

**Council Meeting:** August 26, 2014

**Subject:** Approving Subordination Agreement for 405 E. 3<sup>rd</sup> Street

**Item #'s:** G-18

**Presenter(s):** Jaye Monter, Finance Director

## Background

The City Of Grand Island has a Deed of Trust filed on property owned by Miguel A. Mendoza and Maria I. Mendoza, a married couple, located at 405 E. 3<sup>rd</sup> Street, in the amount of \$24,697.34. On November 13, 2008, Community Development Block Grant funds in the amount of \$24,697.34 were loaned to Miguel A. Mendoza and Maria I. Mendoza, a married couple, to assist in the rehabilitation of a home in the Owner-occupied rehabilitation program as part of the Community Development Block Grant program. The legal description is:

Lot Four (4), Block Seventy (70), Original Town, now City Of Grand Island, Hall County, Nebraska.

The owner is requesting permission from the City to subordinate to a new mortgage amount of \$43,000.00 and accept second position to the first mortgage. Miguel A. Mendoza and Maria I. Mendoza, a married couple, currently own the property and are seeking a new mortgage with First National Bank of Omaha. The new lender is requesting first position on the Deed of Trust. The house will remain occupied and property taxes will continue to be paid. The equity in the property is in excess of the lien amounts held by both the City and the bank.

## Discussion

The City's current lien is in the amount of \$24,697.34, which has a balance of \$12,140.79 due to 10% being forgiven annually. A new lien in the amount of \$43,000.00 with First National Bank of Omaha would replace the City of Grand Island's senior lien. By law,



the new lien, with First National Bank of Omaha, would be junior in priority to the City's lien; however, the First National Bank of Omaha, has asked the City to subordinate its lien to the new lien.

The appraised value of the property is \$95,000.00, as of August 1, 2014, and is sufficient to secure the first mortgage of \$43,000.00 and the City's remaining mortgage of \$12,140.79. The new loan would secure a fixed interest rate of 4.375%. The City's loan, with a remaining balance of \$12,140.79, is a zero percent interest loan that is due only when the homeowners sell the house.

### **ALTERNATIVES**

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

1. Approve the Subordination Agreement
2. Refer the issue to a Committee
3. Postpone the issue to a later date
4. Take no action on the issue

### **RECOMMENDATION**

City Administration recommends that the Council approves the Subordination Agreement with First National Bank of Omaha, placing the City in the junior position to the new Deed of Trust.

### **Sample Motion**

Move to recommend approval of the Subordination Agreement with First National Bank of Omaha, placing the City in the junior position to the new Deed of Trust.

Subordination Request from Miguel Mendoza Santamaria & Maria I. Mendoza

The City Of Grand Island has a Deed of Trust filed on property at 405 E. 3<sup>rd</sup> Street in the amount of \$24,697.34. On November 13, 2008, Community Development Block Grant funds were loaned to the owners to assist in the rehabilitation of a home in the Owner-occupied rehabilitation program. The address is 405 E. 3<sup>rd</sup> Street. The legal description is:

Lot Four (4), Block Seventy (70), Original Town, now City Of Grand Island, Hall County, Nebraska.

The owner is requesting permission from the City to subordinate to a new mortgage to be held by First National Bank of Omaha and thereby accept second position to the new mortgage.

Miguel A. Mendoza and Maria I. Mendoza, a married couple, currently own the property and are seeking a new mortgage with First National Bank of Omaha. The new lender is requesting first position on the Deed of Trust. The house will remain occupied and property taxes will continue to be paid. The equity in the property is in excess of the lien amounts held by both the City and the bank.

The City's current lien is in the amount of \$24,697.34, which has a current balance of \$12,140.79 due to 10% being forgiven annually. A new lien in the amount of \$43,000.00 with First National Bank of Omaha would replace the City of Grand Island's senior lien. By law, the new lien would be junior in priority to the City's lien; however, the First National Bank of Omaha, has asked the City to subordinate its lien to the new lien.

The appraised value of the property is \$95,000.00 as of August 1, 2014, and is sufficient to secure the first mortgage of \$43,000.00 and the City's remaining mortgage of \$12,140.79. The new loan would secure a fixed interest rate of 4.375%. The City's loan, with a remaining balance of \$12,140.79, is a zero percent interest loan that is due only when the homeowners sell the house.

\$ 43,000.00	New lien
\$ 12,140.79	<u>City's lien</u>
\$ 55,140.79	First and second lien total
\$ 95,000.00	August 1, 2014 Appraisal amount

Old house payment: \$0 (mortgage was paid in full)  
New house payment: \$431.31    4.375% fixed interest rate

**SUBORDINATION AGREEMENT**

COMES NOW the City of Grand Island, Nebraska, secured party/beneficiary and hereby partially subordinates its trust deed/real estate lien recorded November 13, 2008 on the following described real estate:

Lot Four (4), Block Seventy (70), Original Town, now City Of Grand Island, Hall County, Nebraska.

It is the intent of this Agreement that the trust deed for amounts loaned by First National Bank of Omaha to Miguel Mendoza Santamaria & Maria I. Mendoza (Borrower) that has been or is about to be filed, shall be superior to the trust deed/real estate lien of the City of Grand Island, its successors and assigns recorded November 13, 2008, up to the amount of \$43,000.00 plus interest and amounts advanced to protect the collateral. Thereafter, the City of Grand Island's lien shall have priority. It is further understood that this subordination shall include all current obligations, extensions, renewals, advances or modifications made by the City of Grand Island, Nebraska to Borrowers which is secured by the trust deed/real estate lien recorded November 13, 2008 as Document Number 0200809416 in the records of the Register of Deeds of Hall County, Nebraska. Nothing in this Subordination Agreement is intended as a promise to provide financing or make advances to Borrowers by the City of Grand Island, Nebraska and it is not the intention of the City of Grand Island, Nebraska to warrant or guarantee the obligations of Borrowers but merely to partially subordinate its lien interests under the instrument recorded at Document Number 0200809416. It is understood that First National Bank of Omaha intends to lend funds to Borrowers but that the subordinated amount is not to exceed \$43,000.00 plus interest and amounts advanced to protect the collateral.

Nothing in this instrument is intended to relieve Borrowers of their obligation to the City of Grand Island, Nebraska or to subordinate any other lien interests including, but not limited to, real estate taxes and special assessments.

Dated: \_\_\_\_\_ City of Grand Island, Nebraska

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

STATE OF NEBRASKA     )  
  )ss.  
COUNTY OF HALL         )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2014, by Jay Vavricek, Mayor of the City of Grand Island, Nebraska.

\_\_\_\_\_  
Notary Public

RESOLUTION 2014-248

WHEREAS, the City of Grand Island, is the lender and secured party of a Deed of Trust dated September 17, 2008 and recorded on November 13, 2008, as Instrument No.0200809416, in the amount of \$24,697.34 secured by property located at 405 E. 3<sup>rd</sup> Street and owned by Miguel A.Mendoza and Maria I. Mendoza, a married couple, said property being described as follows:

Lot Four (4), Block Seventy (70), Original Town, now City Of Grand Island, Hall County, Nebraska.

WHEREAS Miguel A. Mendoza & Maria I. Mendoza, wish to execute a Deed of Trust in the amount of \$43,000 with First National Bank of Omaha, to be secured by the above-described real estate upon the subordination of the City's Deed of Trust to their lien priority; and

WHEREAS, the value of the above-described real estate is sufficient to adequately secure both loans; and

WHEREAS, the requested subordination of the City's lien priority is in the best interests of all parties; and

WHEREAS, the City Attorney's office has reviewed and approved the proposed agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized and directed to execute an agreement subordinating the lien priority of the above described Deeds of Trust Miguel A. Mendoza and Maria I. Mendoza, a married couple, to the City of Grand Island, as beneficiary to that of the new loan and Deed of Trust of First National Bank of Omaha, Beneficiary, as more particularly set out in the subordination agreement.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-1

**#2014-249 - Consideration of Request from Jacqueline E. Bowen dba j. elizabeth and the Happy Brush, 305 West 3rd Street for a Class “I” Liquor License**

*This item relates to the aforementioned Public Hearing item E-1.*

Staff Contact: RaNae Edwards

RESOLUTION 2014-249

WHEREAS, an application was filed by Jacqueline E. Bowen doing business as J. Elizabeth, 305 West 3<sup>rd</sup> Street for a Class "I" Liquor License; and

WHEREAS, a public hearing notice was published in the *Grand Island Independent* as required by state law on August 16, 2014; such publication cost being \$16.28; and

WHEREAS, a public hearing was held on August 26, 2014 for the purpose of discussing such liquor license application.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

\_\_\_\_\_ The City of Grand Island hereby recommends approval of the above-identified liquor license application contingent upon final inspections.

\_\_\_\_\_ The City of Grand Island hereby makes no recommendation as to the above-identified liquor license application.

\_\_\_\_\_ The City of Grand Island hereby makes no recommendation as to the above-identified liquor license application with the following stipulations:

\_\_\_\_\_

\_\_\_\_\_ The City of Grand Island hereby recommends denial of the above-identified liquor license application for the following reasons: \_\_\_\_\_

\_\_\_\_\_

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form    ☒ \_\_\_\_\_  
August 25, 2014        ☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-2

**#2014-250 - Consideration of Request from Red Lobster Hospitality, LLC dba Red Lobster #0734, 3430 West 13th Street for a Class “I” Liquor License and Liquor Manager Designation for Sean Korth, 17303 “M” Street, Omaha, NE**

*This item relates to the aforementioned Public Hearing item E-2.*

Staff Contact: RaNae Edwards

RESOLUTION 2014-250

WHEREAS, an application was filed by Red Lobster Hospitality, LLC doing business as Red Lobster #0734, 3430 West 13<sup>th</sup> Street for a Class "I" Liquor License; and

WHEREAS, a public hearing notice was published in the *Grand Island Independent* as required by state law on August 16, 2014; such publication cost being \$16.77; and

WHEREAS, a public hearing was held on August 26, 2014 for the purpose of discussing such liquor license application.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

\_\_\_\_\_ The City of Grand Island hereby recommends approval of the above-identified liquor license application contingent upon final inspections.

\_\_\_\_\_ The City of Grand Island hereby makes no recommendation as to the above-identified liquor license application.

\_\_\_\_\_ The City of Grand Island hereby makes no recommendation as to the above-identified liquor license application with the following stipulations:

\_\_\_\_\_

\_\_\_\_\_ The City of Grand Island hereby recommends denial of the above-identified liquor license application for the following reasons: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ The City of Grand Island hereby recommends approval of Sean Korth, 17303 "M" Street, Omaha, NE as liquor manager of such business contingent upon completing a state approved alcohol server/seller program.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form    ☒ \_\_\_\_\_  
August 25, 2014        ☒ City Attorney





# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-3

### **#2014-251 - Consideration of Approving Contract for HRIS Solution**

Staff Contact: Brenda Sutherland

# Council Agenda Memo

**From:** Brenda Sutherland, Human Resources Director

**Meeting:** August 26, 2014

**Subject:** Consideration of approving a Human Resources Information System

**Item #'s:** I-3

**Presenter(s):** Brenda Sutherland, Human Resources Director

## Background

The Human Resources Department is charged with the recruitment, benefits and risk management administration, labor relations and records management, in addition to other duties for the City of Grand Island. Over the last six years the Human Resources Department has automated the recruitment process with an applicant tracking system and the employee appraisal system. This has helped tremendously with space issues as well as the savings the City has experienced by cutting down on its use of paper and toner.

## Discussion

The Human Resources Department would request that it be able to continue to automate its services where it can. Before Council is a contract for a Human Resources Information System which we'll refer to as HRIS going forward. A HRIS will automate the records kept in the Human Resources Department. Information that is currently handled in the form of paper that is physically carried to the Human Resources office will now take place in an electronic environment saving time and money.

Managers will have the ability to access employee information on-line instead of coming to Human Resources and asking for a file to be pulled. They'll be able to see an employee's training and certifications and get notices when a certification that is required for employment is nearing its expiration. They'll have access powerful reporting and analytical features to help increase their strategic planning.

Employees will also have access to their information. They'll be able manage their benefits, make updates when they move or even pull a report that shows what the City pays on their behalf for wages and benefits.

Currently, the City's personnel records are all on paper and stored in Human Resources. Should the City be unfortunate enough to experience a disaster such as fire or tornado, it would lose all of its personnel records. There is no back-up. Payroll records are backed up and stored off site. There is nothing in place for personnel records. Loss of information such as this would be devastating for the City, not to mention records that we are required to have by law, would be gone. The ability to have these records stored electronically and hosted offsite would allow security and peace of mind.

The Human Resources Department advertised a Request for Proposals in April. Several impressive companies participated in the process. A committee comprised of John Collins, Public Works Director, William Clingman, Senior Accountant in Finance, Captain Dean Elliott from the Police Department, Terri Maloy from Human Resources and I narrowed the list and interviewed vendors. The reason for the committee makeup was to find a product that was easy to use and provided not only the administrative functions that were important to H.R. but also the tools needed by departments to be more efficient and effective in the management of their people.

The company that was chosen unanimously by the committee is EPICOR. EPICOR is a fully web enabled product that uses Microsoft technology. It is a fully integrated system that allows managers and employees a program to use for all of their human resources needs. EPICOR is a global company headquartered in Austin, Texas. The HCM division, which is who the City would work with for implementation and service, is in Denver, Colorado.

The cost that would be experienced this year upon approval would be \$47,064. Dollars for this project were approved in the current budget with the assumption that we would find a product we wanted to move forward with. This amount represents the software license, annual maintenance fee and hosting fees for the remainder of the year. I have requested further funding for implementation that is part of the 2014/2015 budget. The cost for implementation will not exceed the estimate of \$55,350 for professional services and \$1,200 for a project control center set up fee. There will also be hosting fees of \$1,000 per month. There will be ongoing costs for hosting and annual maintenance. After the initial expenditures the cost annually for this product will be approximately \$25,352. This covers the annual maintenance fees and hosting. The hosting fees are guaranteed for a five year period.

### **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 approve the contract with EPICOR to provide HRIS software and services.

## **Sample Motion**

Move to approve the contract with EPICOR to provide HRIS software and services.



# Epicor HCM Statement of Work

Consulting Services Estimate for Epicor HCM

## City of Grand Island

Submitted by  
***David Madison***

Effective Date  
***8<sup>th</sup> July 2014***  
***5<sup>th</sup> August 2014***

**EPICOR®**

## Project Budget

This consulting estimate represents an estimate based on our experience in similar implementations and is meant to define project scope rather than specific project details. Please review this document to ensure your requirements are fully understood.

The services listed below are at a rate of \$150.00 (USD) per hour. Services are billed as incurred.

Item	Epicor HCM Services	Hours	Cost
1	Project Control Center Setup	Fixed	\$1,200.00
2	Business Analysis and Planning	38	
3	Project Management	42	
4	Data Conversion	48	
5	Health and Welfare Implementation	24	
6	Absence Tracking Configuration	16	
7	Employee Self Service Analysis and Configuration	8	
8	On-Line Benefit Enrollment	16	
9	Manager Self Service Analysis and Configuration	8	
10	Training and Development Analysis and Configuration	12	
11	System Configuration	10	
12	Test System Delivery and Project Review	14	
13	Live System Delivery and Project Review	14	
14	Go Live Support	6	
15	End User Training	32	
16	Interface – Epicor HCM to MUNIS	40	
	<b>Total Cost</b>	<b>328</b>	<b>\$50,400.00</b>

Item	Epicor HCM Services – Optional	Hours	Cost
17	Project Management	2	
18	Interface – MUNIS to Epicor HCM – Accumulators	16	
	<b>Total Cost – Optional</b>	<b>18</b>	<b>\$2,700.00</b>

Item	Epicor HCM Services – Customizations/Reports	Hours	Cost
19	Project Management	3	
20	Product Customization – Pay Steps	8	

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21	Report Creation – Absences Report	12	
	<b>Total Cost – Customizations /Reports</b>	<b>23</b>	<b>\$3,450.00</b>

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## Project Expenses

Travel and other expenses for Epicor personnel are not included in this proposal and will be billed separately. Typical travel and other expenses include the following:

<b>Expense Description</b>	<b>Amount</b>
Material & Expenses	Actual
Travel Time	1/2 Rate
Meals Perdiem	\$50.00/Day (USD) in the United States \$70.00/Day (USD) outside the United States
Mileage	Mileage will be reimbursed at the standard Mileage Rate established by the IRS in effect at the time the mileage is incurred
Car Rental	Actual
Airport Parking/Taxi	Actual
Hotel	Actual
Airfare	Actual

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# Services Description

## 1) Project Control Center Setup

The Readiness Coordinator services clients by providing the guidance and tools necessary to launch a successful implementation project.

### Activities Included

- Conducts a welcome call with the client
- Serves as the client's primary contact until the Kick Off Meeting
- Creates the Project Control Center website for the project which allows the client and Epicor team access to all project documentation, tools, and other project materials
- Creates the Project Control Center users and trains the client on usage
- Conducts Epicor team preparation activities

## 2) Business Analysis and Planning

This vital service defines project scope and Epicor service deliverables for phase one of the implementation. This service is comprised of four key elements:

### Analysis Preparation

Preparing your goals, understanding your objectives, and identifying/documenting your business processes are key elements to ensure a successful analysis visit. Your Epicor consultant will send our analysis preparation documents covering information related to your key business processes and implementation objectives. These documents must be returned to Epicor at least one week prior to your analysis for productive working sessions to occur.

### Analysis

This meeting is comprised of your primary project manager, key implementation related decision makers, subject matter experts, and any IT personnel involved in the project.

- Location/Duration
  - Client Site – 2 ½ days
- Epicor Participants
  - 1 implementation consultant
- Content Discussed
  - Meeting foundations and general business overview
  - HR business process analysis for core product functional areas
  - Module analysis time is included in the module line item quotes, and can be performed during this visit if necessary.
  - Discuss and define high level timeline objectives

### On-Site Follow-up and Deliverables

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Upon completion of the analysis visit your Epicor implementation team will refine outstanding requirements that were incomplete or required additional discussion and provide the following items as final deliverables:

- Detailed analysis document presenting the decisions made during the visit
- Project plan that includes resource identification and timelines

#### On-going Analysis

As your project progresses, time has been allocated to continue to refine outstanding or additional requirements.

- 8 hours

### **3) Project Management**

An average of four hours per week will be spent by your Epicor project manager to ensure your implementation is managed effectively. The client's project manager has responsibility for all aspects of the project with the Epicor project manager working in conjunction with them to ensure a successful project implementation.

Project management involves ongoing reviews of the project plan to ensure time frames, scope and resources are managed effectively. The customer project manager will work closely with the Epicor Project Manager to:

- Ensure overall project objectives are met
- Ensure project timelines are met
- Ensure budgets are adhered to
- Follow-up on past due tasks as required
- Report on project status to steering committee
- Identify overall project resource requirements
- Track all project costs (planned vs. actual)
- Represent the project team at executive meetings
- Track planned vs. actual objectives, timelines, and expenses
- Track unresolved issues and special topics
- Facilitate project wide communication among project team members as needed
- Ensures that the team is on track following the project time line
- Monitor results vs. objectives, assist team members as needed

### **4) Data Conversion**

Epicor will electronically convert data into Epicor HCM from the data sources and functional areas listed below.

#### Activities Included

- Discuss data conversion process
- Review client provided data
- Map client data elements to HCM

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- Perform one test and one live data conversion

#### Data Source

- MUNIS

#### Current and historical data will be converted into the following Epicor HCM functional areas

- Personal Demographic (name, address, phone, birthdate, national ID)
- Status and Termination History
- Job History
- Base Pay History
- Location History (department, location, supervisor, etc.)
- Employee Benefit Enrollments (current only)
- Dependent Benefit Enrollments (current only)
- Dependents
- Absence Enrollments (time off plans, current year only)
- Absence Occurrences (current year only)
- Code Lists (associated to the converted information above)

#### Service Assumptions

- No new Epicor HCM data structures must be created to convert data (unless specifically noted)
- Acceptance testing and data verification is the responsibility of the client
- The client must extract the data out of the existing systems
- Fabricating data due to missing records or other reasons is not included
- Data conversion activities will be performed at Epicor

The client is required to provide quality data for the conversion. Below are a list of common data quality issues and other items that may increase final data conversion costs:

#### Issue

Data source file format/structure changes between test and live conversions

Duplicate records within data source

Data in the source file must be transformed (using formulas or manually) before import

Orphaned person or code records

Missing primary/foreign key data elements

Inability to match data between two different sources

Terminated employees that don't have complete status history

Historical records that have effective dates prior to the employee's original hire date

## 5) Health and Welfare Implementation

This service includes the configuration of your organization's benefit plans within Epicor HCM. We will work with you to review and document your plans and to help you understand the Epicor HCM benefit tracking functionality.

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During the review and analysis of your benefit structure we will determine the best method of implementing your benefit plans within Epicor HCM. Epicor HCM uses pre-defined benefit functions to calculate premiums, coverage and eligibility, unless specifically noted.

#### Activities Included

- Setup of up to 20 benefit plans with up to 4 options, and eligibility rules.
- Testing of eligibility and contribution calculations

#### Service Assumptions

- Configuration for open / new enrollment / Life Events is not included in this service.
- Your Benefit calculations fit Epicor HCM's standard calculation formulas

### **6) Absence Tracking Configuration**

This service includes the configuration of your organization's absence plans within Epicor HCM. We will work with you to review and document your plans and to help you understand the Epicor HCM absence tracking functionality. Some typical absence categories include Vacation, Sick, PTO, Jury Duty, Bereavement, and Floating Holiday.

#### Activities Included

- Setup of up to 12 accruing absence plans with up to 5 levels of accrual rates based on years of service using one of the standard service dates.
- Setup of up to 8 non-accruing absence plans.
- Testing and Documentation
- Leave Tracking analysis and configuration (6 hours)

#### Service Assumptions

- Setup of related employee and manager self-service components or routing is not included
- Your Absence plan accrual rules fit Epicor HCM's standard calculation formulas

### **7) Employee Self Service Analysis and Configuration**

This service includes an analysis discussion and configuration work intended to facilitate the implementation of the Employee Connect module. The following items are included:

#### Analysis

- Identify, analyze and provide solutions for employee user business event processes
- Discuss routing, approvals, and communication

#### Configuration

- Employee Portal: configure one employee security role based on the analysis performed
- Routing: configure for up to 4 employee data maintenance tasks with up to 3 levels of routing using the standard Epicor HCM recipients.

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- Self-sufficiency: train one HR user on the creation/modification of basic content components (e.g. announcements) and modifying the standard employee role by adding/removing components and tabs

#### Exclusions

- Pay stub layout

### **8) On-Line Benefit Enrollment**

This service includes an analysis discussion and configuration work intended to facilitate the implementation of online Benefit enrollment, including Open enrollment, New Hire enrollment, and Life events:

#### Analysis

- Identify, analyze and provide solutions for employee user business event processes
- Discuss routing, approvals, and communication

#### Configuration

- Configure the On-Line Benefit components of one employee self-service security role
- Routing: Configure New Enrollment and Life Events including up to 3 levels of routing using the standard Epicor HCM recipients.
- Self-sufficiency: Train one HR user on configuring and administering the on-line benefit enrollment process.
- New Enrollment: Training and configuration for new enrollment templates.
- Open Enrollment: Training and configuration for Open enrollment templates.
- Life Events: Training and configuration for Life Event process.

### **9) Manager Self Service Analysis and Configuration**

This service typically involves an analysis discussion and configuration work intended to facilitate the implementation of the Manager Self Service functionality. The following items are included:

#### Analysis

- Identify, analyze and provide solutions for manager user business event processes
- Discuss routing, approvals, and communication

#### Configuration

- Manager Portal: configure one manager security role based on the analysis performed
- Configure up to 3 tasks by utilizing standard task editor tools.
- Routing: configure for up to 3 manager data maintenance tasks with up to 3 levels of routing using the standard Epicor HCM recipients.
- Self-sufficiency: train one HR user on the creation/modification of basic content components (e.g. announcements) and modifying the manager role by adding/removing components and tabs

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## 10) Training and Development Analysis and Configuration

This service typically involves an analysis discussion and configuration work intended to facilitate the implementation of the training and development functionality. The following items are included:

### Analysis

- Evaluate training tracking needs and requirements
- Determine employee training process and evaluate impact on current manager and employee self-service capabilities
- Discuss routing, approvals, and communication

### Configuration

- Configure the Training & Development components of the employee and manager security roles
- Tailor the standard training roles using base system capabilities based on the inclusions and assumptions below
- Configure system wide Training & Development settings
- Configure 1 training program with up to 15 requirements (client will be responsible for providing the content for each)
- Configure up to 2 corporate and employee goals using the standard Epicor HCM goal types
- Routing configuration for the Edit My Class Enrollments task that includes up to 3 levels of routing using the standard Epicor HCM recipients
- Self-sufficiency: train one HR user on the configuration of basic Training and Development components and modifying the manager and employee roles by adding/removing components and tabs
- System Variables: configure Training & Development related system wide settings

### Service Assumptions

- Manager and employee self-service have already been implemented
- Training related data will not be converted

## 11) System Configuration

Epicor HCM will perform the following HCM system configuration items based on the results of the implementation analysis performed. Once specific requirements are identified, a more precise estimate can be provided.

### System Security

- Row security rules: Create 2 row security rules based on 1 – 2 standard Epicor HCM fields
- Security roles: Includes creating or modifying 2 security roles for users that have specialized access restrictions

### System Variables

Epicor will configure the relevant system wide settings and variables (global constants) that define user and administrator interactions with the system.

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#### Checklist Setup

Epicor will create 1 checklist in Epicor HCM. Includes up to 3 steps either: Generated by an alert, Assigned to employees (performed by the client), or Associated to a task

#### Exclusions

- User Creation
- Code Table filtering

### **12) Test System Delivery and Project Review**

This service includes the following activities necessary for the successful delivery and test launch of Epicor HCM.

#### Test System Restoration

The Epicor HCM implementation team will restore your Epicor HCM system containing the service items performed during the implementation.

#### Test System Review

Epicor will perform a project review and UAT discussion. This meeting should be comprised of your primary project manager and any key subject matter experts relevant to the service items being discussed.

- Location
  - Remote
- System Review
- User Acceptance Training
- Project Plan Review

### **13) Live System Delivery and Project Review**

This service includes the following activities necessary for the successful delivery and live launch of Epicor HCM.

#### Live System Restoration

The Epicor HCM implementation team will restore your Epicor HCM system containing the service items performed during the implementation.

#### Project Review

Epicor will perform a project review and go live discussion. This meeting should be comprised of your primary project manager and any key subject matter experts relevant to the service items being discussed.

- Location
  - Client Site
- System Review
- Introduction to Product Support

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- Project Plan Review

#### Project Closure

Epicor HCM will provide related documentation to obtain final acceptance for services provided.

### **14) Go Live Support**

After delivery and launch of the live Epicor HCM system, a stabilization period occurs. It is expected the regularly scheduled conference calls will continue for a two to four week period. During this period, Epicor HCM will provide information and assistance related to the service items delivered. If the stabilization period extends beyond the anticipated duration then additional charges will apply.

### **15) End User Training**

#### Delivery Methods

These three classes can be delivered by the following methods. Your Epicor HCM consultant will work with you to determine the best mix for your particular needs.

- Client Site
  - An Epicor University Trainer or HCM Consultant will travel to your site to provide the training
  - Up to 6 students are included. Additional students, up to 10, can be accommodated at a cost of \$200 per training day for each students over 6
- Virtual Client Site
  - An Epicor University Trainer will provide the training virtually over the internet
  - Up to 4 students are included. Additional students, up to 10, can be accommodated at a cost of \$200 per training day for each participant over 4

#### Training classes

- HCM: User Basics – 1 day (8 Hours)
- HCM: Administrator – 2 days (16 Hours)
- HCM: Basic Report Writer – 1 day (8 Hours)

### **16) Interface – Epicor HCM to MUNIS**

Epicor will create a Link template to export the information noted below to a file that can be imported into a payroll system. The export template can be operated manually or processed on a pre-defined schedule.

Link is a data transfer module that allows you to export data from Epicor HCM to other workforce-related systems or vendors. This service includes the following activities:

- Analyzing and documenting the export file and field requirements
- Configuring and programming the Link export template
- File, field, and scenario testing
- Delivery to a test and/or live Epicor HCM system

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- End user training on interface operation

### Payroll System

- MUNIS

### Specifications and Estimate

No specifications have been provided for this interface. Once the full requirements have been defined and specifications obtained or defined, the estimate will be reviewed and adjusted if necessary. The estimate provided is based on our prior experience interfacing to various proprietary payroll systems and efforts to define interface requirements for generic payroll export files.

### Export Files Included

*Employee Data File – one record per employee*

HCM Table Name	HCM Field Name	Payroll Field Name
USysLnkExportPersonHist	ExportGroup	Payroll Company
USysLnkExportPersonHist	UniqueID	Payroll ID
tPerson	FirstName	Employee First Name
tPerson	LastName	Employee Last Name
tPersonNationalID	NationalID	Social Security Number
tPersonAddress	Address	Address Line 1
tPersonAddress	Address2	Address Line 2
tPersonAddress	City	City
tPersonAddress	StateProvinceCode	State Postal Code
tPersonAddress	PostalCode	Zip Code
tPersonPhone	AreaCode	Home Area Code
tPersonPhone	Phone	Home Phone Number
tPersonal	BirthDate	Birth Date
tPersonal	FamilyStatusCode	Actual Martial Status
tPersonal	GenderCode	Gender
tPersonal	EthnicGroupCode	EEO Ethnic Code
tJob	EEOCategoryCode	EEO Occupation Code
tPersonBasePayHist	PersonBasePayPayrollFrequencyCode	Pay Frequency Code
tPersonBasePayHist	PersonBasePayStartDate	Primary Rate Effective Date
tPersonBasePayHist	PersonBasePayFrequencyCode	Rate Type
tPersonBasePayHist	PersonBasePayAmount	Rate 1 Amount
tJob	OvertimeStatusCode	FLSA Code
tPersonLocationHist	DepartmentCode	Home Department
tPersonJobHist	JobCode	Job Title
tPersonLocationHist	DepartmentCode	Department
tPersonLocationHist	DivisionCode	Division
tPersonLocationHist	SectionCode	Section
tPersonLocationHist	ShiftCode	Shift
tPersonStatusHist	LatestHireDate	Hire Date

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tPersonStatusHist	StatusCode	Employee Status
tPersonStatusHist	SeniorityDate	Seniority Date
tPersonStatusHist	PersonStatusStartDate	Leave of Absence Start Date
tPersonStatusHist	PersonStatusEndDate	Leave of Absence Return Date
tPersonTermination	EffectiveDate	Termination Date
tPersonTermination	TerminationReasonCode	Termination Reason
tPersonStatusHist	NormalHoursPerWeek	Standard Hours
tPersonStatusHist	LatestHireDate	Rehire Date
tJob	WorkersCompensationCode	Workers Comp Code
tPersonUnionHist	UnionCode	Union Code
tPersonTax	FederalFilingStatus	Federal Marital Status
tPersonTax	FederalTaxExemptions	Federal Exemptions
tPersonTax	FederalAdditionalWithholding	Federal Extra Tax \$
tPersonTax	SUISDITaxCode	SUI/SDI Tax Jurisdiction Code

*Deduction Data File – one record per employee benefit*

HCM Table Name	HCM Field Name	Payroll Field Name
USysLnkExportPersonHist	ExportGroup	Payroll Company
USysLnkExportPersonHist	UniqueID	Payroll ID
tBenefitPlanOption	BenefitPlanCode	Deduction Code
tPersonBenefitContributionHist	EmployeeContributionAmount	Deduction Amount
tPersonBenefitContributionHist	EmployeeContributionAmount	Deduction Factor

*Direct Deposit Data File – one record per employee direct deposit*

HCM Table Name	HCM Field Name	Payroll Field Name
USysLnkExportPersonHist	ExportGroup	Payroll Company
USysLnkExportPersonHist	UniqueID	Payroll ID
tPersonDirectDeposit	DirectDepositAccountTypeCode	Bank Deposit Deduction Code
tPersonDirectDeposit	AccountNumber	Bank Deposit Account Number
tPersonDirectDeposit	ABARoutingNumber	Bank Deposit Transit/ABA
tPersonDirectDeposit	DeductionAmount	Bank Deposit Deduction Amount
tPersonDirectDeposit	PrimaryDepositFlag	Bank Full Deposit Flag

Service Assumptions

- The Link software module must be licensed by the client
- The files generated are comma delimited with a header record denoting the field name
- The files generated contain only data that has been changed
- The client is required to perform user acceptance testing
- The total number of payroll companies does not exceed 5
- Deduction codes within multiple payroll companies must be identical
- Changes to the fields listed above may incur additional charges

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- **The client is responsible for ensuring there is an import routine or mechanism that can import the export file produced by Epicor HCM**

### Project Notes

Before commencing with the interface project, please verify all requirements and scenarios are understood. Ensure all internal departments affected are part of the decision to commence with the project and are involved in defining the methodology employed. Below is a list of common items that can increase the final cost of an interface project:

<b>Issue</b>	<b>Example</b>
Field additions or changes after specifications have been finalized	Change source value for Home Department to Cost Center Code from Department Code
End user training must be repeated	Go live was delayed, project team additions or turnover
Project go live or user acceptance testing delays beyond one month after delivery	Project was put on hold due to de-prioritization
New data scenarios discovered after specifications have been finalized	Specification did not include how to handle the deletion of Address Line 2
Poor data quality	Template is configured to send Department and 20% of employees are assigned to the incorrect department

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# Services Description – Optional

## 17) Project Management

See item #3 above.

## 18) Interface – MUNIS to Epicor HCM – Accumulators

This user initiated interface will leverage the Data Import Utility to import payroll accumulators into Epicor HCM on a per pay period basis. Accumulators such as YTD gross pay, QTD net pay, MTD hours worked, or other earnings, deductions or hours worked can then be viewed or reported on. The interfaced data will be available from the Year-To-Date Earnings page. The interfaced data will be overwritten each time the interface is run, only the final year-end figures are retained in history.

The Data Import Utility provides a two-step process to ensure errors are caught before applying the data to the database.

- Step 1: Import and review activity report
- Step 2: Commit to database

The activity report displays both the data that will be successfully imported along with any error records that will be excluded.

### Service Includes

- Installation of the Data Import Utility
- Review of the client provided import file
- Configuration specific to an accumulator import
- Import of associated accumulator codes
- Testing and delivery
- Train one HR user on interface operation and associated activity report

The required interface file format is described below:

- Accepted file is a Tab Delimited ASCII file
- The file must contain one (1) record per Employee, per Accumulator Code, per As Of Date
- File must be provided in the following format

Field Name	Maximum Length	Comments
Payroll Company/Group Code	15	
Unique ID/Payroll ID/Employee ID/Person ID	15	Unformatted
Accumulator Code	15	

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Accumulator Amount	8	
As of Date	11	MM/DD/YYYY

### Import Details

- 1 file with the following information:
  - Employee payroll accumulators
- Epicor HCM destination:
  - tPersonYearToDateEarnings

### Notes

- Although Epicor can accommodate alternative file formats, changes to the pre-defined custom import routine will be required and additional charges will apply.
- This service includes configuration for up to 4 payroll companies (or import groups) with each payroll company having up to 150 accumulator codes.

### Project Notes

Before commencing with the interface project, please verify all requirements and scenarios are understood. Ensure all internal departments affected are part of the decision to commence with the project and are involved in defining the methodology employed. Below is a list of common items that can increase the final cost of an interface project:

<b>Issue</b>	<b>Example</b>
Field additions or changes after specifications have been finalized	Original specifications should have included employee personal email address
End user training must be repeated	Go live was delayed, project team additions or turnover
Project go live or user acceptance testing delays beyond one month after delivery	Project was put on hold due to de-prioritization
New data scenarios discovered after specifications have been finalized	Specification did not include how to handle the import of transfers
Poor data quality	Import is configured to receive Department and 20% of employees are assigned to the incorrect department

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## Services Description – Customizations/Reports

### 19) Project Management

See item #3 above.

### 20) Product Customization – Pay Steps

Epicor will enhance the Epicor HCM product capabilities with the new/modified features noted below.

#### Customization Description

On the Hire Person and Enter Personnel Action tasks, new functionality will be added that allows the user to select the appropriate pay step from a drop down list and the pay rate will automatically fill in the Base Pay Amount value.

#### Activities Included

- Analyze and document requirements
- Architectural review
- Develop the customization
- Perform testing, including relevant scenarios
- Deliver to a test and/or live Epicor HCM system
- Create user documentation
- Train end user on customization operation

#### Service Assumptions

- Although Epicor's customization methodology limits the risk of customizations being adversely affected during upgrades, customizations are not guaranteed to upgrade to future versions without assistance, and may incur additional cost.
- Modifications to standard reports, reporting views, on-line help, or other Epicor HCM objects are not included unless specifically noted.
- Until further detail is determined, the task hours are a high level estimate only.

#### Project Notes

Below is a list of common items that can increase the final cost of a customization project:

Issue	Example
Changes to specifications after requirements have	Three additional fields are requested after the estimate is provided and

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been finalized Unexpected data scenarios	programming has commenced Two new data entry scenarios were discovered after requirements were completed, programming needs changed
End user training must be repeated Project go live or user acceptance testing delays beyond one month after delivery	Go live was delayed, project team additions or turnover Project was put on hold due to reprioritization
More than 2 deliveries to a client system	Test system was refreshed from production and the customization was overwritten before testing was completed

**21) Report Creation – Absences Report**

Epicor will enhance the Epicor HCM product capabilities with the new reports noted below.

Reports Description

- Epicor will create an Absences report that displays a list of employees and their absences within a date range. The report will limit to show only those employees that have reached a threshold of absences taken during that date range (e.g. 70% of days have time off).

Epicor’s Report Creation Methodology

- Analyze and document requirements
- Develop the report
- Perform testing, including relevant filter scenarios
- Deliver to a test and/or live Epicor HCM system
- Create user documentation

Service Assumptions

- Although Epicor’s report creation methodology limits the risk of reports being adversely affected during upgrades, custom reports are not guaranteed to upgrade to future versions without assistance and may incur additional cost.
- Modifications to other standard reports, reporting views, on-line help, or other Epicor HCM objects are not included unless specifically noted.
- Until further detail is determined, the task hours are a high level estimate only.

Project Notes

Below is a list of common items that can increase the final cost of a report creation project:

Issue	Example
Changes to specifications after requirements have been finalized Unexpected data scenarios	Three additional fields are requested after the estimate is provided and programming has commenced A calculated field on the report sums up bonus amounts, counts the number of bonuses, and averages them by department, subsequent investigation finds large volumes of records with zero bonus amounts, thus affecting the

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	final results
End user training must be repeated	Go live was delayed, project team additions or turnover
Project go live or user acceptance testing delays beyond one month after delivery	Project was put on hold due to reprioritization
More than 2 deliveries to a client system	Test system was refreshed from production and the report was overwritten before testing was completed

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## Assumptions

1. This estimate is based on our current understanding of your requirements to date. The details in this document were used to develop our time and cost estimates. If any of these details change, our time and cost estimates may also change.
2. Requests by the client for Epicor to provide services that are outside the scope of this engagement will be defined through Epicor's change control process and will be charged at standard Epicor hourly rates.
3. This SOW proposal expires 90 days after the effective date.
4. Costs for upgrading to a new version are not included if a new release becomes available during your implementation.
5. This estimate does not include custom solutions or interfaces unless specifically identified in this document.
6. Unless specifically noted, conditional routing is not included.
7. Manager security is based on the standard Epicor HCM organization structure (the supervisor field).
8. Extensive Re-engineering of your business processes may incur additional costs.
9. Travel time and expenses for Epicor personnel are not included in Epicor's fees in the Project Budget.
10. Project delays may incur additional costs.
11. The client will allow remote access to its server/environment for troubleshooting.
12. Invoicing is twice a month for services incurred during that time period. Invoices are Due Upon Receipt.
13. Implementation work tasks and deliverables such as designs, data conversion rules, etc. are expected to be reviewed and approved by the customer in a timely manner. Failure to do so will impact the project budget and timeline.
14. This document does not include any down time and/or expenses derived from project team members not attending or being late to pre-established work appointments.
15. This document assumes the client will be deploying the software as remote hosted or SAAS, if the client elects to deploy on-premise, additional charges for installation will be required.

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## Roles and Responsibilities

Defining your implementation team is essential. The roles, responsibilities and skill sets listed below are your guide in assembling your team.

Roles	Responsibilities	Skill Set
<p>Project Manager</p> <ul style="list-style-type: none"> <li>Acts as team leader, facilitator and coordinator. Organizes all activities relating to the implementation. Makes decisions regarding the implementation process.</li> </ul>	<ul style="list-style-type: none"> <li>Planning, coordinating, and overseeing the installation and implementation of the software</li> <li>Monitoring overall progress of the project within the organization</li> <li>Serving as the primary point of contact with Epicor HCM Human Resource Systems Corporation</li> <li>Communicating project status and assignments to the implementation team</li> <li>Arranging for the definition, review and implementation of data mapping, data conversion, customizations, and definitions of business rules for Epicor HCM</li> <li>Approving specification documents</li> <li>Scheduling activities and coordinating services</li> <li>Review system upgrade/service pack features</li> <li>Assessing the need and developing specifications for customizations and enhancements to the system.</li> </ul>	<ul style="list-style-type: none"> <li>Preferably someone who has been through a system conversion</li> <li>Highly organized</li> <li>Makes decisions regarding the implementation process</li> <li>General understanding of client HR Practices</li> <li>Ability to train others</li> <li>Skilled in such areas as requirements definition, business process design, etc.</li> </ul>
<p>Senior HR Executive</p> <ul style="list-style-type: none"> <li>Serves as overall project sponsor and approves the implementation project</li> </ul>	<ul style="list-style-type: none"> <li>Allocating resources to the project</li> <li>Ensuring representation from each functional area of the Human Resource department</li> <li>Ensuring management support prior to and throughout the project</li> <li>Budget approval</li> </ul>	
<p>Human Resource System Administrator</p> <ul style="list-style-type: none"> <li>Acts as the daily operational resource for the functional HR aspects of system implementation and use.</li> </ul>	<ul style="list-style-type: none"> <li>Assuring that the system meets HR requirements</li> <li>Performing security setup and alterations for new or existing users</li> <li>Performing procedure setup and alterations for new or existing users</li> <li>Creating advanced queries and reports that satisfy information management requirements <ul style="list-style-type: none"> <li>Serving as the primary support regarding system functionality within the organization</li> <li>Specifying required outputs and contents, such as reports, interfaces, files, or data feeds to other systems</li> </ul> </li> <li>Assuring that codes and processes meet functional requirements</li> </ul>	<ul style="list-style-type: none"> <li>Someone with an aptitude for systems / understands database structures</li> <li>Strong experience with HR systems</li> <li>Skilled in troubleshooting</li> <li>Preferably someone who has been through a system conversion</li> <li>Skilled in such areas as testing, configuration, documentation, etc.</li> </ul>
<p>Database Administrator</p> <ul style="list-style-type: none"> <li>Represents and makes decisions on behalf of the Information Technologies or Information Services department. Provide technical system administration for SQL Server and the operation system.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring the network environment and all other hardware specifications are met and that each hardware item is installed and performs as required.</li> <li>Installing and operating both the client and server software</li> <li>Installing upgrades and service packs</li> <li>Ensuring each workstation accessing the HRIS meets the technical specifications and performs as required</li> </ul>	<ul style="list-style-type: none"> <li>PC support experience</li> <li>Knows where the data resides / can extract the data</li> <li>May be able to answer questions regarding data mapping / data usage</li> <li>Knows the ins and outs of the interfaces</li> <li>This may be multiple people based upon experience</li> </ul>
<p>Human Resource Subject Matter Experts</p> <ul style="list-style-type: none"> <li>Represents each functional area with HR.</li> </ul>	<ul style="list-style-type: none"> <li>Assuring that each area of the functional needs are met</li> <li>Performing data entry</li> <li>Specifying business rules and processes to be accommodated</li> </ul>	<ul style="list-style-type: none"> <li>Knows their data and where it is in current HR system</li> <li>Knows and understands their workflows / processes</li> <li>Can answer questions regarding data mapping / data usage</li> </ul>
<p>External Vendor Contacts</p>	<ul style="list-style-type: none"> <li>Provides file specifications</li> <li>Coordinates interface testing within their organization</li> </ul>	

Initials \_\_\_\_\_

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# Signatures

We appreciate this opportunity to assist your team in completing the project described in this document. Please indicate your agreement with the services, terms, and conditions outlined in this Statement of Work by signing in the space indicated below and returning a copy of this document.

## Client

Agreed and Accepted by: \_\_\_\_\_ (signed)

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

PO#: \_\_\_\_\_

## Epicor

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Confidentiality: This proposal has been prepared to provide information on Epicor Software and its approach to implementing proprietary Epicor Software products. The information contained herein is considered confidential and proprietary and is intended solely for the use in the evaluation of Epicor Software and its products. The information contained herein shall not be disclosed, in whole or part, to any third party including other employees not participating in the review or performance of this SoW. The data shall be maintained with the same degree of care the above named customer company uses to maintain its own confidential information.

Initials \_\_\_\_\_

© Epicor Software Corporation 2014

Johnna Andes, Credit Manager Email: jandes@epicor.com  
 Roy Gaitan, Credit Manager Email: rgaitan@epicor.com

**Confidential Account Agreement**

For the purposes of obtaining merchandise/equipment from Epicor, the following statements in writing are made knowing that Epicor is relying upon same should credit be extended. It is further understood that the information supplied is confidential and shall be regarded as continuous until another is substituted for it and the firm listed below agrees to inform Epicor of any material change in their financial status.

Company Name:		Phone:	Fax:	
Billing Address:		City:	St:	Zip:
<b>Credit Limit Requested (required):</b>		Country:		
Div/Subsidiary of:		Full Address:		
Check One: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship		Federal Tax ID:	D&B #:	
<b>Name &amp; Home Address of Proprietor, Partners, or Officers (if incorporated)</b>				
Name:		Social Security Number:		
Address:		City:	St:	Zip:
Name:		Social Security Number:		
Address:		City:	St:	Zip:
Type of Business:	Date Established:	Estimated Annual Sales:		
Accounts Payable Contact:		Accounts Payable Phone :		
Are you tax-exempted? (If Yes, Attach Tax Exempt Certificate)		Are you a distributor? (If yes, Attach Resale Certificate(s))		
<b>Trade References (3 required – List open accounts only) Note: Please provide fax numbers to expedite process</b>				
Name:	Phone:	Fax:	Acct No:	
Address:		City:	St:	Zip:
Name:	Phone:	Fax:	Acct No:	
Address:		City:	St:	Zip:
Name:	Phone:	Fax:	Acct No:	
Address:		City:	St:	Zip:
<b>Bank Reference (Required)</b>				
Bank Name:	Phone:	Fax:	Contact/Rep:	
Address:		City:	St:	Zip:
Checking Acct Number(s):		Loan Acct Number(s):		

**By signing this document, the undersigned, if a corporation, the corporate authorized officer agrees:**

1. That the foregoing information is accurate.
2. To pay when due all invoices to Epicor.
3. To pay on all delinquent invoices interest at the maximum lawful interest rate.
4. That Epicor in the event of litigation arising out of this agreement shall be entitled to their reasonable cost and expenses incurred, including attorney fees.
5. That this agreement and subsequent contracts/purchase orders shall be constructed in accordance with the laws of the state of the division of Epicor in which this credit is intended.
6. That Epicor is authorized to check references and to obtain, from whatever source necessary such information, personal, or business, as may be required concerning this application for credit including authorization to banks to release information to Epicor.

Applicant's Signature:	Date:
Print Name:	Title:

**THIS MASTER CUSTOMER AGREEMENT** (the “**Agreement**”) is made and entered into by and between **Epicor Software Corporation** or its Affiliate identified below (“**Epicor**”) and the undersigned customer (“**Customer**”) as of the date signed by Epicor (“**Effective Date**”).

This Agreement includes the Epicor Master Customer Agreement – General Terms (“**Terms**”) accompanying this document and each Addendum hereto, which Terms and Addenda will form part of the Agreement. The following terms and conditions also apply to this Agreement:

1. **Choice of Law; Additional Dispute Resolution.** Except as otherwise provided herein, the internal laws of the State of Texas govern this Agreement. Any arbitration under the Section headed “Dispute Resolution” in the Terms will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, in a location selected by the party initiating the arbitration. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding any provisions herein with respect to applicable substantive law governing this Agreement, the agreement to arbitrate and any arbitration conducted pursuant thereto shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.* Each party submits to the non-exclusive jurisdiction and venue of the state or federal courts located in Travis County, Texas, for purposes of permitted applications of injunctive or other provisional relief, and for any litigation ancillary to arbitration, including without limitation, litigation or to compel arbitration or enforce an arbitral award. Each party waives right to jury trial in connection with any Dispute.

BY EXECUTING THIS AGREEMENT, EACH PARTY ACKNOWLEDGES THAT IT HAS REVIEWED THE TERMS AND AGREES TO BE LEGALLY BOUND BY THE SAME.

Customer	Epicor
<i>Name of entity and address</i>  <b>City of Grand Island</b> 100 E 1st Street Grand Island                      NE        68801        US  <b>("Customer")</b>	<i>Name of entity and address</i>  <b>Epicor Software Corporation</b> 804 Las Cimas Parkway Austin, TX 78746  <b>("Epicor")</b>
<i>Signature</i>	<i>Signature</i>
<i>Printed Name</i>	<i>Printed Name</i>
<i>Title</i>	<i>Title</i>
<i>Date</i>	<i>Date</i>



MASTER CUSTOMER AGREEMENT – CLIENT SERVICES ORDER FORM

Product: Epicor HCM

This Client Services Order Form is incorporated by reference into and governed by the Master Customer Agreement (“Agreement”) between Customer and Epicor. Capitalized terms not defined herein have the meanings given in the Agreement.

Order Date August 1, 2014

Sales Rep Mmuckala

Customer No.

Site ID

Customer City of Grand Island

Customer Address 100 E 1st Street

City Grand Island State/Prov NE Postal Code 68801 Country US

Contact Brenda Sutherland Title Human Resources Director

Phone 308-389-0119 Fax Email bsutherland@grand-island.com

The prices set fort below are exclusive of taxes.

Client Services Pricing	
Implementation Services: 369 hours at \$150.00 per hour	\$ 55,350.00
SEE STATEMENT OF WORK FOR DETAILS	
There is also a fixed Fee for Project Control Center Setup	\$ 1,200.00
ESTIMATED TOTAL	\$ 56,550.00

See Attachment, if any, for a more detailed description of the Products/Services to be delivered.

This estimate does not include Epicor's reasonable travel, lodging, or other out-of-pocket costs. The estimate is valid for sixty days from the Order Date. After signing this Agreement, Customer must request each listed Product/Service within nine months.

Estimated Completion Date: (scheduled after Customer accepts Agreement).

Estimate Expiration Date: September 30, 2014

Customer

Officer Signature

Printed Name

Title

Date



MASTER CUSTOMER AGREEMENT – HOSTING SERVICES ORDER FORM

Product: Epicor HCM Hosted Deployment

This Hosting Services Order Form is incorporated by reference into and governed by the Master Customer Agreement Hosted Deployment ("Agreement") between Customer and Epicor. Capitalized terms not defined herein have the meanings given in the Agreement.

Order Date August 1, 2014

Sales Rep Mmuckala

Customer No.

Site ID

Customer City of Grand Island

Software Location Address Epicor's Co-Location Facility

City State/Prov Postal Code Country

Shipping Address 100 E 1st Street

City Grand Island State/Prov NE Postal Code 68801 Country US

Billing Address 100 E 1st Street

City Grand Island State/Prov NE Postal Code 68801 Country US

Shipping Contact Brenda Sutherland

Billing Contact Brenda Sutherland

Title Human Resources Director

Title Human Resources Director

Phone 308-389-0119

Phone 308-389-0119

Fax

E-Mail bsutherland@grand-island.com

E-Mail bsutherland@grand-island.com

The prices set forth below are exclusive of taxes.

Monthly Hosting Service Fees

Initial Epicor HCM version: Initial Term: 5 Years End of Initial Term:

Table with columns for fee descriptions and Monthly Fee. Includes rows for Minimum Active Employee Record Count (800), Minimum active Employee Monthly Fee (\$1,371.15), Minimum Candidate Connect (self service) Monthly Fee (\$-), and Other fees (\$371.15).

Minimum Monthly Total \$ 1,000.00

\* Candidate Connect (self-sevice) Fees commence in month 4. Please Note: OrgPublisher is a desktop product and cannot be hosted by Epicor.

Order Expiration Date: September 30, 2014

Customer City of Grand Island

Officer Signature

Printed Name

Title

Date



MASTER CUSTOMER AGREEMENT – SOFTWARE ORDER FORM

Product: Epicor HCM

This Software Order Form is incorporated by reference into and governed by the Master Customer Agreement ("Agreement") between Customer and Epicor. Capitalized terms not defined herein have the meanings given in the Agreement.

Order Date August 1, 2014

Sales Rep Mmuckala

Customer No.

Site ID

Customer City of Grand Island

Software Location Address Epicor's Co-Location Facility

City State/Prov Postal Code Country

Shipping Address 100 E 1st Street

City Grand Island State/Prov NE Postal Code 68801 Country US

Billing Address 100 E 1st Street

City Grand Island State/Prov NE Postal Code 68801 Country US

Shipping Contact Brenda Sutherland Billing Contact Brenda Sutherland

Title Human Resources Director Title Human Resources Director

Phone 308-389-0119 Phone 308-389-0119

Fax Fax

E-Mail bsutherland@grand-island.com E-Mail bsutherland@grand-island.com

The prices set forth below are exclusive of taxes.

Table with 6 columns: Product, Version Number, Number of Named Users, Number of Active Employee Records, License Fees, Annual Support Fees. Rows include Epicor HCM, Additional HR/Manager Users, Employee Connect Module, Link Module, Training & Development Module, One-Time Discount, and TOTAL.

Order Expiration Date: September 30, 2014

Customer City of Grand Island

Notes: [Empty text box for notes]

Officer Signature

Printed Name

Title

Date



**1. Certain Definitions**

- 1.1. **“Addendum”** means an addendum to the Agreement that sets out additional terms and conditions applicable to a Product offering, which expressly incorporates the Agreement by reference.
- 1.2. **“Affiliate”** means any entity that directly or indirectly, Controls, is Controlled by, or is under common Control with the subject entity.
- 1.3. **“Control”** or **“Controlled”**, for purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interest in the applicable entity.
- 1.4. **“Customer”** means the entity named as the Customer on the signature page to these Terms.
- 1.5. **“Customization”** means a specific software-based Deliverable that includes new code or an adaptation (e.g., a change to source code) to the base Software and/or product embedded customized objects, which Deliverable has been furnished as part of a Services Statement of Work.
- 1.6. **“Customization Support”** means the maintenance and support services Epicor provides for a Customization then subscribed to an annual Customization Support plan as described in a “Support” Addendum, where available.
- 1.7. **“Deliverables”** means Epicor’s proprietary (e.g., non third party) Products and Documentation, and any tangible and intangible materials, including reports, studies, base cases, drawings, findings, manuals, procedures and recommendations that are prepared by Epicor or its subcontractors in the course of furnishing the Products and Documentation.
- 1.8. **“Documentation”** means Epicor’s standard read-me and online help materials, user documentation and training materials normally made available by Epicor in connection with a specific Product.
- 1.9. **“Hardware”** means equipment sold by Epicor pursuant to an Order.
- 1.10. **“Malicious Code”** means a virus, worm, time bomb, Trojan horse or any other similar harmful or malicious code.
- 1.11. **“Order”** means Epicor’s standard order form documentation for ordering certain Products.
- 1.12. **“Products”** means, collectively, Software, Support, Services, Customizations, Customization Support, Subscription Services and/or Hardware.
- 1.13. **“Services”** means the professional services to be furnished by Epicor to Customer as specified in a Statement of Work.
- 1.14. **“Software”** means the specific application software product or modules set forth in an Order.
- 1.15. **“Software Update”** means a patch, workaround, improvement, correction, modification or derivative to the Software that is made generally available by Epicor as part of a Support subscription.
- 1.16. **“Statement of Work”** means Epicor’s standard form for ordering Services or Subscription Services Products from Epicor.
- 1.17. **“Subscription Services”** means software delivered on a software as a service (SaaS) basis and application management or similar services performed on subscription or recurring basis as set forth in an Order or Statement of Work.
- 1.18. **“Support”** means the maintenance and support services Epicor provides for the Software licensed hereunder as described in a “Support” Addendum.
- 1.19. **“Support Term”** has the meaning given in the “Software Support” Addendum.
- 1.20. **“Third Party Software”** means Software that is licensed by Customer directly from a third party vendor under a separate end user license agreement and/or maintenance and support agreement (as denoted on an Order), even if Epicor arranges for the license of such third party software to Customer and invoices Customer for such third party software.

**2. Software License**

- 2.1. **Grant of License.** Subject to the terms and conditions herein and any limitations set forth in an Order, Epicor grants Customer a worldwide, personal, non-transferable, and non-exclusive license for the use of the Software described in an Order (**“License”**). The License is also perpetual, subject to Epicor’s right to terminate in accordance with this Agreement. The License is for the object code (run-time) version of the Software and Documentation together with such Software Updates as may hereafter be provided by Epicor to Customer. Risk of loss for any Software media licensed hereunder shall pass to Customer upon delivery by Epicor to Epicor’s designated carrier.
- 2.2. **Internal Use.** The License purchased herein is granted solely to Customer for its internal data processing and data management needs. Customer agrees that the License does not permit Customer to: (i) use the Software for a timesharing or service bureau application, (ii) provide access to the Software or Documentation to third parties without Epicor’s prior written consent, which may be withheld in its sole discretion, or (iii) sublicense or encumber the Software and Documentation except as otherwise permitted herein.
- 2.3. **Third Party Software.** Customer’s use of Third Party Software is subject to the terms and conditions of the license agreement that accompanies the Third Party Software. The Third Party Software may only be used in conjunction with Software supplied by Epicor, except as otherwise denoted on an Order. The Third Party Software is warranted, and where applicable subject to indemnification, by the manufacturers/licensors thereof. Accordingly, Epicor makes no warranties of any kind, express or implied, nor offers any indemnification with respect to Third Party Software.

- 2.4. License Fees.** The Software is licensed for a onetime license fee listed on an Order, except as otherwise set forth therein.
- 2.5. Copies.** Customer may make a reasonable number of copies of the Software and Documentation solely for its own data archival or disaster recovery purposes. Customer shall not permit any third party to copy the Software or Documentation.
- 2.6. License Type Descriptions.** The Software is licensed to you subject to the associated license type(s) designated on an Order and/or the related Documentation.
- 2.7. Software Warranties and Disclaimers**
- 2.7.1.** Epicor warrants for a period of 180 days following the date the Software is initially shipped or made electronically available to Customer that: (i) the Software, when used in an operating environment specified in its Documentation, will substantially conform to its Documentation under normal use, (ii) any media upon which the Software is supplied will be free from defects in design, material or workmanship, and (iii) the Software as originally delivered does not contain any Malicious Code.
- 2.7.2.** Epicor does not warrant that the functions contained in the Software will meet Customer's requirements or needs, or that the operation of the Software will be uninterrupted or error free.
- 2.7.3.** Except as provided in Section 11, Epicor's entire liability and Customer's sole and exclusive remedy for the breach of any warranty made in Section 2.7.1 is to use commercially reasonable efforts to provide fixes with respect to any error or Malicious Code in the Software in a timely manner; provided that Epicor is not responsible to correct, cure or otherwise remedy any error in the Software resulting from (a) an alteration, addition, adjustment or repair that is not performed by Epicor or its Affiliates or (b) misuse, damage or unlicensed use of the Software by Customer or a third party.
- 2.7.4.** This Section 2.7 does not apply with respect to the Third Party Software, which is governed by any warranties included in the license agreement that accompanies the Third Party Software.
- 2.8. Escrow.** The source code for Epicor's proprietary Software is deposited in escrow. Customer may subscribe to the Epicor's master escrow arrangement at any time upon agreeing to its terms and paying the applicable fees therefor.
- 2.9. U.S. Government Restricted Rights.** The Software is deemed to be commercial computer software as defined in FAR 12.212 and subject to restricted rights as defined in FAR Section 52.227-19 "Commercial Computer Licensed Software - Restricted Rights" and DFARS 227.7202, "Rights in Commercial Computer Licensed Software or Commercial Computer Licensed Software Documentation", as applicable, and any successor regulations. Any use, modification, reproduction release, performance, display or disclosure of the Software by the U.S. Government shall be solely in accordance with the terms of this Agreement.
- 3. Software Support; Customization Support.** Epicor's delivery of Support and Customization Support (where available) is subject to the additional terms and conditions contained in a separate "Support" Addendum.
- 4. Professional Services.** The following are the terms and conditions under which Epicor provides Services:
- 4.1. Scope of Service.** Any Services to be performed by Epicor will be described in separately executed Statements of Work.
- 4.2. Changes in Scope.** Any changes to the scope contemplated in a Statement of Work must be made by a written change order or amendment to the Statement of Work signed by an authorized representative of each party.
- 4.3. Services Fees and Expenses.** Except as otherwise set forth in a Statement of Work, Services are billed on a time and materials basis periodically as work is performed with payment rendered by Customer under the terms described in the applicable Statement of Work. Epicor reserves the right to withhold Services while any Services fees remain overdue, to the extent such fees are not the subject of a bona fide dispute communicated to Epicor in writing. Customer will reimburse Epicor for reasonable out-of-pocket expenses incurred in performance of the Services, which include but are not limited to travel expenses, per diem and mileage as specified in a Statement of Work. The parties shall confer from time to time as needed before and during a Services engagement to discuss and agree upon any reasonable expense parameters for the particular engagement.
- 4.4. Hours of Service.** Services will be performed during normal local business hours, Monday through Friday, excluding holidays, or as otherwise set forth in the Statement of Work. Customer may request in writing extended hours of Services at the prevailing surcharge rates.
- 4.5. Customizations.** Epicor will perform Customizations as set out in a Statement of Work, when applicable, in which case Customer will have the same license usage rights to the Customizations as it has to the Software licensed hereunder. Customizations are not covered by Support. Customization Support is separately available pursuant to the terms of a separate "Support" Addendum.
- 4.6. Services Warranties.** Epicor represents and warrants that (i) the Services will be provided by qualified personnel with reasonable skill and care in accordance with generally accepted industry standards, (ii) in performing the Services it will not introduce Malicious Code into Customer's system(s), and (iii) each Customization will substantially conform to the agreed specification for a period of 90 days following delivery of the Customization to Customer. In the case of Epicor's breach of the aforementioned warranties, Epicor's obligation and Customer's remedy is for Epicor to re-perform the affected Services and/or repair the affected Customization, as the case may be, at no additional cost to Customer.

- 4.7. Customer Responsibilities.** During a Services engagement Customer will provide Epicor with reasonable access to requested resources such as: (i) Customer's personnel, facilities, equipment, hardware, software, network and information for Services to be performed on-site, and (ii) timely decision-making, notification of relevant issues or information and granting of approval or permissions as reasonably necessary for Epicor to perform the Services.
- 5. Subscription Services.** Epicor's delivery of Subscription Services, if any, is subject to the additional terms and conditions contained in a separate "Subscription Services" Addendum.
- 6. Hardware.** The following are the terms and conditions under which Epicor resells Hardware:
- 6.1. Purchase Price.** Customer shall pay all Hardware fees listed in an Order pursuant to the terms listed therein.
- 6.2. Risk of Loss/Security Interest.** Except as otherwise provided in an Order, risk of loss for Hardware purchased hereunder shall pass to Customer upon delivery by Epicor to Epicor's designated carrier. For shipments within the United States, title to the Hardware will also pass to Customer upon delivery by Epicor to Epicor's designated carrier; provided that Customer grants Epicor a security interest in the Hardware and any replacements or proceeds thereof until full payment has been made to Epicor and authorizes Epicor to take reasonable steps to perfect its security interest thereunder. For shipments to destinations located outside the United States (i) title to the Hardware remains with Epicor and shall not pass to Customer, and Customer may not transfer such Hardware without Epicor's prior written consent until Epicor receives the purchase price in full, and (ii) Epicor shall have the authority to repossess, sell or otherwise deal with and/or dispose of the Hardware and any replacements or proceeds thereof and to take any other reasonable steps to protect its interest thereunder if any part of the purchase price becomes overdue. At Customer's request, Epicor will insure the Hardware against risk of loss and damage while in transit and will add the costs of such insurance to Customer's invoice for payment. Until full payment for the Hardware is made, Customer must, and must cause its transferees to, notify Epicor in writing in advance of any transfer of the Hardware and the resulting location thereof.
- 6.3. Preparation.** Customer is responsible for all preparation of its facilities as necessary to operate the Hardware.
- 6.4. Operating System Software License.** The Hardware purchased hereunder may require certain operating system software, which is furnished to Customer subject to the license terms furnished by the third party hardware or software supplier ("**Manufacturer's Software**").
- 6.5. Warranty and Indemnification Disclaimer.**
- 6.5.1. Epicor Proprietary Hardware.** Epicor warrants that its (or its Affiliates') proprietary Hardware purchased under this Agreement will be free of defects in materials and workmanship for a period of 1 year from the date shipped. If any such Hardware is discovered to contain a defect in material or workmanship and Customer reports the defect to Epicor in writing during the warranty period, Epicor will, at its option, repair or replace the defective Hardware within a reasonable period of time. If Epicor is unable to repair or replace the defective Hardware, Epicor will refund to Customer the purchase price paid by Customer for such Hardware. The foregoing is Customer's sole and exclusive remedy for Epicor's breach of the warranty set forth in this Section.
- 6.5.2. Third-party Sourced Hardware.** Third-party sourced Hardware purchased and/or Manufacturer's Software licensed under this Agreement is warranted, and where applicable subject to indemnification, by the suppliers and/or licensors thereof. Accordingly, and unless otherwise provided herein, Epicor makes no warranties of any kind, express or implied, with respect to the third party-sourced Hardware or Manufacturer's Software. Epicor agrees to pass through to Customer and otherwise make available to Customer any and all warranties and indemnification in force and available by the manufacturers of such Hardware or Manufacturer's Software.
- 7. Payments**
- 7.1. Pricing; Payment Terms.** Except as otherwise set forth in an Order or Statement of Work all payments are due within 14 days following the date invoiced without any setoff or reduction.
- 7.2. Taxes.** All prices are exclusive of all applicable country, provincial, state and local sales, use, value added, excise, privilege, franchise and similar taxes ("**Taxes**"). Customer shall be responsible for all Taxes however designated or levied, against the sale, licensing, delivery, or use of the Products (other than Taxes based upon Epicor's net income).
- 8. Confidentiality**
- 8.1. Confidential Information.** As used herein, "**Confidential Information**" means all information disclosed by a party ("**Disclosing Party**") to the other party ("**Receiving Party**") in connection with this Agreement. Confidential Information includes, without limitation, the Deliverables, copies or abstracts made thereof as well as any modules, samples, prototypes or parts thereto and the details of the employees of the parties or their Affiliates and Customer's data. Confidential Information does not include any information that (i) is already known to the Receiving Party or received by the Receiving Party from a third party, free of any obligation to keep it confidential; (ii) becomes publicly known through no wrongful act of the Receiving Party; (iii) is independently developed by the Receiving Party without the use of the Disclosing Party's Confidential Information; or (iv) is approved for release by written authorization of the Disclosing Party.
- 8.2. Confidentiality.** The Receiving Party shall not disclose or use any Confidential Information of the Disclosing Party for any purpose outside the scope of this Agreement without the Disclosing Party's prior written permission.
- 8.3. Protection.** The Receiving Party agrees to keep confidential all Confidential Information disclosed to it by the Disclosing Party, and to protect the confidentiality thereof in the same manner as it protects the confidentiality of its own, but no less than reasonable care.

- 8.4. Compelled Disclosure.** If the Receiving Party is compelled by law to disclose Confidential Information of the Disclosing Party, it shall provide the Disclosing Party with prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at Disclosing Party's cost, if the Disclosing Party wishes to contest the disclosure.
- 8.5. Return.** Receiving Party will return all originals, copies and summaries of the Confidential Information upon termination or expiration of this Agreement or upon Disclosing Party's request, or in the alternative, destroy the same and certify in writing to Disclosing Party that all such Confidential Information has been destroyed.
- 8.6. Duration.** The obligations with respect to Confidential Information will continue until such time it ceases to be considered confidential under Section 8.1.

## **9. Proprietary Rights; Restriction on Use**

- 9.1. Deliverables.** Epicor retains exclusive ownership in all Deliverables developed, created or furnished by Epicor hereunder and will own all intellectual property rights, title and interest in any ideas, concepts, know how, documentation or techniques developed by Epicor under this Agreement. All rights not expressly granted in this Agreement are reserved by Epicor and its suppliers.
- 9.2. Trademark and Copyright Notices.** Customer shall not remove, alter or destroy any proprietary, trademark or copyright notices placed upon or contained within any Deliverables. Customer does not and shall not acquire any rights of any kind in or to any trademark, trade name, logo or product designation under which a Deliverable was or is marketed and may not make any use of the same for any purposes.
- 9.3. Usage Restrictions.** Except to the extent permitted by law without the possibility of contractual waiver, Customer may not reverse engineer, modify, decrypt, extract, disassemble, or decompile any Deliverable, or permit anyone else to do so (a "**Prohibited Action**"). Before Customer exercises any legal right to conduct a Prohibited Action it must provide Epicor with reasonable prior written notice and will not unreasonably refuse to accept any alternative course of action that Epicor proposes to satisfy Customer's legal rights in lieu of conducting a Prohibited Action. Customer may not disclose any Deliverable to an Epicor competitor or disclose results of any benchmark test of the Deliverable to any third party without Epicor's prior written approval, which may be withheld in Epicor's sole discretion. For the avoidance of doubt, an Epicor authorized partner is not deemed an Epicor competitor for purposes of this clause.
- 9.4. High Risk Use.** The Products are not fault-tolerant and are not designed or intended for use in hazardous environments, including without limitation, in the operation of aircraft or other modes of human mass transportation, nuclear or chemical facilities, life support systems, implantable medical equipment, motor vehicles or weaponry systems, or any other application in which failure of the Products could lead to death or serious bodily injury of a person, or to severe physical or environmental damage (each, a "**High Risk Use**"). Epicor and its suppliers expressly disclaim any express or implied warranty or representation of fitness for High Risk Use.

## **10. Additional Express Warranties; Disclaimers**

- 10.1. Additional Express Warranty.** In addition to the Product-specific express warranties granted herein or in an Addendum hereto, Epicor hereby warrants that it is authorized to enter into this Agreement and supply the Deliverables hereunder.
- 10.2. General Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED HEREIN, INCLUDING SECTIONS 2.7.1, 4.6, 6.5.1 AND 10.1, NEITHER EPICOR, NOR ITS SUPPLIERS, SUBCONTRACTORS OR AGENTS MAKE ANY REPRESENTATIONS AND WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND EPICOR AND ITS SUPPLIERS, SUBCONTRACTORS AND AGENTS SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF SATISFACTORY QUALITY, REASONABLE SKILL AND CARE, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

## **11. Indemnity**

### **11.1. By Epicor**

**11.1.1.** Subject to the terms and conditions contained herein, Epicor will, at its own expense, defend Customer and its Affiliates, and their directors, officers and employees (each, an "**Customer Indemnified Party**") against any claim, demand, suit, proceeding or action (each, a "**Claim**"), and shall indemnify Customer Indemnified Parties against any damages, costs (including but not limited to reasonable attorney fees and costs) finally awarded against them or amounts agreed to in a monetary settlement arising out of or in connection with such Claim to the extent the Claim is made or brought by or on behalf of a third party alleging that the Products furnished by Epicor hereunder infringe any copyright or patent, or misappropriate any trade secret, of such third party issued, honored or enforceable under U.S. laws or the laws of any other country where Epicor or its Affiliates have business operations ("**Customer Claim**"). Epicor has no obligation under this Section or otherwise to the extent a Customer Claim is based on any use of (i) the Products not in accordance with the Agreement or the applicable Documentation, (ii) the Products in combination with other products not contemplated hereunder or in the applicable Documentation to the extent the infringement is caused by such combination, (iii) or modification to the Products other than by or at Epicor's direction, (iv) a superseded Software version if a corrective Software Update has been made available to Customer for no additional license fee, or (v) a Customization to the extent based on Customer supplied intellectual property, materials or information. Further Epicor has no obligation under this Section with respect to Customer Claims involving third-party sourced Hardware (including Manufacturer's Software) and Third Party Software.

**11.1.2.** If a Customer Claim occurs, or if Epicor reasonably believes a Customer Claim may occur, Epicor may at its sole discretion and at no cost to Customer (i) modify the Product so that it no longer infringes or misappropriates, (ii) secure for Customer the right to continue using the Products in accordance with this Agreement, or (iii) if (i) and (ii) are not commercially and reasonably feasible, terminate this Agreement with respect to the Product(s) that are or may be subject to the Customer Claim and refund to Customer, as applicable, (a) where Software or a Customization is or may be the subject of a Customer Claim, the depreciated value of the license fees paid for such Software or Services fees paid for such Customization (in either case based on a 5-year straight line depreciation schedule commencing on the date such Software or Customization was first delivered) and (b) where Support, Services (other than involving a Customization) or Subscription Services are the subject of the Customer Claim, the fees paid for the applicable Product during the then preceding 12-month period. This Section provides Epicor's entire liability and Customer's sole and exclusive remedy for infringement and misappropriation Claims.

**11.1.3.** Epicor's obligations under this Section 11.1 are conditioned on the Customer Indemnified Party providing the following: (i) prompt notice of any Claim for which indemnification is sought, (ii) sole control of the defense and settlement of such Claims or the appeal of any award, and (iii) reasonable assistance and cooperation at Epicor's expense; provided however that Epicor may not enter into any settlement imposing any liability or obligation on the Customer Indemnified Party without the Customer Indemnified Party's consent, not to be unreasonably withheld or delayed.

## **11.2. By Customer**

**11.2.1.** Customer will, at its own expense, defend Epicor and its Affiliates, and their directors, officers and employees (each, an "**Epicor Indemnified Party**") against any Claim, and shall indemnify Epicor Indemnified Parties against any damages, costs (including but not limited to reasonable attorney fees and costs) finally awarded against them or amounts agreed to in a monetary settlement arising out of or in connection with such Claim to the extent the Claim (any of the following, an "**Epicor Claim**") (a) is made or brought by or on behalf of a third party in connection with (i) any Customer supplied intellectual property, materials or information, or (ii) Customer's use of the Products not in accordance with, or as contemplated by, this Agreement or applicable Documentation or in violation of any law, rule or regulation or (b) results from Customer's use of the Subscription Services whereby Customer (i) uses the Subscription Services to store or transmit any Malicious Code, (ii) interferes with or disrupts the integrity of the Subscription Services, or (iii) gains unauthorized access to the Subscription Services or their related Epicor systems or networks.

**11.2.2.** Customer's obligations under this Section 11.2 are conditioned on the Epicor Indemnified Party providing the following: (i) prompt notice of any Claim for which indemnification is sought, (ii) sole control of the defense and settlement of such Claims, and (iii) reasonable assistance and cooperation at Customer's expense; provided however that Customer may not enter into any settlement imposing any liability or obligation on the Epicor Indemnified Party without the Epicor Indemnified Party's consent, not to be unreasonably withheld or delayed.

## **12. Exclusion and Limitation of Liability**

**12.1. Exclusion of Certain Damages.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR (i) ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, OR (ii) DAMAGES FOR LOSS OF USE, LOSS OF BUSINESS, LOSS OF PROFITS OR REVENUE, OR LOSS OF BUSINESS INFORMATION OR OTHER DATA (IN EACH CASE WHETHER DIRECT OR INDIRECT), AND CLAIMS AGAINST A PARTY BY ANY THIRD PARTY ARISING IN CONNECTION WITH THIS AGREEMENT WHETHER ARISING IN LAW OR IN EQUITY, IN CONTRACT, IN TORT, IN STRICT OR PRODUCT LIABILITY, BREACH OF STATUTORY DUTY, OR IN ANY OTHER FORM OF ACTION, AND WHETHER OR NOT THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE OR WHETHER SUCH EXCLUSION CAUSES ANY REMEDY TO FAIL OF ITS ESSENTIAL PURPOSES.

**12.2. Limitation of Liability.** The parties hereto specifically agree that except for amounts properly payable to Epicor hereunder, the total liability of a party to the other for damages under this Agreement with respect to an affected Product will be limited to direct damages and shall not exceed the sum of (i) Software license fees paid by Customer to Epicor, (ii) maintenance and support fees paid by Customer to Epicor for the then current Support Term, and/or (iii) Services or Subscription Services fees paid by Customer to Epicor during the immediately preceding 12-month period; as the case may be for the affected Product(s) giving rise to the applicable cause(s) of action. Notwithstanding the foregoing, Epicor's total liability to Customer for damages relating to Third Party Software or Hardware will not exceed the license and/or Hardware fees, as the case may be, paid by Customer to Epicor therefore.

**12.3. Exceptions.** Paragraphs 12.1 and 12.2 do not apply to (i) claims arising out of death or personal injury or damage to tangible property, caused by a party's negligence, (ii) a party's breach of its obligations under Sections 8 (Confidentiality), 9 (Proprietary Rights; Restrictions in Use), , or 13 (Regulatory Provisions), or (iii) Section 11 (Indemnification).

- 12.4. Reliance.** Epicor and Customer have not relied upon and agree they will have no remedy arising from any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement.
- 13. Regulatory Provisions**
- 13.1. Export.** Certain of the Deliverables and derivatives thereof may be subject to export laws and regulations of the United States and other jurisdictions. Each party agrees to comply with all international and national laws and regulations that apply to the Deliverables and such derivatives. These laws include U.S. Export Administration Regulations, and importation, end user, end-use and destination restrictions issued by the U.S. and other governments.
- 13.2. Anti-Corruption.** Customer has not, and upon each submission of an Order or Statement of Work shall have not, received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of Epicor's employees or agents in connection with this Agreement.
- 13.3. Personal Data.** It is acknowledged that from time to time, you may provide or make available to Epicor certain data which represents data which is personal to individual persons ("**Personal Data**") (such as name, surname, title, address, contact telephone numbers and email addresses as well as any other data which is treated as "personal data" under applicable laws on personal data). Customer agrees that Epicor may use such Personal Data, which is provided or made available by Customer, and may transfer such data to any of Epicor's Affiliates or suppliers for them to use such data, for the sole purpose of administering and performing Epicor's obligations and services under this Agreement. Customer agrees that it will obtain all necessary consents which may be required to enable Customer to provide Epicor with any such Personal Data and which may be required for Epicor to be able to use such Personal Data in accordance with this clause above and will provide Epicor with confirmation of such consents upon Epicor's request.
- 14. Non-Solicitation.** Subject to applicable law, so long as Epicor is performing Support, Services or Subscription Services hereunder and for 12 months thereafter, each party agrees that it and its Affiliates will not, without the other party's consent, directly or indirectly solicit for employment (or as an independent contractor) or hire as a result of such solicitation any employee or independent contractor of the other party or its Affiliates for a period of 6 months after the date such person's employment or services contract was terminated. This Section will not restrict the right of a party or its Affiliates to: (i) solicit or recruit generally in the media or online, or (ii) hire or engage the other party's or its Affiliates' employees or independent contractors who answer any general advertisement or who otherwise voluntarily apply for hire or engagement without having been initially personally solicited or recruited by or on behalf of the other party. If a party or its Affiliate hires an employee or engages an independent contractor of the other party or its Affiliates in contravention of this Section, then such party shall pay to the other party an amount equal to the salary or fees paid to that person over the last 12 months of their engagement with the other party or its Affiliate, such amount being a genuine pre-estimate by the parties of liquidated damages and not a penalty.
- 15. Audit.** On Epicor's written request, no more frequently than annually, Customer shall provide Epicor with a signed written certification (i) verifying that the Deliverables have been used in complete compliance with the terms of this Agreement, including any user limitations and (ii) listing the locations at which the Deliverables are being used. Customer agrees to grant Epicor reasonable access to all relevant locations and provide reasonable co-operation, upon prior notice during normal business hours, to allow Epicor to audit Deliverable usage, and confirm the information provided by Customer in its signed written certification.
- 16. Term; Termination**
- 16.1. Termination for Cause.** Either party may terminate this Agreement, a License, Order and/or Statement of Work for cause upon 30 days written notice of a material breach by the other party of its obligations under this Agreement or the affected License, Order or Statement of Work, if such breach remains uncured at the expiration of such period.
- 16.2. Effects of Termination.** Upon termination of this Agreement, a License, Order and/or Statement of Work, as the case may be, for any reason: (i) all rights and obligations of the parties under this Agreement and/or such License, Order or Statement of Work will automatically terminate except for rights of action accruing prior to termination, (ii) all amounts due thereunder shall continue to be due on their due dates (including the remainder of any annual fee paid on a periodic basis), and (iii) Epicor will promptly refund to Customer any non-applied, prepaid Services fees. Upon termination of a License Customer shall immediately return or destroy the applicable Deliverables and all portions and copies thereof and, if requested by Epicor, shall certify in writing as to the destruction or return of the same. Termination of one or more Licenses, Orders and/or Statements of Work will not terminate the Agreement.
- 16.3. Surviving Provisions.** Those provisions that by their nature should survive termination of the License or this Agreement, as the case may be, will survive termination. These include, without limitation: The provisions included on the signature page to the Agreement respecting Choice of Law and Alternative Dispute Resolution and Sections 1, 2.3, 2.4, 2.7.2 to 2.7.4, 2.9, 4.3, 6.1, 6.2, 6.4, 6.5, 7, 8, 9, 10.2, and 11 through 19 of these Terms and any payment-related obligations under an Addendum.
- 17. Dispute Resolution.** Except for debt recovery actions by Epicor for amounts due to it hereunder or indemnity claims under Section 11, in the event of any dispute, claim, or controversy arising out of, relating to, or in connection with this Agreement (whether based in contract, in tort, upon a statutory provision, or otherwise), including, without

limitation, the formation, performance, breach, termination, enforcement, interpretation or validity thereof (a "Dispute"):

- 17.1. Negotiation/Mediation.** Customer and Epicor will first attempt to resolve the Dispute through confidential negotiation either through negotiations between designated executives with authority to resolve the Dispute, or if mutually agreed, through confidential mediation, utilizing a mutually agreeable mediator. If the parties are unable to resolve the Dispute through negotiation or mediation within 30 days following the initial notice of a Dispute (or such longer period as is agreed in writing), the Dispute shall be finally resolved through arbitration.
- 17.2. Arbitration.** If Customer and Epicor are unable to resolve the Dispute in accordance with Section 17.1 the Dispute shall be fully and finally settled through arbitration administered pursuant to the rules and in the location designated in the Additional Dispute Resolution provision set forth on the signature page to these Terms before a single arbitrator. Any award rendered in such arbitration proceedings will be executory, final, and binding on each of the parties. To the extent permitted by law (i) each party to the arbitration will pay its own costs and expenses (including attorney's fees) in connection with the arbitration, (ii) the arbitrator's fees and the administrative expenses of the arbitration will be paid equally by the parties thereto, and (iii) the arbitrator will not have the power to award punitive damages. The parties shall treat as confidential, and except as required by law no party may disclose the existence, contents, or results of an arbitration brought in accordance with this Agreement, or the documents presented and evidence produced by its opposing parties, or any analysis or summaries derived from such evidence.
- 17.3. Enforcement.** The award rendered by the arbitrator may be recognized and enforced by any court having jurisdiction, and any necessary applications may be made to such courts for judicial acceptance of the award and an order of enforcement. Such court proceedings will disclose only the minimum amount of information concerning the arbitration as is required to obtain such recognition, enforcement, acceptance or order.
- 17.4. Equitable Relief; Right to Termination.** Notwithstanding the terms of this Section 17, each party shall have the right to seek immediate injunctive or other provisional relief, in any court of competent jurisdiction, against or from any ongoing or impending injury or damage, which mediation or arbitration would not in the party's reasonable opinion avoid and each party shall at all times have the right to exercise any contractual right it may have to withhold the performance of its obligations and/or terminate this Agreement, an Order and/or Statement of Work as permitted hereunder.
- 17.5. Conflict.** To the extent the terms of this Section 17 are modified by or conflict with Additional Dispute Resolution provision on the signature page to this Agreement, the terms of the Additional Dispute Resolution provision shall modify this Section 17 to the extent of the modification or conflict.
- 17.6. UN Convention on Contracts Not Applicable.** This Agreement is not to be governed by the United Nations Convention on Contracts for the International Sales of Goods.
- 18. Assignment.** Customer may not assign, license, sublicense or otherwise transfer this Agreement or any rights under this Agreement, whether voluntarily or by operation of law, without Epicor's prior written consent. Without limiting the scope of the previous sentence any sale or transfer of assets, stock or any interest in Customer, or any merger, consolidation restructuring, or other business reorganization, which, by operation of law, transfers this Agreement and such rights, is to be considered a transfer covered by the previous sentence. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Epicor may assign this Agreement upon written notice to Customer if the assignee agrees to be bound in writing by Epicor's obligations hereunder.
- 19. General**
  - 19.1. Headings.** Headings contained in this Agreement are for convenience only and are not part of this Agreement and do not in any way interpret, limit or amplify the scope, extent or intent of this Agreement or any of the provisions hereof.
  - 19.2. Complete Agreement.** This Agreement, including any Order, Statement of Work, Addendum or a supplement or an amendment hereto, constitutes the entire Agreement between the parties on the subject hereof and supersedes all other prior or contemporaneous agreements, negotiations, representations and proposals, written or oral. Each party acknowledges that in entering into this Agreement, it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty other than as expressly set out in this Agreement. In the event of a conflict between this Agreement and any Order or Statement of Work entered into in connection herewith, this Agreement will control except as expressly provided otherwise in the applicable Order or Statement of Work. This Agreement does not operate as an acceptance of any conflicting terms and conditions and shall prevail over any conflicting provision of any purchase order or any other instrument of Customer, it being understood that any purchase order issued by Customer shall be for Customer's convenience only.
  - 19.3. Severability.** If any provision of the Agreement is deemed to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect and the parties will promptly amend the Agreement to give effect to the stricken provision to the maximum extent possible.
  - 19.4. Modifications and Waiver.** No modification of, or amendment or addition to this Agreement is valid or binding unless set forth in writing signed by a representative of each party; provided that an Order becomes valid and binding against Customer once signed and submitted by Customer. The waiver or failure of either party to exercise in any respect any right or remedy provided herein shall not be deemed a waiver of any future right or remedy hereunder.
  - 19.5. Electronic Signatures.** The parties consent to electronic signatures for the purpose of executing this Agreement by e-mail or other electronic means, subject to compliance with any applicable laws, rules or regulations. In no

event shall the electronic execution expand such assent to include any terms other than those explicitly set forth in this Agreement.

- 19.6. Force Majeure.** Neither party will be responsible for its failure to timely perform under this Agreement when its failure results from any cause beyond its reasonable control.
- 19.7. Relationship.** The parties are independent contractors. This Agreement does not create a joint venture or partnership between the parties; and no party is by virtue of this Agreement authorized as an agent, employee or representative of the other party.
- 19.8. Business Contact Information.** Customer agrees to allow Epicor and its Affiliates to store and use Customer's business contact information, including names, business phone numbers, and business e-mail addresses, anywhere they do business. Such information will be processed and used solely in connection with the parties' business relationship.
- 19.9. Notice.** Notices hereunder shall be sent to the addresses on the face of this Agreement, or to such other address(es) as specified by a notice complying herewith, and shall be deemed delivered (i) on the date shown on the postal return receipt or on the courier or facsimile with confirmation of delivery, or (ii) within 5 days after deposit in first class mail or registered post.
- 19.10. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and taken together will constitute a single instrument.



*This Software Support Addendum (“Addendum”) is incorporated by reference into and governed by the Master Customer Agreement (“Agreement”) between Customer and Epicor. Capitalized terms not defined herein have the meanings given in the Agreement.*

The following are the terms and conditions under which Epicor provides “standard” maintenance and support services (“Support”) during the Support Terms:

- 1.1. **Support Centers.** Epicor will provide telephone and e-mail support to Customer to answer general Software product questions and to identify and diagnose Software issues during the normal local business hours of the regional support center that services the Software licensed by Customer hereunder, Monday through Friday. Premium and/or after-hours support is separately available for an additional charge at Epicor’s then standard rates.
- 1.2. **Web Portal.** Epicor will provide Customer unlimited access to its Support self-service Web portal, where available.
- 1.3. **Software Updates.** Epicor will make available to Customer (for no additional license fees) all Software Updates to Software licensed by Customer hereunder, if and when commercially released.
- 1.4. **On-site Support.** Epicor’s delivery of onsite Support, if any, is subject to the additional terms and conditions contained in a separate addendum.
- 1.5. **Initial Support Term.** The Support term for Software initially licensed by Customer begins on the date such Software is shipped or electronically furnished by Epicor and ends 12 complete calendar months thereafter (“Initial Term”).
- 1.6. **Renewal.** After the Initial Term, Support will automatically renew on the terms and conditions set forth herein from year to year (each, a “Support Term”) unless terminated by Customer upon written notice given at least 90 days prior to the expiration of the then current Support Term.
- 1.7. **Co-Terminus Support.** Support for Software licensed after the first day of the Initial Term shall begin on the date such Software is shipped or made electronically available to Customer by Epicor and shall end at the end of the then current Support Term. The Support fees applicable thereto will be prorated ratably on an annualized basis over the remainder of the Support Term.
- 1.8. **Maintenance and Support Fees.** Customer shall pay all maintenance and support fees listed (i) on an Order pursuant to the terms listed therein and (ii) on a renewal invoice prior to beginning of the next Support Term, unless terminated in accordance with Section 1.6 of this Addendum. Epicor reserves the right to withhold Support while any maintenance and support fees remain overdue. Epicor may increase the annual maintenance and support fees applicable to the ensuing Support Term (as denoted in a renewal invoice); provided that in no event may the annual percentage increase to Epicor’s standard rate with respect to Epicor’s proprietary Software exceed the sum of (i) the year-over-year percentage increase in the regional consumer price index generally used by Epicor for purposes of this computation, plus (ii) 2%.
- 1.9. **Support Limitations.** Customer acknowledges that it may need to update to a then more current Software Update release in order to obtain Software fixes (e.g., bug fixes or service pack releases (SCR) or similar releases) or other Support. Epicor is not responsible for Software errors that result from alterations, additions, adjustments or repairs made by third parties other than at Epicor’s direction.
- 1.10. **Support Warranties.** Epicor warrants that it will use commercially reasonable efforts to perform Support and that the Support furnished pursuant to Section 1.1 herein will be provided by qualified personnel in a professional and workmanlike manner.
- 1.11. **Microsoft Embedded Maintenance.** Customer’s subscription to the Microsoft Embedded Maintenance program as indicated on an Order entitles Customer to receive new product versions to certain Microsoft Software products supplied by Epicor, if and when commercially released by Microsoft Corporation, during the applicable coverage period.
- 1.12. **Third Party Software Support.** Epicor is not responsible to perform Support for certain Third Party Software, as denoted on an Order, in which case the maintenance and support services, if any, will be available from the third party supplier.

This Amendment to Master Customer Agreement (“**Amendment**”) is made and entered into as of the date signed by Epicor below, by and between **Epicor Software Corporation** (“**Epicor**”) and **City of Grand Island** (“**Customer**”).

### RECITALS

A. Customer and Epicor are entering into a Master Customer Agreement (the “**Agreement**”) pursuant to which Customer may obtain certain products and services from Epicor.

B. Epicor and Customer desire to amend the Agreement as provided herein.

NOW THEREFORE, in consideration of the above recitals and the mutual covenants and conditions contained below, Epicor and Customer hereby agree as follows:

1. In Section 1 of the signature page to the Agreement replace “State of Texas” with “State of Nebraska”; replace “Travis County, Texas” with “Travis County, Texas and Hall County, Nebraska”; and delete the last sentence.

2. In Section 7 of Agreement – General Terms, replace “14” with “45”.

3. Respecting the Agreement – General Terms (Epicor HCM Hosted Deployment), references to “Exhibit(s) A” means the Hosting Services Order Form(s) entered into from time to time, including that Hosting Services Order dated August 1, 2014.

Except as provided herein the terms and conditions of the Agreement shall remain in full force and effect. All terms not defined in this Amendment shall have the meanings ascribed to them in the Agreement.

IN WITNESS WHEREOF, the undersigned parties have executed this Amendment as of the date first above written.

#### City of Grand Island

#### Epicor Software Corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## Master Customer Agreement – General Terms Epicor HCM Hosted Deployment

### 1. Introduction.

- a. Under this Agreement, Epicor agrees to provide Customer with the non-exclusive use of the necessary hardware, operating system software, Internet access, and hosting services required to host Customer's Epicor HCM human resource information system at Epicor's third party co-location site.
- b. Customer acknowledges that it must provide its Epicor HCM users with the required version of a supported Web browser and also contract with a third party Internet service provider ("ISP") or other carrier to provide Internet connectivity to Epicor's co-location site.
- c. Customer has or will license the Epicor HCM software and other Epicor or third-party software, if any, under a separate software license agreement(s). Customer acknowledges that in a hosted setting, the Epicor HCM product is subject to certain restrictions and limitations as compared to a self-hosted license of the Epicor HCM software.

### 2. Fees and Taxes.

- a. Customer agrees to pay Epicor the applicable fees specified on Exhibit(s) A. These fees will be invoiced monthly, in advance, and are due on or before the first day of each month. At Epicor's discretion, past due invoices shall bear interest at the rate of 1½% per month or at the highest legal rate, whichever is less. In addition, Epicor reserves the right to deny access to Customer's Epicor HCM system(s) if any invoice is more than fifteen days past due.
- b. The fees specified on Exhibit(s) A shall be payable based on the minimum active employee record count, any increases in active employee records, and the number of named users (user ID/password log-ons) for Customer's Epicor HCM system(s) hosted by Epicor. Epicor will take the active employee record and other required counts on or about the fifteenth day of each month. Customer hereby authorizes Epicor to access its Epicor HCM software and data to determine the correct invoicing under this Agreement and other written agreements with Epicor. At the end of each term of this Agreement, Epicor may change the applicable fees upon sixty days advance written notice to Customer.
- c. Customer acknowledges that the pricing on Exhibit(s) A is based on the term of this Agreement and certain penalties may apply if Customer terminates the Agreement early. (See Article 10.)
- d. The fees applicable to this Agreement do not include any customs fees, duties, sales, use, value added, or other excise taxes based on or measured by the charges due and payable pursuant to this Agreement. Any such taxes, other than Epicor's employment or income taxes, now or hereafter imposed under the authority of a federal, state or local taxing jurisdiction relating to this Agreement and any penalties or interest thereon due to acts or omissions of Customer, shall be payable to Epicor by Customer, or in lieu thereof, Customer shall provide Epicor with a tax exemption certificate acceptable to Epicor and such taxing authorities.

### 3. Licensing of the Epicor HCM Software.

Customer shall license Epicor HCM by signing the Epicor HCM Software License Agreement. Each of Customer's associated Affiliates shall also have the option to license copies of Epicor HCM or access an Affiliate's copy of Epicor HCM by signing additional Exhibits A to the Epicor HCM Software License Agreement and/or the Epicor HCM Hosting Services Agreement.

### 4. Hardware, Operating System Software, and Internet Access.

- a. Epicor agrees to provide Customer with the non-exclusive use of the necessary computer hardware, operating system software, and one or more Internet Protocol ("IP") addresses required to permit Customer to gain Internet access to its Epicor HCM software hosted by Epicor.
- b. Epicor agrees to install and test such hardware, operating system software, and IP addresses prior to providing Customer with its initial password and user ID.

### 5. Hosting Services.

- a. **Installation.** Epicor agrees to install and test Customer's Epicor HCM software and provide Customer with one initial password and log-on ID. Data conversions, customizations, and other implementation services are available, and are priced and provided under a separate agreement.
- b. **Maintenance and Epicor HCM Updates.** Maintenance for Customer's Epicor HCM system is required during the term of this Agreement. Maintenance will be provided to Customer under the terms, conditions and pricing of Epicor's Maintenance Agreement. Epicor intends to install major updates and new versions of the Epicor HCM software within one year of their release. Within the one year timeframe, Epicor will work with Customer to determine a mutually acceptable time for the implementation of upgrades. Customer acknowledges that any customizations to its Epicor HCM system may not be compatible with future releases of the standard software products. With Customer's approval (e-mail is acceptable), Epicor will perform the required modifications to Customer's customizations at Epicor's hourly rate.
- c. **Database and Operating System Administration.** Epicor agrees to perform necessary administration for the ongoing maintenance of the database and the operating system. Customer shall have limited system administration and database administration rights and responsibilities. Therefore, any process or procedure that requires "backend" SQL Server access is not available.
- d. **Access and Uptime.** Customer's Epicor HCM software is scheduled to be available for access and use on a 7 x 24 x 365 basis, except for scheduled hardware, software, and access maintenance periods. "Uptime" is defined as the percentage of time, on a daily basis, that Customer's Epicor HCM software is operational on the hardware and available for access and use. Epicor agrees to provide a minimum of 95% Uptime for Customer's Epicor HCM software, not including scheduled maintenance. Notwithstanding the prior sentence, Epicor will strive to achieve a goal of 99% Uptime, not including scheduled maintenance. The Uptime guarantee does not apply to factors beyond Epicor's control, such as power outages, interruptions of Internet access, "crashes," or system failures caused by Customer, et cetera.

- e. **Penalty.** If Epicor fails to meet the 95% Uptime guarantee, upon Customer's written request, Epicor will credit Customer's next monthly invoice one day for each instance that the guarantee was not met.
- f. **Monitoring.** Epicor agrees to use monitoring software to monitor vital statistics of the Epicor HCM system(s), operating system software, and bandwidth utilization.
- g. **Virus Protection.** Epicor agrees to install and maintain reputable virus protection software to monitor Customer's Epicor HCM system.
- h. **Firewall.** Epicor agrees to install and maintain reputable firewall software at Epicor's Internet access point.
- i. **Epicor HCM Back-ups.** Epicor agrees to back-up Customer's data once a day to a separate, secure location.
- j. **Restoration of Back-ups.** In the event of a hardware/system failure, Epicor agrees to respond to the need to restore a back-up within four business hours. Epicor agrees to complete any such restoration within 24 hours of the time Epicor begins the restoration. Restorations made at Customer's request that are unrelated to a hardware/system failure will be completed within two business days and will be performed and billed at Epicor's hourly rate.

**6. Customer's Obligations.**

- a. **Internet Access.** Customer is responsible for connectivity between its location(s) and Epicor's IP address.
- b. **Hardware/Software.** Customer is responsible to provide and maintain suitable personal computer(s) and associated software for Customer's users in accordance with Epicor's then current Epicor HCM Technical Operating Specifications.
- c. **Data.** Customer shall own and be responsible for the accuracy of the data stored in its Epicor HCM system(s). Although Epicor will take reasonable precautions to prevent the loss of Customer's data, Epicor does not guarantee against such loss. Epicor advises Customer to maintain copies of all source documents of the data entered into its Epicor HCM system(s).
- d. **Virus Protection.** Customer agrees to use commercially reasonable efforts to keep its hardware and software virus free and to avoid the transmission of software viruses to Epicor's hardware and software.
- e. **Security.** Customer agrees that it will not violate or attempt to violate the security of Epicor's facilities, the Epicor HCM software, hardware, operating system software, or telecommunications facilities, and will not attempt to gain access to, or otherwise interfere with, any copies of Epicor HCM that are not licensed to Customer.
- f. **Spamming.** Customer agrees that it will not use Epicor's hardware, software, or telecommunications facilities to send unsolicited e-mail, "spam," "chain letters," or other communications to third parties (other than Customer-approved communications to Customer's own employees or associates).
- g. **Privacy.** Customer shall be responsible for complying with all laws and regulations governing privacy with regard to its use of the Epicor HCM system. Customer shall defend and indemnify Epicor against all claims arising from Customer's failure to comply with any such laws or regulations.

**7. Confidentiality.**

- a. **Retention of Proprietary Rights in Confidential Information.** The parties recognize that in the course of fulfilling this Agreement each party may disclose to the other information concerning its employees, applicants, trade secrets, business plans, product designs, product plans, systems, and other proprietary information. Such information individually and collectively constitutes "Confidential Information." All such Confidential Information disclosed by either party shall remain the sole property of the party disclosing the same, and the receiving party shall have no interest or rights with respect to such information except as set forth in this Agreement or other written agreements between the parties.
- b. **Confidentiality.** Each party agrees to maintain the Confidential Information of the other party in trust and confidence to the same extent that it protects its own confidential information, and further agrees to take all reasonable precautions to prevent any unauthorized disclosure of such information. The parties acknowledge that in the event of any breach of this subsection, the other party will not have an adequate remedy in money or damages. Therefore, in addition to any other remedies, the party seeking protection shall be entitled, immediately upon request, to obtain an injunction against such breach from any court of competent jurisdiction.
- c. **Information Not Protected.** The commitments in subsections (a) and (b) above shall impose no obligation on the receiving party with respect to any portion of the received information that: (i) through no act or failure to act on the part of the receiving party is now, or hereafter becomes, generally known or available; (ii) is furnished to others by the disclosing party without restriction on disclosure; (iii) is hereafter furnished to the receiving party by a third party as a matter of right and without restriction on disclosure; (iv) is known to the receiving party at the time of receiving such information; or (v) is immaterial or frivolous.

**8. Warranty.**

- a. Epicor warrants that it will provide effective operation of the Epicor HCM software, hardware, operating system software, Internet access, and hosting services to Customer under this Agreement.
- b. Epicor warrants that the operating system software provided by Epicor under this Agreement shall be properly licensed when Customer uses the Epicor HCM software and operating system software in accordance with their intended use, and in accordance with the Epicor HCM Software License Agreement and this Agreement.
- c. EXCEPT AS OTHERWISE STATED IN THIS AGREEMENT, CUSTOMER EXPRESSLY AGREES THAT USE OF THE HARDWARE, OPERATING SYSTEM SOFTWARE, INTERNET ACCESS, AND HOSTING SERVICES IS AT CUSTOMER'S SOLE RISK. EPICOR DOES NOT WARRANT THAT THESE ITEMS WILL BE UNINTERRUPTED OR ERROR FREE AND EPICOR PROVIDES NO WARRANTY REGARDING THE USE, OPERATION, PERFORMANCE, OR SECURITY OF THE INTERNET.
- d. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**9. Limitation of Liability.**

- a. THE PARTIES AGREE THAT EPICOR'S LIABILITY FOR ANY AND ALL CLAIMS OF ANY KIND, FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FROM EPICOR'S PERFORMANCE OR BREACH THEREOF, SHALL NOT EXCEED THREE TIMES THE MONTHLY FEE PAID BY CUSTOMER TO EPICOR UNDER THIS AGREEMENT FOR THE ONE MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT THAT CAUSED THE LOSS OR DAMAGE.

- b. IN NO EVENT SHALL EPICOR BE LIABLE FOR INDIRECT, GENERAL, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES (EVEN IF EPICOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF USE OF PRODUCT, ANY ASSOCIATED EQUIPMENT AND/OR SOFTWARE, OR COST OF SUBSTITUTE FACILITIES, EQUIPMENT, SOFTWARE OR SERVICES.

**10. Term and Termination.**

- a. This Agreement shall become effective when it is executed by both parties. The initial term of this Agreement is shown on Exhibit(s) A. The term shall automatically renew for the same period(s) of time until either party provides at least sixty days written notice to the other, prior to the expiration of the current term, of its desire to terminate at the end of the stated term.
- b. Customer acknowledges that the pricing under this Agreement is based on the stated term of the Agreement. In the event of early termination by Customer without cause, or in the event of early termination by Epicor for cause, Customer agrees to pay Epicor an early termination charge equal to the following percentages of the remaining monthly minimum and variable recurring charges: i) 75% of the charges that would have otherwise been applicable under the Agreement for the next twelve months remaining in the agreed upon term; and ii) 50% of the charges that would have otherwise been incurred during any remaining months in the agreed upon term. Any variable monthly recurring charges that are based on active employee records or the number of named users will be payable using the highest number of active employee records and named users in Customer's Epicor HCM system(s) during the twelve months prior to the early termination.
- c. Either party may terminate this Agreement upon written notice to the other party if the other party materially breaches any obligation and fails to cure such breach within thirty days after receiving notice. Termination of this Agreement automatically terminates all Exhibits A. However, termination of one Exhibit A has no effect on the remaining Exhibits A or this Agreement, so long as the defaulting party complies with this Agreement and the remaining Exhibits A. Each party is entitled to all legal and equitable remedies, including injunctive relief.
- d. Termination of this Agreement due to Customer's breach shall not affect any sums due to Epicor. All of Customer's rights shall immediately terminate, and all unpaid charges shall become immediately due and payable.
- e. If requested by Customer within thirty days of the termination of this Agreement or an Exhibit A, and provided that Customer is in good financial standing with Epicor, Epicor shall provide Customer with a copy of the most recent back-up of Customer's applicable Epicor HCM software and data.
- f. After termination, Epicor shall retain title to and/or use of all hardware and operating system software; and shall be permitted to reassign any IP addresses previously assigned to Customer.

**11. Miscellaneous.**

- a. **Prohibition Against Assignment.** Customer may not assign this Agreement without Epicor's express written consent. Epicor shall not withhold its consent if Customer merges or consolidates into another entity or otherwise transfers or sells all or substantially all of its assets to a third party.
- b. **Force Majeure.** Neither party shall be liable, nor shall any credit allowance or other remedy be extended, for any failure of performance, equipment, or software due to causes beyond such party's reasonable control, including, but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of any governmental entity or agency, or any civil or military authority; or national emergencies, insurrections, riots, or wars.
- c. **Notices.** Any notice required to be sent under this Agreement shall be sent by certified mail to Epicor, c/o Contract Administration, or to Customer at the respective address set forth in this Agreement and shall be effective when received.
- d. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- e. **Entire Agreement.** This Agreement contains the full and exclusive statement of the parties with respect to the subject matter and supersedes all previous communications and negotiations, written and oral, between the parties.
- f. **Severability.** If any provision of this Agreement is held to be invalid, such provision shall be deleted from the Agreement and the remaining provisions shall remain in full force and effect.
- g. **No Waiver.** No waiver or modification of any of the provisions of this Agreement shall be binding unless made in writing and signed, by the waiving party if a waiver, and both parties if a modification.
- h. **Purchase Orders.** The terms and conditions of Customer's purchase order(s), if any, whether issued before or after this Agreement is signed, shall not be binding between the parties.
- i. **Legal Proceedings/Collection Costs.** In the event of any legal proceeding between the parties to enforce any rights arising out of or relating to this Agreement, the prevailing party in such legal proceeding shall be entitled to recover its reasonable costs and attorneys' fees. Each party agrees to pay any reasonable collection costs that the other party incurs.

**ACCEPTED AND AGREED TO BY:**

<p><b>Epicor Software Corporation</b></p> <p>Signature _____</p> <p>Name _____</p> <p>Title _____</p> <p>Date _____</p>	<p>Customer _____</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
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# HRIS

# HUMAN RESOURCES INFORMATION SYSTEM

## HRIS

What is a human resources information system?

HRIS is a software or online solution for the data entry, data tracking, and data information needs of the human resources, payroll, management, and accounting functions within a business.

## HRIS

Why does the City need an HRIS solution?

- 1. Information protection** – there is currently no back-up for the City's personnel records.
- 2. Information access** – managers and employees would have access to appropriate information at their fingertips.
- 3. Management tool** – Managers will be able to access information that may be critical to help them connect their efforts in meeting strategic objectives.



### Information Protection



Pilger, NE Clerk's Office  
June 17, 2014 Source: Omaha.com



Downtown Fire  
July 13, 2014 Source: theindependent.com

## Information Access & Management Tool

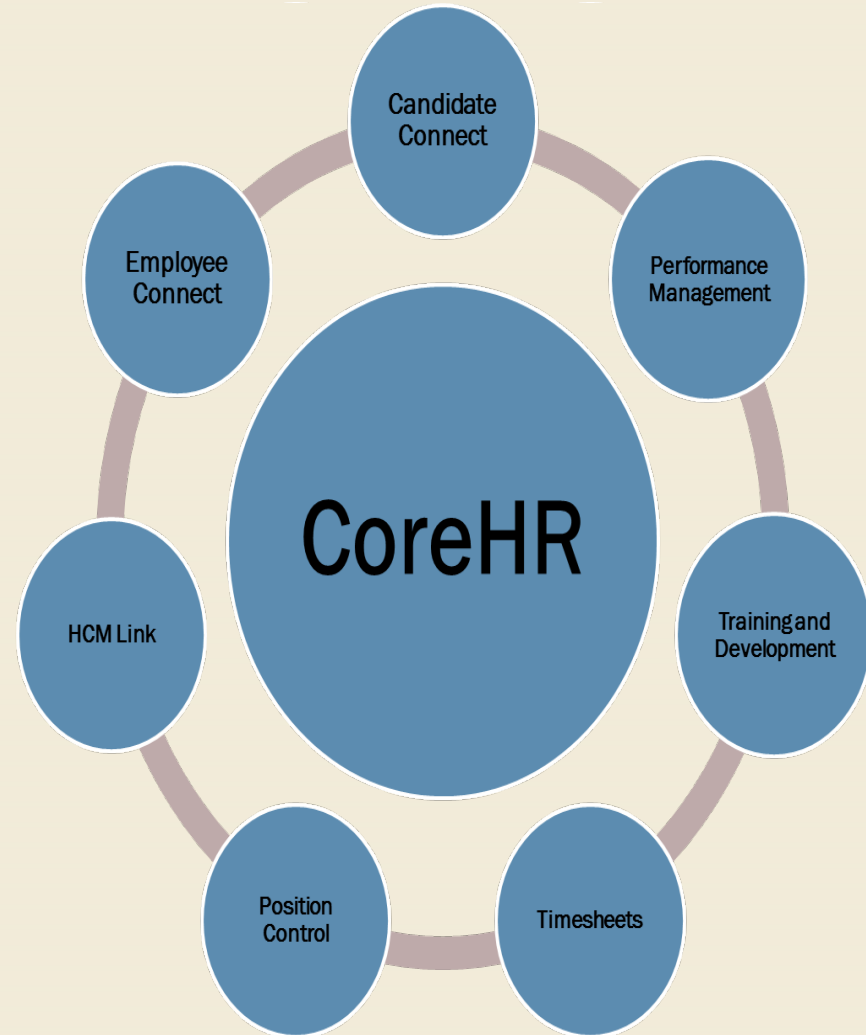
Managers and supervisors will have access to information about

- \**employment history*
- \**education & certifications*
- \**performance*
- \**attendance*
- \**reports*

Why is this important?

- \*succession planning
- \*employee development
- \*maximizing talent pool
- \*compliance

Global Employee Records  
Absence Tracking  
Benefits Administration  
Recruitment Management  
Salary Administration and  
Planning  
Competency Administration  
Manager Self Service  
Reporting and Analysis  
Configuration Tools



## HRIS

Initial Cost: Budget year 2013/2014

License Fees - \$32,712 (one time fee)

Annual Maintenance Fee - \$13,352

Monthly Hosting Fee - \$1000

\$32,712

+\$13,352

+\$1,000

**\$47,064**

## Additional Costs: Budget Year 2014/2015

Up to but not to exceed 369 hours of implementation services @ \$150 per hour (\$55,350). \$1,200 project control center set-up fee.

Implementation schedule: 3 – 4 months

## Annual Ongoing Costs:

Maintenance and Hosting Fees \$25,352

RESOLUTION 2014-251

WHEREAS, the City employs and is required to maintain employment records for its employees; and

WHEREAS; the City Human Resources Department advertised a Request for Proposals to find a vendor to provide HRIS software; and

WHEREAS, a committee comprised of members from the Public Works, Finance, Police and Human Resources Departments reviewed proposals and chose a qualified vendor; and

WHEREAS, the vendor selected is EPICOR headquartered in Austin, Texas; and

WHEREAS, the costs for the HRIS will be \$32,712 for the software license fees, \$13,352 for annual maintenance fees, \$1,000 monthly hosting fees and \$150 per hour for professional services for implementation, not to exceed \$55,350 and \$1,200 for a fixed fee for project control center set up; and

WHEREAS, the hosting fees are guaranteed for a period of five years.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the contract with EPICOR to provide HRIS software and services is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-4

**#2014-252 - Consideration of Approving Contract with Tele-Works Inc. for Interactive Voice Response and Alertworks Calling Systems**

Staff Contact: Jaye Monter, Finance Director



# Council Agenda Memo

**From:** Jaye Monter, Finance Director

**Meeting:** August 26, 2014

**Subject:** Approving Contract with Tele-Works Inc. for Interactive Voice Response (IVR) Alertworks Calling Systems

**Item #s:** I-4

**Presenter(s):** Jaye Monter, Finance Director

## Background

On July 9, 2013, Council approved resolution 2013-277 to replace the City's current 34 year old utility billing and customer information system. Tele-Works Inc. (TWI), the provider named in the contract with N. Harris Computer Corporation, provides the Infinity.Teleconnect hosted IVR supporting the Alertworks Calling System.

One component unit not added at the time of the new utility billing system contract was the addition of an Interactive Voice Response (IVR) system which enables the ability to automate inbound and outbound calls with customers.

System automation of inbound calls will allow customers to make payments to a utility account via an automated interactive voice response (IVR) system in English or Spanish with a credit card or bank account. Outbound calls will provide automation of notices to customers regarding past due accounts or notices such as a service interruptions.

## Discussion

Currently, customers can make credit card payments over the phone with a customer service representative between the hours of 8:00-5:00 and also in person during those office hours. The process of taking credit card and bank account information over the phone is extremely less secure for the customer along with an increased risk for potential errors and noncompliance of credit card and bank information polies for the City. Along with the extensive time it takes for the customer service representatives to take these payments over the phone, the cost of the IVR system will bring better efficiencies to our customer service representative employees and improved security and convenience for our customers.

In addition payments through the IVR alertworks calling system will enable customers to make utility payments 24/7, seven days a week, 365 days a year.

The TWI Infinity.Teleconnect IVR system will not only allow customers to make payments more quickly when calling in, but it will also provide the City Of Grand Island customers with several additional time saving features. These are:

1. Customers can hear account balance or payment history, and make payments by credit card or eCheck
2. 24/7 self-service for making payment, account access and an automated Frequently Asked Question (FAQ)
3. Real time interface with the new AUS billing system to show customer payments
4. Ability to make payments in English or in Spanish

The implementation of the IVR system will result in a significant direct time savings for Finance Department customer service representative staff.

The TWI system also includes an outbound calling product call Alertworks. This system will provide numerous features to the Customer Service staff as well. These features are:

1. Send courtesy call reminders to overdue customers with convenient Press-2-to-Pay option. This Press-2-to-Pay option will allow customers to immediately initiate payment for their overdue account. TWI history shows businesses will typically capture payments from 50% customers who are past due.
2. Send other time critical call-outs (e.g., service interruption)
3. All calls via the Alertworks system are logged regarding the length of the call, if the call was answered and how the call was answered (person or voicemail).
4. The system allows messages to be set with high priority status. This means that all recipients on the calling list will receive the message within 90 minutes.

The system requires the purchase of minutes for outbound calls. These minutes never expire and the initial proposal based upon the number of current City Of Grand Island customers include purchasing enough minutes for 1-2 years, but will greatly vary depending on how much Alertworks outbound calling is utilized.

Initial and recurring cost for the Infinity.Teleconnect IVR and Hosted Alertworks system is broken down as follows:

<b>Product or Service</b>	<b>One-Time Fee</b>	<b>Annual Fee</b>
Hosted Inbound Infinity.Teleconnect IVR	\$ 10,000	\$ 20,300
Hosted alertworks	N/A	\$ 4,375
Harris Advanced Utility Systems AP and maintenance	\$ 5,000	\$ 1,000
Initial purchase of 21,000 minutes that do not expire	\$ 3,780	N/A
<b>Totals</b>	<b>\$ 18,780</b>	<b>\$ 25,675</b>

<b>Year 1 Total</b>	<b>\$</b>	<b>44,455</b>
<b>Subsequent Years Annual Fees</b>	<b>\$</b>	<b>25,675</b>

### **Alternative**

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

1. Approve the change order Resolution 2014-252 as presented.
2. Postpone the issue to a future meeting.
3. Take no action.

### **Recommendation**

City Administration recommends that the Council approves the change order Resolution 2014-252 for the contract for the IVR system provided by TWI.

### **Sample Motion**

Move to approve the contract with TWI for the IVR and Alertworks system.

## STATEMENT OF WORK

SOW No. 8194

Project: Hosted Infinity.Teleconnect IVR and Hosted *alertworks*

Date: July 28, 2014

This Statement of Work (“SOW” / “Contract” / “Agreement”) is made by and between Tele-Works, Incorporated (“TWI”), a Virginia corporation, and Grand Island, NE (“Client” or “Agency” or “City”). This SOW and any other documents referenced herein constitute the full Agreement between the parties per the terms and conditions contained herein.

### CONTACT INFORMATION

Agency:	Grand Island, NE	Account Manager:	Erik Amelink
Contact:	Monica Moctezuma	Phone:	(540) 951-6463

### PRICE QUOTATION

**PRICING IS VALID FOR 180 DAYS.**

Product or Service	One-Time Fee	Annual Fee
Hosted Inbound Infinity.Teleconnect IVR*	\$10,000	\$20,300
Hosted <i>alertworks</i> (requires purchase of prepaid minute package: 21,000 minutes=\$3,780**)	n/a	\$4,375
Harris Advanced Utility Systems API plus the first year of annual maintenance (20%) ^	\$5,000	\$1,000
<b>Totals</b>	<b>\$15,000</b>	<b>\$25,675</b>

**Notes:**

\* Requires use of TWI Payment Processing Services. Contact your account Manager with questions.

\*\*Prepaid Minutes Package: *alertworks* outbound calling minutes are purchased in advance; prepaid minutes packages are refilled automatically when the balance falls to zero; prepaid minutes never expire (see *alertworks* terms and conditions below) as long as the Agency maintains an active Annual Subscription. Cost of initial package is included in Purchase Order Total below.

^TWI will invoice for the API fee on behalf of Harris Computer Systems and will directly pass through 100% of these fees to Harris.

Following Year 1, annual maintenance on the Advanced Utility Systems API will be billed by Harris according to the terms in the applicable contract between Harris and the Agency.

Purchase Order Total: **\$44,455**

### DESCRIPTION OF PRODUCTS AND SERVICES

TWI will provide the Agency with the following products and services under this SOW:

#### **Hosted AUS Infinity.Teleconnect IVR**

The Infinity.Teleconnect IVR application will integrate with the Agency’s Advanced Utility Systems (AUS) database via an AUS Web Services Application Program Interface (API) written for Infinity.Teleconnect, which will be obtained by the Agency. The API must be installed on a Web server within the Agency’s data center and connected to the Agency’s Database. The Web services API must be accessible to TWI’s hosted platform through the Internet. Harris AUS is responsible for the Agency’s Infinity.Teleconnect API installation and maintenance.

Infinity.Teleconnect allows Agency customers to obtain general utility account status and balance information and, optionally, to make a payment on their account. Users log in by providing their utility account number with optional validation using the street number of the service address. Infinity.Teleconnect customers can be transferred to the Agency’s customer service number by explicit request or if it becomes evident that the user is having difficulty with the IVR. Users also have the option to provide a missing or update an existing primary contact phone number. The Agency’s phone system will handle any after-hours conditions (no other types of call transfers are provided by Infinity.Teleconnect). The Infinity.Teleconnect application is available in English or Spanish.

Infinity.Teleconnect allows users to make a payment on their account by credit card or check and receive an Infinity.Teleconnect generated confirmation number. The Agency will be provided with a log of all payments accessible through a Web-based administration tool. The Agency will be responsible for obtaining and maintaining a TWI approved Internet payment gateway to facilitate real-time authorizations for credit cards and to facilitate the processing of check payments.

Upon contract execution, TWI’s project team will inform the Agency of deliverables and project milestones with a view to establishing mutual timeline expectations. The annual subscription provides access to TWI Customer Care 24/7/365 support for the purposes of ongoing support and assistance as well as access to new features as they are released.

Working in concert with *alertworks* (outbound phone notifications) the Agency can enable an outbound message to include an option for call recipients to press 2 to make a payment. If selected, *alertworks* will automatically begin the inbound call flow experience at the main menu, using the account number in the contact source file to bypass the account number login. The user is then given the payment options offered by the Agency. (If no account number information is present, the call will be defaulted to the account number entry prompt). The duration of the “Press 2 to Pay” call will be counted as outbound minute usage.

**Alertworks™ Outbound Notification System**

Alertworks™ provides tools for the Agency to rapidly deliver messages via telephone, email and SMS text messaging. Alertworks is used by Agency departments to cost-effectively deliver outbound calls and emails for past due bills, service impacting notices, or any business process that could benefit from a proactive customer alert.

Standard alertworks Features:

- Web-Based Campaign Control – An easy-to-use web interface is used for creating and managing outbound phone and e-mail notifications.
- Voice, email, SMS – Send notifications by phone/voice, email, and text message; email broadcasts relayed through Agency's SMTP server.
- Contact Sources – ability to import contact information from multiple contact sources, with user friendly field mapping interface.
- Scheduling – Notifications can be scheduled in advance to run at a set time (e.g., reminder call-outs could be set to run in the evening when people are home from work).
- Retry Attempts / Voice Mail / Alternate Content – The system includes multiple configuration settings that the Agency can use depending on the result of the call; these include setting the number of retry attempts, detecting voice mail, leaving a message, and leaving an alternate message for voice mail.
- Message Content – Message content can be created and delivered with recorded voice (WAV) or by typing in a message and allowing the text-to-speech (TTS) engine read the message to the call recipient.
- Customer-Specific Merge Values – Voice and email messages can be delivered with customer specific data “merged” into the message for read back via TTS,
- Reporting – Alertworks provides comprehensive reporting on the results of call out attempts, including the final disposition of each call that was placed (e.g. delivered to human, voicemail, busy, etc.). Additionally, if using the call retry feature, a record of each call attempt is kept. A report of each call campaign can be exported to a Microsoft Excel spreadsheet that includes all of the information imported in the contact list which can simplify updating source databases.
- Advanced Voicemail Detection – TWI uses the latest algorithms that allow for more accurate detection of voicemail and answering machine systems. While industry standard detection rates hover around 72% accuracy, TWI's accuracy has reached 90+% in benchmark testing.
- Press-2-to-Pay – Call recipients can “Press 2” from the outbound call to enter the IVR system to make a payment directly from the outbound call. This feature is designed to drive more payments by making it easier on customers to make a payment by entering the inbound call flow at the payment step, thus avoiding log-in requirement and the need to have their account number on hand.

**TERMS AND CONDITIONS**

Cover Page and Terms and Conditions: Issuance of a purchase order / notice-to-proceed based on this Statement of Work (SOW) represents agreement to the terms and conditions of this SOW.

Complete Agreement. This SOW constitutes the complete agreement and terms and conditions relative to the products and services described herein.

Term / Contract Commitment. By agreeing to the terms of this SOW, the Agency is making a 12-month commitment to the TWI hosted services and payment for those services as they are defined in this SOW. The Agency may terminate the contract prior to the end of the 12-month commitment period, or any subsequent annual term, but will not be entitled to any refunds for unused products or services. After the first year, either party may terminate this Agreement at any time upon thirty (30) days prior written notice to the other party.

Payment Terms. The Agency will pay the fees listed in this SOW as follows (this SOW may not include all types of fees referenced). TWI Terms are NET 30.

- TWI invoices for 100% of the following at the Notice-to-Proceed unless terms defined in the price quotation state otherwise: One-Time Set-up Fees, First Year's Subscription Fees, and alertworks First Prepaid Minutes Package.
- TWI invoices for alertworks SMS Text Messages monthly for the total number of transactions processed in that month. The rate for messages is \$.07/transaction.
- TWI invoices for subsequent Annual Subscription Fees each year prior to the start of the Annual Term.
- TWI invoices for alertworks Minute Packages at the time a new Package is refilled.
- Annual Fee Adjustment: Following the first year, all annual fees described in this SOW will be increased by 3% each year.
- Additional Services: If Agency requests any professional services from TWI in order to deploy Agency services or applications, including but not limited to, application development and enhanced support services, TWI will provide any such additional professional services at its standard rates (currently \$175/hour).

Delivery of Services. TWI shall provide its Products and Services as specified in this SOW to Client, subject to the terms and conditions set forth herein and in the SOW. Client understands that the timely completion of the project is contingent upon timely performance by Client of all of Client's obligations described in this SOW. In the event that progress on the project is slowed or halted due to a delay by Client, project schedules including milestones and deadlines may be delayed at TWI discretion. TWI shall not be liable for any delays or failure to perform resulting from Client's failure to timely provide any information, content or other deliverables necessary to provide the Products and Services to Client. Client also accepts that availability of features outlined above may be limited or delayed by the functionality available through the APIs.

Copyright. The Software is owned by TWI and is protected by United States copyright laws and applicable international treaties and/or conventions. The Licensed Software, and any and all modifications and improvements thereto and derivative works thereof, shall remain the exclusive property of TWI, and Agency shall have no right, title or interest therein whatsoever.

**Intellectual Property.** All right, title, and interest, including all intellectual property rights in the Products and Services and any associated hardware and software of TWI or its licensors, and any updates, upgrades or modifications thereof, or in any ideas, know-how, and programs developed by TWI or its licensors during the course of performance of this Agreement shall remain the property of TWI or its licensors. All right, title, and interest in any content communicated via TWI infrastructure through use of the Products and Services shall remain the sole property of Agency. Without the prior express written consent of TWI, Agency may not, and shall not allow any third party (by license agreement or otherwise), to (a) take any action that would cause the loss or abandonment of TWI proprietary rights in the Licensed Software; (b) use in connection with a service bureau service, resell, distribute, publicly display, transfer, rent, lease, lend, copy, modify, translate, enhance, time-share, license, sublicense, electronically transmit or prepare derivative works of the Licensed Software, in whole or in part; (c) disassemble, decompile or reverse engineer in any way, any of the Licensed Software; or (d) otherwise use in any way the Licensed Software in any manner not expressly authorized by this Agreement. With respect to any Hosted Subscriber Services contracted by Agency, Agency will be responsible for, and shall pay any applicable fees associated with, any unauthorized use by Agency or Agency's end-users of the Hosted Subscriber Services, telephone numbers assigned to Agency, and Agency's account. In the event Agency becomes aware of such unauthorized use, Agency shall promptly notify TWI.

**Outbound Notifications Terms and Conditions**

- **Minutes Usage:** A call of thirty (30) seconds or less will be billed the same as a call of thirty (30) seconds. After the first thirty (30) seconds, calls will be billed in six (6) second increments. All call costs are rounded up to the nearest cent. There is no charge for calls that do not connect.
- **Standard and High-Volume Call-Out Capacity:** The Client can make call-outs using either of two call-out capacities. Standard Capacity provides the ability to place approximately 12 simultaneous calls; High-Volume Capacity provides the ability to place hundreds of calls simultaneously.
- **High-Volume Call-Out Capacity Surcharge:** When using High-Volume Capacity Call-Out, Outbound Call Minutes are used up at a 50% higher rate than during Standard Capacity Call-Outs. For example, a 60 second high-volume outbound call would use 90 seconds of Outbound Call Minutes.
- **SMS Transactions:** An SMS transaction represents each text message that is sent or received through the TWI SMS Gateway. TWI charges for each transaction processed at the rate defined in this SOW.
- **SMS Response Messaging:** TWI counts each message received, including responses, as a transaction.
- **SMS Message Length:** A standard text message is limited to 160 characters (including letters, numbers, spaces, symbols, and punctuation). Alertworks will automatically break up the message and send it in separate messages. Each message sent will count as a transaction.
- **SMS Message Delivery:** TWI cannot guarantee the delivery of every text message. Deliverability and response times are dependent upon the carrier and their network.
- **SMS Supported "Response" Messages:** An end user can opt-out by replying with the text message, "STOP." This will block the number from receiving future messages. The user may text back "RESUME" to unblock the number. The automatic STOP and RESUME feature is not optional nor are the responses case sensitive. Alertworks will post response messages up to 5 days from the time the recipient receives the message.
- **SMS Client Responsibilities:** The Client is responsible for ensuring that approval to send text messages to intended recipients has been obtained; for the quality and appropriateness of the phone numbers used in its broadcast events; and for appropriately maintaining information regarding opt-ins and cancellations. The Client is responsible for ensuring that all text messages are sent in accordance with applicable federal and state laws, rules, and regulations and in accordance with best practices according to guidelines such as those of the Mobile Marketing Association.

**Support for Hosted Subscriber Services:** During the Term, TWI shall be responsible for providing support to Agency with regard to the Hosted Subscriber Services according to TWI's prevailing Product and Services Support Policy. Agency shall be responsible for providing support to its end users with regard to the Hosted Subscriber Services. TWI reserves the right to discontinue provision of support and maintenance on Products and Services according to the termination clause in this Agreement.

**Client Responsibilities:** Client is responsible for assigning resources to the effort with TWI and ensuring they are generally available to interact with TWI project resources as necessary throughout the life of the project. Additionally, Client is responsible for making available or collaborating with TWI in identifying the appropriate Application Programming Interface (API) or other method of integrating to/communicating with the Client's customer database.

**Network Traffic.** Agency acknowledges that TWI is providing a hosted service, which means that Agency content and data will pass through hosted TWI servers that are not segregated or in a separate physical location from servers on which the content of other third parties is or will be transmitted or stored.

**Content.** Agency is and shall be solely responsible for the creation, editorial content, control, and all other aspects of content. Agency represents and warrants that it has obtained (or will obtain, prior to transmission) all authorizations and permissions required to use and transmit the content over the TWI Hosted Platform as part of the Hosted Subscriber Services.

**No Harmful Code.** Agency represents and warrants to TWI and its suppliers that no content shall be knowingly transmitted by Agency or end users through the TWI Hosted Platform containing any program, routine or device which is designed to delete, disable, deactivate, interfere with or otherwise harm any software, program, data, device, system or service, including without limitation, any 'time bomb', virus, drop dead device, malicious logic, worm, Trojan horse or trap or back door (collectively, "**Harmful Code**").

**Lawful Purposes.** Agency agrees that it will use TWI Products and Services only for lawful purposes and in accordance with this Agreement. Agency shall comply with all applicable laws and regulations when using the Products and Services, including without limitation, compliance with applicable international export and privacy laws, privacy policies of Agency and third parties and other laws regarding the transfer and/or transmission of data.

**Prohibited Uses.** TWI hosted IVR cannot be used to “front end” calls to the Agency’s live agent queue or call group. The Agency must direct its customers to TWI’s IVR by routing callers through the Agency’s phone system auto-attendant and presenting the IVR as a choice. The auto-attendant should clearly inform those choosing the IVR option that they will encounter an automated phone experience and not directly speak to a live representative. Agency will be responsible for, and shall pay any applicable fees associated with, any unauthorized use, including but not limited to the aforementioned “front ending” of the Agency phone system, by Agency or Agency’s end-users of the Hosted Subscriber Services, telephone numbers assigned to Agency, and Agency’s account. In the event Agency becomes aware of such unauthorized use, Agency shall promptly notify TWI, TWI will issue to Agency, at Agency’s request and expense, replacement telephone number(s) for use with the Hosted Subscriber Services.

**Critical Applications.** Agency acknowledges and agrees that the Products and Services are not designed, intended, authorized or warranted to be suitable for hosting life-support applications or other critical applications where the failure or potential failure of the Products and Services can cause injury, harm, death, or other grave problems, including, without limitation, loss of aircraft control, hospital life-support systems, delays in getting medical care or other emergency services, and Agency assumes all risk arising out of such use and shall indemnify Tele-Works, Inc. and its suppliers for damages and expenses (including legal fees) arising out of same.

**Emergency uses.** If the products and services are used in emergency situations for outbound notifications, then the products and services are intended to only increase the notice which will be given. There is and cannot be any guarantee that all persons intended to be contacted will be contacted. Tele-Works, Inc. accepts no responsibility for any failure of the products and services to contact any person(s) and is not responsible for any damage or injury which results from any failure to contact anyone.

**Agency Maintenance.** Agency is responsible for, and Tele-Works, Inc. is not liable for Agency’s failure in, (a) housing items received from TWI, including but not limited to the Hardware and the Licensed Software, in a safe and stable environment that is out of the way of foot or machinery traffic, suitable for electronic equipment and within a secure network environment; (b) properly configuring, developing, programming, hosting and operating its hardware, software, web sites, content and all applications, and their respective telephone and Internet connections, to allow necessary access to and use of the TWI Hosted Platform and Hosted Subscriber Services in accordance with the documentation provided by TWI and all applicable protocols and requirements of the TWI Hosted Platform; and (c) providing any connections necessary to communicate with the TWI-provided Hardware, Software, and/or Hosted Platform. Agency is responsible for all standard maintenance and licensing for the application web server and/or telephony server including, but not limited to, data archival and backup, service packs, security patches and updates and domain registration. Agency will license and install anti-virus software and periodically update virus definitions to assure that the Licensed Software and Hardware are protected from viruses that could be contracted from any source including, but not limited to, the local network, the Internet, email, physical disk or data exchange.

**Force Majeure.** Except for Agency’s obligations to pay money, neither party shall be deemed to be in breach of this Agreement for any failure or delay in performance caused by reasons beyond its reasonable control, including but not limited to acts of God, earthquakes, strikes, war, crime, terrorism, shortages of materials, internet, power or telecommunications failures, or computer equipment or software problems not caused by the party’s gross negligence.

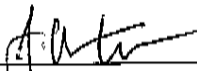
**LIMITATION OF LIABILITY.** IN NO EVENT SHALL TELE-WORKS, INC. LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE SUM OF FEES PAID BY AGENCY FOR THE PRODUCTS AND SERVICES GIVING RISE TO THE LIABILITY DURING THE ONE YEAR PERIOD IMMEDIATELY PRECEDING THE DATE THE CAUSE OF ACTION AROSE. IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER FOR ANY LOST PROFITS, LOSS OF DATA, BUSINESS INTERRUPTION, OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. TELE-WORKS, INC. SHALL HAVE NO LIABILITY FOR UNFINISHED PROJECTS WHERE NO COMPLETE PRODUCTS AND SERVICES HAVE BEEN DELIVERED.

**DISCLAIMER.** TELE-WORKS, INC. DOES NOT WARRANT THAT THE PRODUCTS AND SERVICES SHALL MEET ALL OF AGENCY’S REQUIREMENTS, OR THAT THE USE OF THE PRODUCTS AND SERVICES SHALL BE UNINTERRUPTED OR ERROR-FREE. PRODUCT AND SERVICES ARE PROVIDED TO AGENCY ON AN “AS IS” BASIS. TELE-WORKS, INC. MAKES NO OTHER WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE RELATING TO THE PRODUCTS AND SERVICES OR ANY OTHER MATERIALS OR SERVICES FURNISHED OR PROVIDED TO AGENCY UNDER THIS AGREEMENT. TELE-WORKS, INC. SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT AND NONINFRINGEMENT.

Please return two signed copies of this agreement to TWI at the address below. We will return a countersigned original for your records.

\_\_\_\_\_  
Agency Signature

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
TWI Signature  
PO Box M  
Blacksburg, VA 24060

8/28/2014  
\_\_\_\_\_  
Date

**Client Billing/Invoicing Information:**

\_\_\_\_\_

Billing Contact

\_\_\_\_\_

Primary Email Address

\_\_\_\_\_

Secondary Email Address

\_\_\_\_\_

Client Billing Address (if hard copy invoices also desired)

\_\_\_\_\_



# Infinity.Teleconnect™ – Advanced Hosted and On-Premise IVR for Utilities



↳ IVR powered by Tele-Works

## It's 10 p.m. Are you still serving your customers?

### Infinity.Teleconnect IVR

Infinity.Teleconnect interactive voice response provides your customers with convenient self-service options through their touch-tone phone.

Customers may access their account information for balance inquiries or to make payments. Also multiple language options are available, allowing you to provide automated account access for all your customers.

Infinity.Teleconnect helps to streamline revenue collection, and with our notification feature you can make proactive past-due reminder call-outs to delinquent accounts. This final reminder gives customers an option to pay prior to having their service disconnected, and customers even have the option to “press 2” to enter the IVR system and make a payment while on the call. This is a powerful tool to keep customers informed at a very low cost to the utility.

Infinity.Teleconnect ties directly to your utility database, which means staff and customers are always accessing the most current account information. Even at the cashier's desk, payments are logged directly to your database with no manual steps.

### Partners in Innovation

Infinity.Teleconnect is the product of a collaborative partnership between Advanced and Tele-Works, so you are assured of a smooth, proven integration for your CIS Infinity database.

### Features

- ✓ Customers can hear account balance and payment history, and make payments by credit card or eCheck
- ✓ 24/7 self-service account access and automated FAQ
- ✓ Send courtesy call reminders to overdue customers with convenient *Press-2-to-Pay* option
- ✓ Send other time critical call-outs (e.g., boil alert or service interruption)
- ✓ Choose real-time or batch integration
- ✓ Choose hosted or on-site IVR

### Benefits

- ✓ Ensures customers are informed and satisfied with proactive outbound notifications
- ✓ Reduce past due accounts and shutoffs by 30-70%
- ✓ Handle more questions, take more payments, reach out to more customers – without adding staff
- ✓ See a full return-on-investment in less than 12 months!

---

*Tele-Works is the leading provider of IVR products for utility and local government markets. Since 1986, Tele-Works has worked to make IVR affordable for all size utilities.*

**teleWORKS**

1080 South Main Street  
Blacksburg, VA 24060

(540) 953-2631  
(800) 296-2631

www.tele-works.com  
info@tele-works.com

## Outbound Notification System for Utilities and Municipalities



### Keeping Everyone Informed

Streamline revenue collection while simultaneously keeping your customers informed.

*Alertworks™* is a multipurpose outbound notification system that allows you to communicate with your customers quickly and easily. Utilities and other government departments can use *alertworks™* to send all types of notifications by phone and email; you can customize messages however you wish.

*Alertworks™* helps utilities improve collections while delivering better customer service. Proactive reminder call-outs made to past-due accounts give customers a final chance to pay before getting disconnected. Customers even have the option to “press 2” to enter an automated payment system (IVR) to make a payment while on the call. These reminder calls are proven to reduce shut-offs due to delinquency by 30-70%.

*“Since we did the past due reminder call-outs last week to 296 customers, we only have 56 on our lock list today, which compares to 112 last month. Outbound IVR cut our shut-offs 50%.”*

Vikki Blackman, Customer Service  
Manville Water Supply Corp., TX

### Features

- + Deliver all types of notifications by phone or email
- + Make courtesy calls to past-due customers reminding them to pay
- + Convenient Press-2-to-Pay option allows customer to make a payment directly from the outbound call
- + Insert customer specific information (e.g. name, amount due, service address) into messages and improve responsiveness
- + Make high-volume call-outs to thousands of customers in minutes (e.g. boil alerts, weather notices)
- + Messages can be made using text-to-speech or recorded voice
- + Manage call schedule, retry attempts, call capacity, and caller ID
- + Advanced voicemail detection system
- + Comprehensive call reporting module with complete call disposition (post call results back into your CIS database)

*Alertworks™* is in use at more than 50 utilities across North America. Contact Tele-Works to learn more about how *alertworks™* can alleviate pressure on staff at a very low cost to your utility.

*Tele-Works delivers industry leading interactive voice response (IVR) and eGovernment products to utilities and local governments throughout North America. Our products help keep citizens informed and local governments moving forward.*

# *Infinity.Teleconnect™* Utility Billing IVR

*Infinity.Teleconnect™* – Collaborative IVR solution from TWI and Advanced

## **Features**

- ✓ Real-time IVR interface with CIS Infinity
- ✓ 24/7 customer self-service access
- ✓ Hear account balances and payment history
- ✓ Pay bills by credit card or eCheck
- ✓ Get answers to common questions

## **Additional Features**

- ✓ System-wide messages
- ✓ NSF – non sufficient funds (disallow payment or credit card only)
- ✓ Account status (e.g., scheduled for disconnect, inactive)
- ✓ Capture customer phone numbers
- ✓ Consumption history
- ✓ CTI/Screen pop
- ✓ English and Spanish call flows

**Available as a hosted or on-premise solution.**

TWI

# Voice Broadcast – Automated Outbound Calling

Automatically call thousands of customers in minutes

## Features:

- ✓ Manage multiple call campaigns
- ✓ Deliver customer-specific messages with data from your CIS Infinity database
- ✓ “Press-2-to-Pay” to enter *Infinity.Teleconnect™* and make payment
- ✓ High volume callouts, email, and text alerts
- ✓ Recorded voice or text-to-speech

## Benefits:

- Proactive notifications ensure customers are informed and satisfied
- Reduce delinquencies and shutoffs by 30-70%
- IVR pays for itself in only a few months!

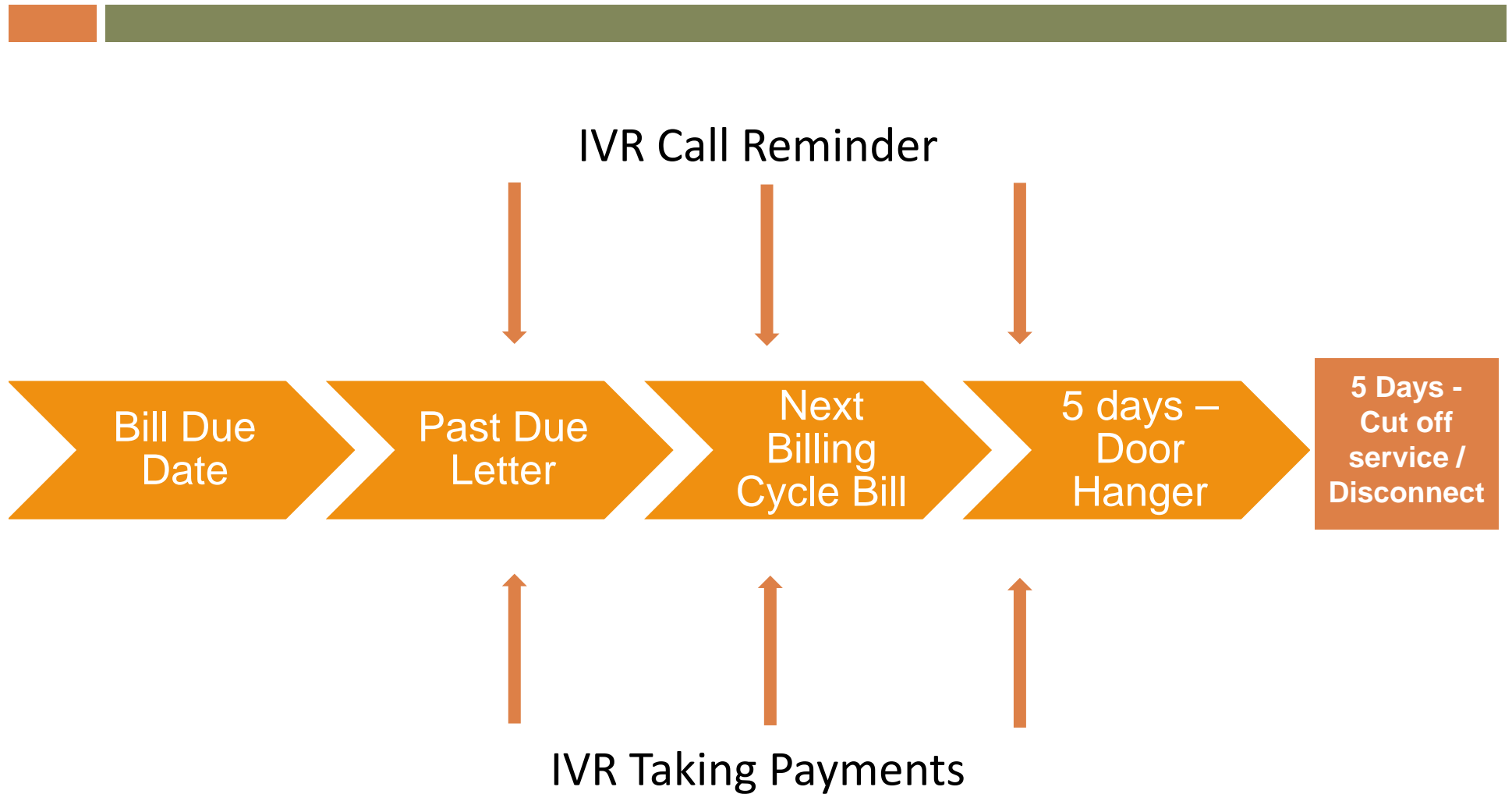
## Examples:

- Past-due courtesy calls
- Service interruptions
- Boil alerts
- Weather alerts
- Water restriction notices

Available as a hosted or on-premise solution.

TWI

# When to use IVR



RESOLUTION 2014-252

WHEREAS, On July 3, 2013, by Resolution No. 2013-277, City Council awarded the utility billing, collection and customer information system to Advance Utility systems and the CIS Infinity software solution, a division of N. Harris Computer Corporation of Toronto, Ontario, Canada, in the amount of \$932,500; and

WHEREAS, Tele-Works Inc. is the vendor for an interactive voice response system named in the contract with Advanced Utility Systems; and

WHEREAS, Tele-Works Inc. was originally listed at a TBD price; and

WHEREAS, the price for Infinity.Teleconnect, an interactive voice response and interface to CIS, hosted IVR, from Tele-Works Inc. has been agreed upon in the amount of \$44,455; and

WHEREAS, it has been determined that this modification is necessary to proceed with this project, which have been incorporated into this project Change Order No. 1; and

WHEREAS, the result of such modification will increase the estimated total project cost amount by \$44,455 for a total project cost of \$976,955; and

WHEREAS, the City will need to execute a separate agreement with Tele-Works Inc. for this interactive voice response system; and

WHEREAS, the cost of this agreement with Tele-Works Inc., is a one-time fee of \$18,780 and recurring annual fees of \$25,675, for a total year one cost of \$44,455.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that authorization to proceed with the increased scope described in Change Order No. 1 with Tele-Works Inc. for the interactive voice response system with a one-time fee of \$18,780 and recurring annual fees of \$25,675, for a total year one cost of \$44,455.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such Change Order No. 1, utility billing, collection and customer information system project, on behalf of the City of Grand Island.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute the contract with Tele-Works Inc. for the interactive voice response system.

- - -

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-5

### **#2014-253 - Consideration of Amendment to Redevelopment Plan for CRA Area 6 located at 620 West State Street**

*This item relates to the aforementioned Public Hearing item E-6.*

Staff Contact: Chad Nabity



RESOLUTION 2014-253

WHEREAS, the City of Grand Island, Nebraska, a municipal corporation and city of the first class, has determined it be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 2007, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared Redevelopment Area No. 6 of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act, and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan pursuant to the Act and submitted its recommendations, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, following consideration of the recommendations of the Authority to the Planning Commission, the recommendations of the Planning Commission to the City, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan; and

WHEREAS, there has been presented to the City by the Authority for approval a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan, such project to be as follows: property acquisition, site preparation, planning activities utilities extensions, landscaping, and fees associated with the redevelopment project. All redevelopment activities will occur in Grand Island, Hall County, Nebraska; and

WHEREAS, the City published notices of a public hearing and mailed notices as required pursuant to Section 18-2115 of the Act and has, on the date of the Resolution held a public hearing on the proposal to amend the Redevelopment Plan to include the Redevelopment Project described above.

NOW, THEREFORE, be it resolved by the City Council of the City of Grand Island, Nebraska:

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney

1. The Redevelopment Plan of the City approved for Redevelopment Area No. 1 in the city of Grand Island, Hall County, Nebraska, including the Redevelopment Project described above, is hereby determined to be feasible and in conformity with the general plan for the development of the City of Grand Island as a whole and the Redevelopment Plan, including the Redevelopment Project identified above, is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined that (a) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of notice of intent to enter into the Redevelopment Contract in accordance with Section 18-2119 of the Act and of the recommendations of the Authority and the Planning Commission with respect to the Redevelopment Contract.
2. Approval of the Redevelopment Plan is hereby ratified and reaffirmed, as amended by this Resolution, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act.
3. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in the Redevelopment Project included or authorized in the Plan which is described above shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be January 1, 2016 as follows:
  - a. That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
  - b. That proportion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.
  - c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Hall County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to each Redevelopment Project.

AWG Five Points – 620 W State St

4. The City hereby finds and determines that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purposes of accomplishing, in accordance with the general plan for development of the City, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity; and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of a healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreation and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

AWG Five Points – 620 W State St



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-6

**#2014-254 - Consideration of Amendment to Redevelopment Plan  
for CRA Area 9 located at 2228 N. Webb Road**

*This item relates to the aforementioned Public Hearing item E-7.*

Staff Contact: Chad Nabity

RESOLUTION 2014-254

WHEREAS, the City of Grand Island, Nebraska, a municipal corporation and city of the first class, has determined it be desirable to undertake and carry out urban redevelopment projects in areas of the City which are determined to be substandard and blighted and in need of redevelopment; and

WHEREAS, the Nebraska Community Development Law, Chapter 18, Article 21, Nebraska Reissue Revised Statutes of 2007, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects; and

WHEREAS, the City has previously declared Redevelopment Area No. 9 of the City to be substandard and blighted and in need of redevelopment pursuant to the Act; and

WHEREAS, the Community Redevelopment Authority of the City of Grand Island, Nebraska (the "Authority"), has prepared a Redevelopment Plan pursuant to Section 18-2111 of the Act, and recommended the Redevelopment Plan to the Planning Commission of the City; and

WHEREAS, the Planning Commission of the City reviewed the Redevelopment Plan pursuant to the Act and submitted its recommendations, to the City, pursuant to Section 18-2114 of the Act; and

WHEREAS, following consideration of the recommendations of the Authority to the Planning Commission, the recommendations of the Planning Commission to the City, and following the public hearing with respect to the Redevelopment Plan, the City approved the Plan; and

WHEREAS, there has been presented to the City by the Authority for approval a specific Redevelopment Project within the Redevelopment Plan and as authorized in the Redevelopment Plan, such project to be as follows: property acquisition, building rehabilitation, demolition, site preparation, utilities extensions, landscaping, concrete and fees associated with the redevelopment project. All redevelopment activities will occur in Grand Island, Hall County, Nebraska; and

WHEREAS, the City published notices of a public hearing and mailed notices as required pursuant to Section 18-2115 of the Act and has, on the date of the Resolution held a public hearing on the proposal to amend the Redevelopment Plan to include the Redevelopment Project described above.

NOW, THEREFORE, be it resolved by the City Council of the City of Grand Island, Nebraska:

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney

1. The Redevelopment Plan of the City approved for Redevelopment Area No. 9 in the city of Grand Island, Hall County, Nebraska, including the Redevelopment Project described above, is hereby determined to be feasible and in conformity with the general plan for the development of the City of Grand Island as a whole and the Redevelopment Plan, including the Redevelopment Project identified above, is in conformity with the legislative declarations and determinations set forth in the Act; and it is hereby found and determined that (a) the redevelopment project in the plan would not be economically feasible without the use of tax-increment financing, (b) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of notice of intent to enter into the Redevelopment Contract in accordance with Section 18-2119 of the Act and of the recommendations of the Authority and the Planning Commission with respect to the Redevelopment Contract.
2. Approval of the Redevelopment Plan is hereby ratified and reaffirmed, as amended by this Resolution, and the Authority is hereby directed to implement the Redevelopment Plan in accordance with the Act.
3. Pursuant to Section 18-2147 of the Act, ad valorem taxes levied upon real property in the Redevelopment Project included or authorized in the Plan which is described above shall be divided, for a period not to exceed 15 years after the effective date of this provision, which effective date shall be January 1, 2016 as follows:
  - a. That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and
  - b. That proportion of the ad valorem tax on real property in the Redevelopment Project in excess of such amount, if any, shall be allocated to, is pledged to, and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Authority for financing or refinancing, in whole or in part, such Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Authority shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.
  - c. The Mayor and City Clerk are authorized and directed to execute and file with the Treasurer and Assessor of Hall County, Nebraska, an Allocation Agreement and Notice of Pledge of Taxes with respect to each Redevelopment Project.

4. The City hereby finds and determines that the proposed land uses and building requirements in the Redevelopment Area are designed with the general purposes of accomplishing, in accordance with the general plan for development of the City, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity; and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of a healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreation and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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Jay Vavricek, Mayor

Attest:

---

RaNae Edwards, City Clerk



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-7

**#2014-255 - Consideration of Approving a Confirmation Resolution Declaring a Portion of the Grand Island Mall located at 2228 N. Webb Road an Enhanced Employment Area Eligible for the Imposition of an Occupation Tax**

Staff Contact: Chad Nabity



# Council Agenda Memo

**From:** Chad Nabity, AICP

**Meeting:** August 26, 2014

**Subject:** Resolution Confirming Community Redevelopment Authority Declaration as an Enhanced Employment Area for property located at 2828 N. Webb Road

**Item #'s:** I-7

**Presenter(s):** Chad Nabity, AICP CRA Director

## Background

In April of 2012, the Grand Island City Council declared property referred to as CRA Area 9 as blighted and substandard and approved a generalized redevelopment plan for the property. On August 13, 2014 the Grand Island CRA declared a portion of the property (as shown on attached Exhibit A and described in the attached resolution) contained within CRA Area 9 an Enhance Employment Area (EEA) eligible for the imposition of an occupation tax to pay for costs associated with redevelopment of this property as allowed by the Community Redevelopment Statutes of the State of Nebraska.

The CRA has the authority to designate an area or portion of an area that has been declared blighted and substandard as an EEA. The property in the EEA is therefore eligible for the imposition of an occupation tax. The actual decision to impose an occupation tax must be made and approved by the City Council in the form of an ordinance. Since Council must ultimately agree to such a tax it makes sense to ask Council to confirm the declaration made by the CRA prior to negotiating the details of any occupation tax with the owner\developer and tenants within the area.

## Discussion

At this time, Council is being asked to confirm the decision made by CRA at their August 13, 2014 meeting and pass the attached resolution declaring property described in Exhibit A an EEA.

The owners of the property have requested that CRA and Council approve this area as an EEA. The stated intent of the owner/developer is to redevelop this property for retail uses as shown in the Site Specific Redevelopment Plan included with an application for Tax

Increment Financing (TIF). Based on the projected increase in valuation the TIF is expected to generate about \$6.4 million. The TIF eligible expenses for this project are expected to exceed \$13 million not including the acquisition of the property. Declaring this area an EEA would allow the City to impose an occupation tax that can be used to fund revenue bonds to cover the rest of the eligible redevelopment expenses. The developers have talked about asking for a sales tax on any and all items and services subject to a sales tax within the describe area of between 0.5% and 1.0%. The exact details and the imposition of the tax would occur at a later date through an agreement between the City Council.

Declaration of this property as an EEA does not impose any additional taxes but does give authority to do so in the future and gives a clear indication to the developers of possible funding streams related to this project.

### **Alternatives**

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

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

### **Recommendation**

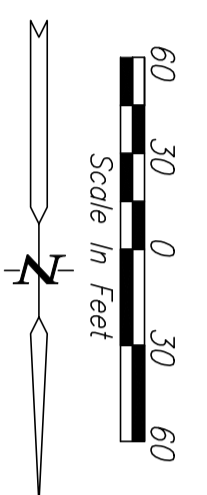
The CRA and City Administration recommend that the Council approve the Resolution confirming this area as an Enhance Employment Area eligible for the imposition of an occupation tax.

### **Sample Motion**

Move to approve the resolution as submitted.

**LEGEND**

- Indicates 1/2" Iron Pipe Found Unless Otherwise Noted
- Indicates ACTUAL Distance
- A- Indicates RECORDED Distance
- R- Indicates UNDERGROUND Power Lines
- E- Overhead Power Lines
- P- Underground Power Lines
- W- Water Main
- S- Sewer Main
- SP- Storm Sewer Main
- G- Gas Line
- T- Underground Telephone Line

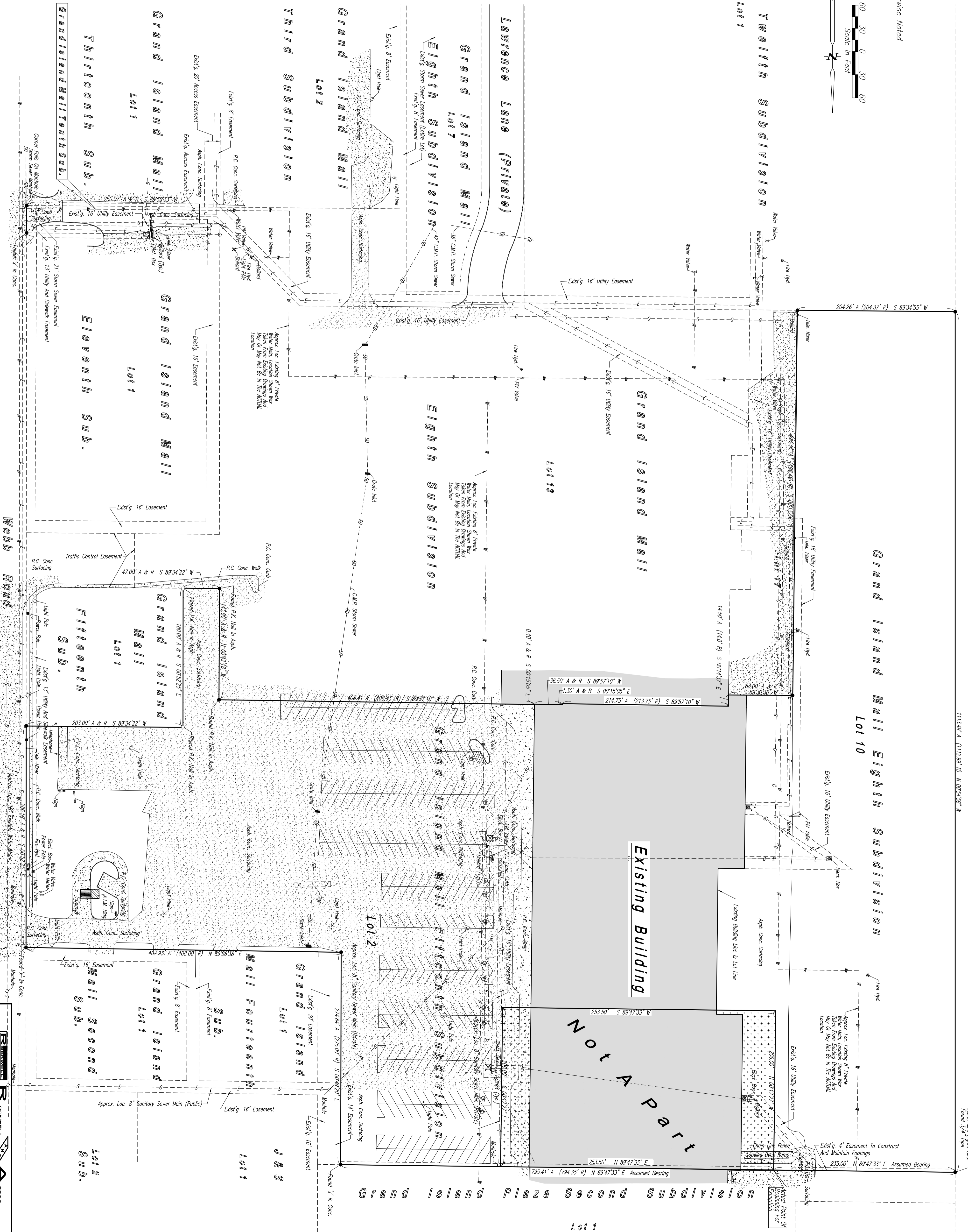


**Legal Description**

A tract of land comprising all of Lot Ten (10), Grand Island Mall Eighth Subdivision and all of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and containing 16.428 acres more or less.

EXCEPTING THEREFROM

A tract of land comprising a part of Lot Ten (10), Grand Island Mall Eighth Subdivision and a part of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and more particularly described as follows:  
Beginning at the northwest corner of said Lot Ten (10); thence running easterly on the north line of said Lot Ten (10), on an Assumed Bearing of N89°47'33"E, a distance of Two Hundred Thirty Five (235.00) feet, to the Actual Point of Beginning; thence continuing N89°47'33"E, on the north line of said Lot Ten (10) and said Lot Two (2), a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running S00°12'27"E, a distance of Two Hundred Six (206.00) feet; thence running S89°47'33"W, a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running N00°12'27"W, a distance of Two Hundred Six (206.00) feet, to the Actual Point Of Beginning and containing 1.672 acres more or less. Net 14.756 acres more or less.



**EXHIBIT 'A'**

**RESEARCH ENGINEERING & SURVEYING**  
 2510 NORTH WEBB ROAD  
 GRAND ISLAND, NEBRASKA 68802  
 PHONE (308) 382-1472 FAX (308) 382-1423  
 P.O. BOX 548  
 GRAND ISLAND, NEBRASKA 68802  
 GRAND ISLAND MAIL ENHANCED EMPLOYMENT AREA  
 Lot 10, Grand Island Mall Eighth Sub. And Lot 2, Grand Island Mall Fifteenth Sub.  
 In The City Of Grand Island, Nebraska

# Council Agenda Memo

**From:** Chad Naby, Regional Planning Director  
**Meeting:** July 29, 2014  
**Subject:** Enhanced Employment Area  
**Item #'s:** S1  
**Presenter(s):** Chad Naby, Regional Planning Director

## Background

### **What is an Enhance Employment Area as authorized by LB562?**

This bill allows for the designation of Enhanced Employment Areas (EEA). These areas can be up to 600 acres in size. Multiple EEA's can be created within a city. The creation of the EEA allows the City to place an occupation tax on the businesses (potential businesses) within the boundaries of the EEA. Bonds can be issued to pay for public infrastructure (utilities, streets, storm sewer) in any EEA along with anything that tax increment financing money can be spent on and a variety of programming and enforcement expenses related to parking and promotions. The bonds are to be paid off using revenue from the occupation tax. The tax does not expire until such time as the bonds are paid off.

### **When did it go into effect?**

LB 562 went into effect on September 1, 2007. Portions were modified in 2014 by LB 474 to specifically exclude certain transactions already subject to taxes under specific section of state statutes. The current statutory references are attached.

## Discussion

### **What are the requirements to create an EEA?**

The Community Redevelopment Authority can designate any approved redevelopment area or portion of a redevelopment area as an EEA.

In Grand Island, the City Council can declare areas not with a redevelopment area as an EEA if a developer can assure Council that the creation of this EEA would result in the creation of at least 15 new full time equivalent jobs and investment of at least \$1,000,000 new monies. This requirement is adjusted based on the population of the county in which community is located.

All of the owners **and** businesses within the area have to agree to the occupation tax or it cannot be assessed. The proceeds from this tax must then be used to pay off bonds issued for specific purposes as detailed in statute.

Any development that is in a designated redevelopment area or meets the employment and investment requirements is eligible to use this tool if the EEA is approved.

**What if the EEA is also an area that is blighted and substandard?**

An EEA can be created in an area that has been declared blighted and substandard and used in addition to TIF to fund projects.

**What type of occupation tax can be assessed?**

The legislature left this very wide open. For example, this could be an extra one half cent tax on all retail transactions. The indications are that this would not scare off major retailers. It could be 50 cents per seat on theater admissions. It could be based on square footage of the development or on the number of parking spaces. If this were to be used in a manufacturing setting it could be an add on fee of \$1.00 per widget made and transported from the property. The developer and businesses in the EEA have to be involved in determining how the tax will be levied as they have to unanimously agree to the imposition of the tax by the City.

**Who collects the occupation tax?**

The City passes an ordinance enacting the tax and the City would be responsible for collecting the tax. The legislation allows the City to recoup the cost of this activity. After the original passage of the LB 562, a meeting was held by the Nebraska League of Municipalities to discuss implementation of this and the Cities represented at meeting suggested that the rates be set at 5% of for collection on the first \$1,000,000 of debt and 3% for everything over \$1,000,000. This would mean that if \$1,000,000 of debt were issued the City would send \$95 of every \$100 to the bond holder when the money is collected. If \$2,000,000 of debt were issued the city would send \$96 of every \$100 collected or would keep a weighted percentage of 4% the average of 3% and 5%. The more debt that is issued the closer the administrative fee would come to approaching 3%.

**Are these general obligation bonds of the City?**

They are revenue bonds based on the occupation tax. They can however be backed by the full faith and credit of the City if the City chooses to do so. That is not a requirement. If they are not backed by the full faith and credit of the City they would not count as City issued debt.

**How would these bonds work?**

The bonds can be sold at a general issue just like any other bonds.

The developer may also choose to forego the general issue and purchase the bonds directly. The developer may or may not borrow money from a bank using the bonds as collateral. As the tax is collected the bonds are retired and the loan is also paid off.

**What advantage does this give the City?**

The City does not have to foot the bill for the cost of development and gives developers more tools for creating development within the City.

**What advantage does this give the developer?**

The developer does not need as much money up front to get the development going. Those businesses that are made possible by the new infrastructure will pay for the costs of the infrastructure.

**Who loses if the occupation tax is not paid the bonds are not retired?**

The bond holder or the bank that loaned money with those bonds as collateral loses in that case. The City still has the infrastructure around the developed site.

**Conclusion**

It is anticipated that the owners of properties along the 281 Corridor including the Grand Island Mall and vacant K-Mart building may wish to consider asking the City Council to approve the use of this tool to further redevelopment efforts on those properties.

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

## **Statutory References:**

### **18-2103. Terms, defined.**

For purposes of the Community Development Law, unless the context otherwise requires:

(1) An authority means any community redevelopment authority created pursuant to section 18-2102.01 and a city or village which has created a community development agency pursuant to the provisions of section 18-2101.01 and does not include a limited community redevelopment authority;

(2) Limited community redevelopment authority means a community redevelopment authority created pursuant to section 18-2102.01 having only one single specific limited pilot project authorized;

(3) City means any city or incorporated village in the state;

(4) Public body means the state or any municipality, county, township, board, commission, authority, district, or other political subdivision or public body of the state;

(5) Governing body or local governing body means the city council, board of trustees, or other legislative body charged with governing the municipality;

(6) Mayor means the mayor of the city or chairperson of the board of trustees of the village;

(7) Clerk means the clerk of the city or village;

(8) Federal government means the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America;

(9) Area of operation means and includes the area within the corporate limits of the city and such land outside the city as may come within the purview of sections 18-2123 and 18-2123.01;

(10) Substandard areas means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;

(11) Blighted area means an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted. A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 shall not count towards the percentage limitations contained in this subdivision;

(12) Redevelopment project means any work or undertaking in one or more community redevelopment areas: (a) To acquire substandard and blighted areas or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development, or redevelopment of such substandard and blighted areas; (b) to clear any such areas by demolition or removal of existing buildings, structures, streets, utilities, or other improvements thereon and to install, construct, or reconstruct streets, utilities, parks, playgrounds, public spaces, public parking facilities, sidewalks or moving sidewalks, convention and civic centers, bus stop shelters, lighting, benches or other similar furniture, trash receptacles, shelters, skywalks and pedestrian and vehicular overpasses and underpasses, and any other necessary public improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; (c) to sell, lease, or otherwise make available land in such areas for residential, recreational, commercial, industrial, or other uses, including parking or other facilities functionally related or subordinate to such uses, or for public use or to retain such land for public use, in accordance with a redevelopment plan; and may also include the preparation of the redevelopment plan, the planning, survey, and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project; (d) to dispose of all real and personal property or any interest in such property, or assets, cash, or other funds held or used in connection with residential, recreational, commercial, industrial, or other uses, including parking or other



facilities functionally related or subordinate to such uses, or any public use specified in a redevelopment plan or project, except that such disposition shall be at its fair value for uses in accordance with the redevelopment plan; (e) to acquire real property in a community redevelopment area which, under the redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitate the structures, and resell the property; and (f) to carry out plans for a program of voluntary or compulsory repair, rehabilitation, or demolition of buildings or other improvements in accordance with the redevelopment plan;

(13) Redevelopment plan means a plan, as it exists from time to time for one or more community redevelopment areas, or for a redevelopment project, which (a) conforms to the general plan for the municipality as a whole and (b) is sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the community redevelopment area, zoning and planning changes, if any, land uses, maximum densities, and building requirements;

(14) Redeveloper means any person, partnership, or public or private corporation or agency which enters or proposes to enter into a redevelopment contract;

(15) Redevelopment contract means a contract entered into between an authority and a redeveloper for the redevelopment of an area in conformity with a redevelopment plan;

(16) Real property means all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage, or otherwise, and the indebtedness secured by such liens;

(17) Bonds means any bonds, including refunding bonds, notes, interim certificates, debentures, or other obligations issued pursuant to the Community Development Law except for bonds issued pursuant to section 18-2142.04;

(18) Obligee means any bondholder, agent, or trustee for any bondholder, or lessor demising to any authority, established pursuant to section 18-2102.01, property used in connection with a redevelopment project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with such authority;

(19) Person means any individual, firm, partnership, limited liability company, corporation, company, association, joint-stock association, or body politic and includes any trustee, receiver, assignee, or other similar representative thereof;

(20) Community redevelopment area means a substandard and blighted area which the community redevelopment authority designates as appropriate for a renewal project;

(21) Redevelopment project valuation means the valuation for assessment of the taxable real property in a redevelopment project last certified for the year prior to the effective date of the provision authorized in section 18-2147;

(22) Enhanced employment area means an area not exceeding six hundred acres (a) within a community redevelopment area which is designated by an authority as eligible for the imposition of an occupation tax or (b) not within a community redevelopment area as may be designated under section 18-2142.04;

(23) Employee means a person employed at a business as a result of a redevelopment project;

(24) Employer-provided health benefit means any item paid for by the employer in total or in part that aids in the cost of health care services, including, but not limited to, health insurance, health savings accounts, and employer reimbursement of health care costs;

(25) Equivalent employees means the number of employees computed by (a) dividing the total hours to be paid in a year by (b) the product of forty times the number of weeks in a year;

(26) Business means any private business located in an enhanced employment area;

(27) New investment means the value of improvements to real estate made in an enhanced employment area by a developer or a business;

(28) Number of new employees means the number of equivalent employees that are employed at a business as a result of the redevelopment project during a year that are in excess of the number of equivalent employees during the year immediately prior to the year that a redevelopment plan is adopted; and

(29) Occupation tax means a tax imposed under section 18-2142.02.

**Source:**Laws 1951, c. 224, § 3, p. 797; R.R.S.1943, § 14-1603; Laws 1957, c. 52, § 4, p. 249; Laws 1961, c. 61, § 3, p. 227; R.R.S.1943, § 19-2603; Laws 1965, c. 74, § 3, p. 303; Laws 1969, c. 106, § 2, p. 488; Laws 1973, LB 299, § 3; Laws 1979, LB 158, § 2; Laws 1980, LB 986, § 2; Laws 1984, LB 1084, § 2; Laws 1993, LB 121, § 143; Laws 1997, LB 875, § 5; Laws 2007, LB562, § 2; Laws 2012, LB729, § 1; Laws 2013, LB66, § 2; Laws 2014, LB1012, § 1.

**Effective Date: April 3, 2014**

**18-2142.02. Enhanced employment area; redevelopment project; levy of general business occupation tax authorized; governing body; powers; occupation tax; power to levy; exceptions.**

A city may levy a general business occupation tax upon the businesses and users of space within an enhanced employment area for the purpose of paying all or any part of the costs and expenses of any redevelopment project within such enhanced employment area. After March 27, 2014, any occupation tax imposed pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24\*. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance. Any such occupation tax agreed to by the authority and the city shall remain in effect so long as the authority has bonds outstanding which have been issued stating such occupation tax as an available source for payment.

**Source:**Laws 2007, LB562, § 8; Laws 2014, LB474, § 6.

**Effective Date: March 27, 2014**

**18-2142.03. Enhanced employment area; use of eminent domain prohibited.**

Eminent domain shall not be used to acquire property that will be transferred to a private party in the enhanced employment area.

**Source:**Laws 2007, LB562, § 9.

**18-2142.04. Enhanced employment area; authorized work within area; levy of general business occupation tax authorized; exceptions; governing body; powers; revenue bonds authorized; terms and conditions.**

(1) For purposes of this section:

(a) Authorized work means the performance of any one or more of the following purposes within an enhanced employment area designated pursuant to this section:

(i) The acquisition, construction, maintenance, and operation of public offstreet parking facilities for the benefit of the enhanced employment area;

(ii) Improvement of any public place or facility in the enhanced employment area, including landscaping, physical improvements for decoration or security purposes, and plantings;

(iii) Construction or installation of pedestrian shopping malls or plazas, sidewalks or moving sidewalks, parks, meeting and display facilities, bus stop shelters, lighting, benches or other seating furniture, sculptures, trash receptacles, shelters, fountains, skywalks, and pedestrian and vehicular overpasses and underpasses, and any useful or necessary public improvements;

(iv) Leasing, acquiring, constructing, reconstructing, extending, maintaining, or repairing parking lots or parking garages, both above and below ground, or other facilities for the parking of vehicles, including the power to install such facilities in public areas, whether such areas are owned in fee or by easement, in the enhanced employment area;

(v) Creation and implementation of a plan for improving the general architectural design of public areas in the enhanced employment area;

(vi) The development of any public activities and promotion of public events, including the management, promotion, and advocacy of retail trade activities or other promotional activities, in the enhanced employment area;

(vii) Maintenance, repair, and reconstruction of any improvements or facilities authorized by the Community Development Law;

(viii) Any other project or undertaking for the betterment of the public facilities in the enhanced employment area, whether the project is capital or noncapital in nature;

(ix) Enforcement of parking regulations and the provision of security within the enhanced employment area; or

(x) Employing or contracting for personnel, including administrators for any improvement program under the Community Development Law, and providing for any service as may be necessary or proper to carry out the purposes of the Community Development Law;

(b) Employee means a person employed at a business located within an enhanced employment area; and

(c) Number of new employees means the number of equivalent employees that are employed at a business located within an enhanced employment area designated pursuant to this section during a year that are in excess of the number of equivalent employees during the year immediately prior to the year the enhanced employment area was designated pursuant to this section.

(2) If an area is not blighted or substandard, a city may designate an area as an enhanced employment area if the governing body determines that new investment within such enhanced employment area will result in at least (a) two new employees and new investment of one hundred twenty-five thousand dollars in counties with fewer than

fifteen thousand inhabitants, (b) five new employees and new investment of two hundred fifty thousand dollars in counties with at least fifteen thousand inhabitants but fewer than twenty-five thousand inhabitants, (c) ten new employees and new investment of five hundred thousand dollars in counties with at least twenty-five thousand inhabitants but fewer than fifty thousand inhabitants, (d) fifteen new employees and new investment of one million dollars in counties with at least fifty thousand inhabitants but fewer than one hundred thousand inhabitants, (e) twenty new employees and new investment of one million five hundred thousand dollars in counties with at least one hundred thousand inhabitants but fewer than two hundred thousand inhabitants, (f) twenty-five new employees and new investment of two million dollars in counties with at least two hundred thousand inhabitants but fewer than four hundred thousand inhabitants, or (g) thirty new employees and new investment of three million dollars in counties with at least four hundred thousand inhabitants. Any business that has one hundred thirty-five thousand square feet or more and annual gross sales of ten million dollars or more shall provide an employer-provided health benefit of at least three thousand dollars annually to all new employees who are working thirty hours per week or more on average and have been employed at least six months. In making such determination, the governing body may rely upon written undertakings provided by any owner of property within such area.

(3) Upon designation of an enhanced employment area under this section, a city may levy a general business occupation tax upon the businesses and users of space within such enhanced employment area for the purpose of paying all or any part of the costs and expenses of authorized work within such enhanced employment area. After March 27, 2014, any occupation tax imposed pursuant to this section shall make a reasonable classification of businesses, users of space, or kinds of transactions for purposes of imposing such tax, except that no occupation tax shall be imposed on any transaction which is subject to tax under section 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602, or 77-4008 or which is exempt from tax under section 77-2704.24\*. The collection of a tax imposed pursuant to this section shall be made and enforced in such a manner as the governing body shall by ordinance determine to produce the required revenue. The governing body may provide that failure to pay the tax imposed pursuant to this section shall constitute a violation of the ordinance and subject the violator to a fine or other punishment as provided by ordinance. Any occupation tax levied by the city under this section shall remain in effect so long as the city has bonds outstanding which have been issued under the authority of this section and are secured by such occupation tax or that state such occupation tax as an available source for payment. The total amount of occupation taxes levied shall not exceed the total costs and expenses of the authorized work including the total debt service requirements of any bonds the proceeds of which are expended for or allocated to such authorized work. The assessments or taxes levied must be specified by ordinance and the proceeds shall not be used for any purpose other than the making of such improvements and for the repayment of bonds issued in whole or in part for the financing of such improvements. The authority to levy the general business occupation tax contained in this section and the authority to issue bonds secured by or payable from such occupation tax shall be independent of and separate from any occupation tax referenced in section 18-2103.

(4) A city may issue revenue bonds for the purpose of defraying the cost of authorized work and to secure the payment of such bonds with the occupation tax revenue described in this section. Such revenue bonds may be issued in one or more series or issues where deemed advisable, and each such series or issue may contain different maturity dates, interest rates, priorities on revenue available for payment of such bonds and priorities on securities available for guaranteeing payment thereof, and such other differing terms and conditions as are deemed necessary. The following shall apply to any such bonds:

(a) Such bonds shall be limited obligations of the city. Bonds and interest on such bonds, issued under the authority of this section, shall not constitute nor give rise to a pecuniary liability of the city or a charge against its general credit or taxing powers. Such limitation shall be plainly stated upon the face of each of such bonds;

(b) Such bonds may (i) be executed and delivered at any time and from time to time, (ii) be in such form and denominations, (iii) be of such tenor, (iv) be payable in such installments and at such time or times not exceeding twenty years from their date, (v) be payable at such place or places, (vi) bear interest at such rate or rates, payable at such place or places, and evidenced in such manner, (vii) be redeemable prior to maturity, with or without premium, and (viii) contain such provisions as shall be deemed in the best interest of the city and provided for in the proceedings of the governing body under which the bonds shall be authorized to be issued;

(c) The authorization, terms, issuance, execution, or delivery of such bonds shall not be subject to sections 10-101 to 10-126; and

(d) Such bonds may be sold at public or private sale in such manner and at such time or times as may be determined by the governing body to be most advantageous. The city may pay all expenses, premiums, and commissions which the governing body may deem necessary or advantageous in connection with the authorization, sale, and issuance thereof from the proceeds or the sale of the bonds or from the revenue of the occupation tax described in this section.

**Source:**Laws 2007, LB562, § 10; Laws 2014, LB474, § 7.  
**Effective Date: March 27, 2014**

\*Notes on exceptions listed in §18-2142.02 and §18-2142.04:

§53-160 Manufacture and wholesale distribution of Beer and Wine  
§66-489, §66-489.02, §66-4,140, §66-4,145, §66-4,146, Fuel Taxes  
§77-2602 Cigarettes  
§77-4008 Tobacco  
§77-2704.24 Leases between related companies

## RESOLUTION NO. 180

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA, DESCRIBING AND DECLARING CERTAIN REAL PROPERTY WITHIN A COMMUNITY REDEVELOPMENT AREA AS AN ENHANCED EMPLOYMENT AREA AND DESIGNATING SUCH REAL PROPERTY AS ELIGIBLE FOR THE IMPOSITION OF AN OCCUPATION TAX PURSUANT TO THE COMMUNITY DEVELOPMENT LAW, CHAPTER 18, ARTICLE 21, REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED**

**WHEREAS**, the City of Grand Island, Nebraska (the “City”) has determined it necessary, desirable, advisable, and in the best interests of the City to undertake and carry out redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), prescribes the requirements and procedures for designating areas of the City as blighted and substandard under the Act, which areas are designated by the Act as community redevelopment areas (herein the “Redevelopment Area”); and

**WHEREAS**, the City has, by its ordinance created the Community Redevelopment Authority of the City of Grand Island (the “Authority”); and

**WHEREAS**, Section 18-2103(22) of the Act provides that the Authority may designate a portion of a Redevelopment Area as an “enhanced employment area” eligible for the imposition of an occupation tax for the purposes set forth in Section 18-2142.02 and 18-2142.04 of the Act.

**WHEREAS**, on April 24, 2012 at 7:00 p.m., the Mayor and Council of the City held a public hearing in the Council Room at the Grand Island City Hall in the City, all in accordance with the requirements of the Act and by Resolution No 2012-114 did find and determine that certain area more fully described below (the “Redevelopment Area”) be declared blighted and substandard and in need of redevelopment as required by the Act; and

**WHEREAS**, the owners of the Redevelopment Area have requested that the Authority designate the Redevelopment Area as an “enhanced employment area” pursuant to Section 18-2103(22) of the Act and determine the same to be eligible for the imposition of an occupation tax pursuant to said Section; and

**WHEREAS**, the Authority desires to determine that the Redevelopment Area is an “enhanced employment area” as defined in the Act and eligible for imposition on an occupation tax in accordance with the Act.

**NOW THEREFORE, BE IT RESOLVED BY THE CHAIRMAN AND MEMBERS OF THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:**

**Section 1.** The Redevelopment Area is hereby declared to be an "enhanced employment area" as described in Section 18-2103(22) of the Act and is hereby designated as an area eligible for the imposition of an occupation tax for the purposes set forth in Sections 18-2142.02 and 18-2142.04 of the Act. The Redevelopment Area is more particularly described as follows, to wit:

*A tract of land comprising all of Lot Ten (10), Grand Island Mall Eighth Subdivision and all of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and containing 16.428 acres more or less.*

**EXCEPTING THEREFROM**

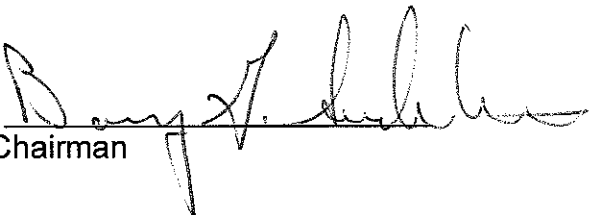
*A tract of land comprising a part of Lot Ten (10), Grand Island Mall Eighth Subdivision and a part of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and more particularly described as follows:*

*Beginning at the northwest corner of said Lot Ten (10); thence running easterly on the north line of said Lots Ten (10), on an Assumed Bearing of N89°47'33"E, a distance of Two Hundred Thirty Five (235.00) feet, to the Actual Point of Beginning; thence continuing N89°47'33"E, on the north line of said Lot Ten (10) and said Lot Two (2), a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running S00°12'27"E, a distance of Two Hundred Six (206.00) feet; thence running S89°47'33"W, a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running N00°12'27"W, a distance of Two Hundred Six (206.00) feet, to the Actual Point Of Beginning and containing 1.672 acres more or less. Net 14.756 acres more or less.*

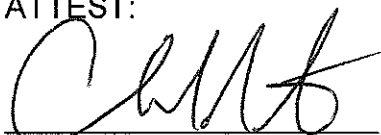
**Section 2.** This Resolution shall take effect as provided by law.

**DATED: August 13, 2014.**

**COMMUNITY REDEVELOPMENT  
AUTHORITY OF THE CITY OF GRAND  
ISLAND, NEBRASKA**

By:   
Chairman

ATTEST:

  
Secretary



## RESOLUTION 2014-255

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GRAND ISLAND CONFIRMING THE DESIGNATION OF AN ENHANCED EMPLOYMENT AREA BY THE COMMUNITY REDEVELOPMENT AUTHORITY OF THE CITY OF GRAND ISLAND, NEBRASKA; AND CONFIRMING THAT SUCH REAL PROPERTY IS ELIGIBLE FOR THE IMPOSITION OF AN OCCUPATION TAX PURSUANT TO THE COMMUNITY DEVELOPMENT LAW, CHAPTER 18, ARTICLE 21, REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED**

**WHEREAS**, the City of Grand Island, Nebraska (the “**City**”) has determined it necessary, desirable, advisable, and in the best interests of the City to undertake and carry out redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

**WHEREAS**, the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”), prescribes the requirements and procedures for designating areas of the City as blighted and substandard under the Act, which areas are designated by the Act as community redevelopment areas (herein the “**Redevelopment Area**”); and

**WHEREAS**, the City has, by its ordinance created the Community Redevelopment Authority of the City of Grand Island (the “**Authority**”); and

**WHEREAS**, Section 18-2103(22) of the Act provides that the Authority may designate a portion of a Redevelopment Area as an “enhanced employment area” eligible for the imposition of an occupation tax for the purposes set forth in Section 18-2142.02 and 18-2142.04 of the Act.

**WHEREAS**, on April 24<sup>th</sup>, 2012, the Mayor and Council of the City held a public hearing in the Council Room at the Grand Island City Hall in the City, all in accordance with the requirements of the Act and by Resolution No 2012-114 did find and determine that certain area more fully described below (the “**Redevelopment Area**”) be declared blighted and substandard and in need of redevelopment as required by the Act; and

**WHEREAS**, the owners of the Redevelopment Area have requested that the Authority designate the Redevelopment Area as an “enhanced employment area” pursuant to Section 18-2103(22) of the Act and determine the same to be eligible for the imposition of an occupation tax pursuant to said Section; and

**WHEREAS**, the Authority has determined, by its Resolution No 180 that the Redevelopment Area is an “enhanced employment area” as defined in the Act and eligible for imposition on an occupation tax in accordance with the Act.

**NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA AS FOLLOWS:**

**Section 1.** The Mayor and City Council hereby confirm that the Redevelopment Area is an “enhanced employment area” as described in Section 18-2103(22) of the Act and is an area eligible for the imposition of an occupation tax for the purposes set forth in Sections 18-2142.02 and 18-2142.04 of the Act. The Redevelopment Area is more particularly described as follows, to wit:

*A tract of land comprising all of Lot Ten (10), Grand Island Mall Eighth Subdivision and all of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and containing 16.428 acres more or less.*

**EXCEPTING THEREFROM**

*A tract of land comprising a part of Lot Ten (10), Grand Island Mall Eighth Subdivision and a part of Lot Two (2), Grand Island Mall Fifteenth Subdivision, all in the City of Grand Island, Hall County, Nebraska, and more particularly described as follows:*

*Beginning at the northwest corner of said Lot Ten (10); thence running easterly on the north line of said Lots Ten (10), on an Assumed Bearing of N89°47'33"E, a distance of Two Hundred Thirty Five (235.00) feet, to the Actual Point of Beginning; thence continuing N89°47'33"E, on the north line of said Lot Ten (10) and said Lot Two (2), a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running S00°12'27"E, a distance of Two Hundred Six (206.00) feet; thence running S89°47'33"W, a distance of Two Hundred Fifty Three and Fifty Hundredths (253.50) feet; thence running N00°12'27"W, a distance of Two Hundred Six (206.00) feet, to the Actual Point Of Beginning and containing 1.672 acres more or less. Net 14.756 acres more or less.*

**Section 2.** This Resolution shall take effect as provided by law.

**DATED: August 26, 2014.**

**THE CITY OF GRAND ISLAND,  
NEBRASKA**

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

ATTEST:

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



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-8

**#2014-256 - Consideration of Approving Certificate of Final Completion for Water Main District 458T - Blaine, Schimmer to Wildwood, to Gold Core Road and Setting the Board of Equalization Hearing Date for September 23, 2014**

Staff Contact: Tim Luchsinger, Utilities Director

# Council Agenda Memo

**From:** Timothy Luchsinger, Utilities Director

**Meeting:** August 26, 2014

**Subject** Water Main District 458T – Platte Valley Industrial Park East – Certificate of Final Completion

**Item #'s:** I-8

**Presenter(s):** Timothy Luchsinger, Utilities Director

## Background

Platte Valley Industrial Park East (PVIP-E) is located on the west side of Blaine Street, between Schimmer Drive and Wildwood Drive. PVIP-E is a 280 acre tract of land owned by the Grand Island Area Economic Development Corporation (GIAEDC).

Water Main District 458T was authorized by the Council on November 23, 2010 to provide municipal water service adjacent to the properties, thereby making the area more attractive for commercial and industrial usage.

On October 26, 2010 the City Council approved funding assistance for installation of infrastructure from a grant from the Nebraska Department of Economic Development. The monies were provided from the Community Development Block Grant (CDBG) Disaster Recovery Program. At the same time, additional funding was also allocated from the Local Area Economic Development LB 840 Program and an easement credit from the GIAEDC.

## Discussion

As a cost savings from the economy of scale, a joint Utilities/Public Works Contract was prepared for construction of water and sewer lines to the PVIP-E area. Specifications for the project were developed and bids advertised and received in accordance with the City Purchasing Code.

On April 10, 2012, The Diamond Engineering Company of Grand Island was awarded the joint contract for a total of \$1,262,909.56. The contract consisted of installing 8,700 feet of sanitary sewer and 8,500 feet of 16" diameter water main. The bid award was based on the least total cost for the entire project (water main and sanitary sewer).

Attached is the Engineer's Certificate of Final Completion for Water Main District 458T verifying that all construction has been completed in accordance with the terms, conditions, and stipulations of the contract, plans, and specifications.

The total project cost for the water main construction was \$856,068.68. The City has just received final grant disbursements for the project. The funding assistance includes: \$334,762.00 from the original Community Development Block Grant; \$32,909.00 from the amended Grant reallocation; \$36,985.00 for easement reimbursements from the EDC; and \$119,758.45 from LB 840 funding. The total funding assistance for Water Main District 458T is \$524,414.45.

The remaining balance of \$331,654.23 will be charged to the properties receiving benefit within the district's boundary. Those connection fees are due when a property "taps" the water main for service. This is the City's standard method used to recoup costs when water mains are installed across undeveloped lands. The connection (tap) fee for properties within the boundary of Water Main District 458T is \$21.510958 per front foot.

Attached for reference are copies of the tabulation of construction costs for Water Main District 458T; a tabulation of connection fees for the properties within District 458T, and the district's boundary plat.

### **Alternatives**

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

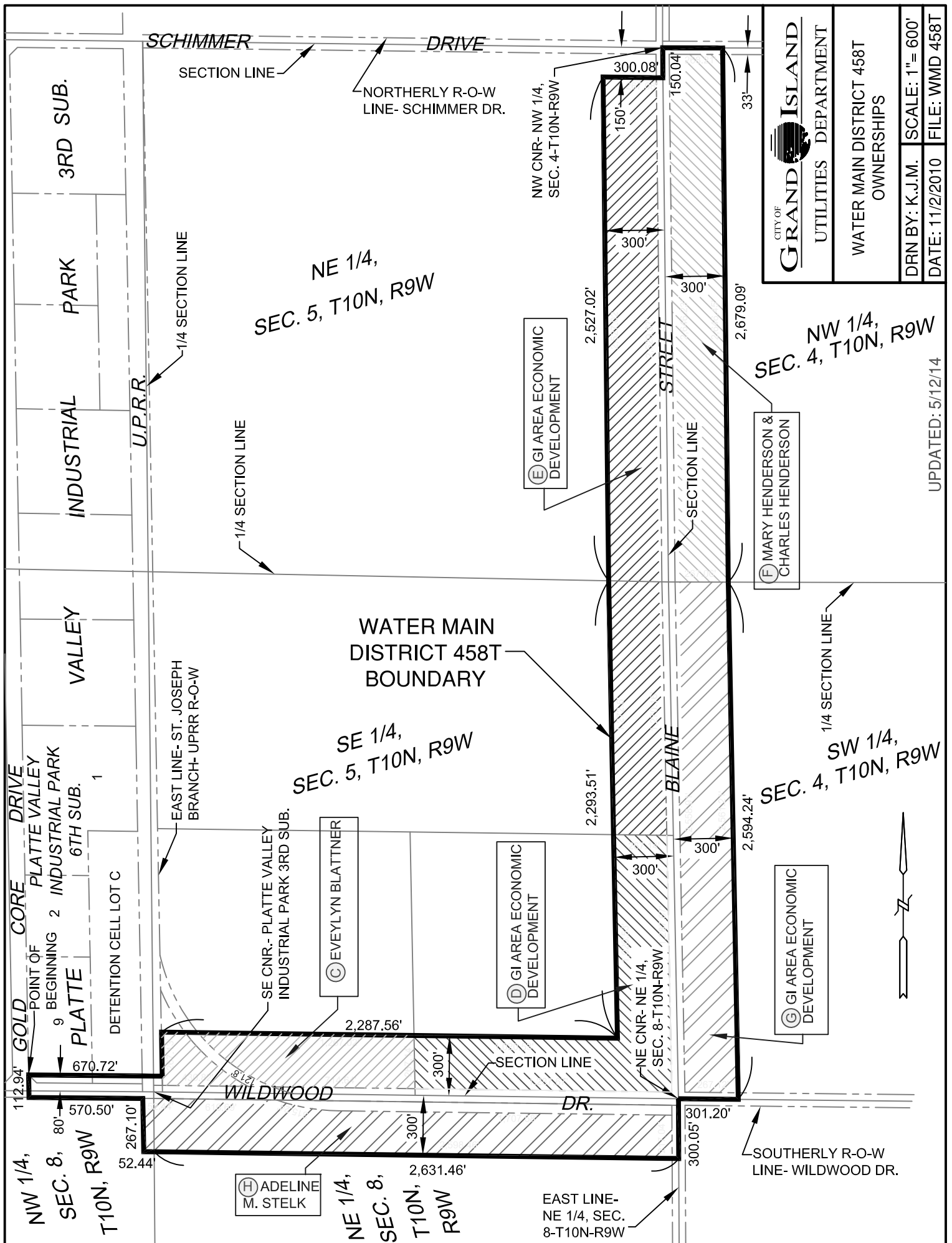
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

It is recommended Council accept the Certificate of Final Completion for Water Main District 458T and sit as a Board of Equalization on September 23, 2014, to establish the connection fees for the properties within the district.

### **Sample Motion**

Move to accept the Certificate of Final Completion for Water Main District 458T and sit as a Board of Equalization on September 23, 2014, to establish the connection fees for the properties within the district.



 CITY OF GRAND ISLAND UTILITIES DEPARTMENT WATER MAIN DISTRICT 458T OWNERSHIPS	DRN BY: K.J.M.	SCALE: 1" = 600'
	DATE: 11/2/2010	FILE: WMD 458T
	UPDATED: 5/12/14	

**WATER MAIN DISTRICT 458T**  
**Platte Valley Industrial Park East**  
 Wildwood Dr - Gold Core to Blaine St  
 Blaine St - Wildwood Dr to Schimmer Dr

**THE DIAMOND ENGINEERING COMPANY**  
 P O Box 1327  
 Grand Island, NE 68802  
 Tel: (308) 382-8362 Fax: (308) 382-8389

5/12/2014

Item	Description	BID	TOTAL QUANTITIES PLACED		TOTAL AMT
		Unit \$		Unit	COMPLETED \$
C. 1.01	16" d.i. pipe (SJ)	62.15	8,414.00	l.f.	\$522,930.10
C. 1.02	16" d.i. pipe (RJ)	76.60	126.00	l.f.	\$9,651.60
C. 1.03	30"x0.500" Steel casing	275.00	120.00	l.f.	\$33,000.00
C. 1.04	16"x16"x16" tapping sleeve (MJ)	7,265.00	1.00	ea.	\$7,265.00
C. 1.05	16"x16"x16" Tee (MJ)	975.00	1.00	ea.	\$975.00
C. 1.06	16"x16"x6" tee (MJ)	675.00	16.00	ea.	\$10,800.00
C. 1.07	16"X22 1/2° Ell (MJ)	555.00	10.00	ea.	\$5,550.00
C. 1.08	16"X6" Reducer (MJ)	405.00	1.00	ea.	\$405.00
C. 1.09	16" sleeve coupling	510.00	21.00	ea.	\$10,710.00
C. 1.10	16" Tapping Valve	7,430.00	1.00	ea.	\$7,430.00
C. 1.11	16" Butterfly Valve	2,553.00	10.00	ea.	\$25,530.00
C. 1.12	valve box	145.00	11.00	ea.	\$1,595.00
C. 1.13	Fire Hydrant assembly Type 1	1,400.00	16.00	ea.	\$22,400.00
C. 1.14	Fire Hydrant Assembly Type 2	1,980.00	1.00	ea.	\$1,980.00
C. 1.15	Thrust Block	350.00	23.00	ea.	\$8,050.00
C. 1.16	Thrust Block - Invert "A"	965.00	3.00	ea.	\$2,895.00
C. 1.17	Thrust Block - Invert "B"	820.00	3.00	ea.	\$2,460.00
C. 1.18	remove asph./conc. Driveway	5.80	0.00	s.y.	\$0.00
C. 1.19	replace asph./conc. Driveway	31.00	0.00	s.y.	\$0.00
C. 1.20	remove asph./conc. Roadway	6.80	83.40	s.y.	\$567.12
C. 1.21	replace concrete roadway	34.50	83.40	s.y.	\$2,877.30
C. 1.22	remove and replace gravel roadway	18.00	10.00	ton	\$180.00
C. 1.23	Residential Type Seeding & Restoration	9,535.00	0.40	Ac	\$3,814.00
C. 1.24	Non-Residential Type Seeding & Restoration	2,695.00	4.45	Ac	\$11,992.75
C. 1.25	Row Crop Area Restoration	340.00	6.70	Ac	\$2,278.00
C. 1.26	Dewatering	9.55	2,593.00	l.f.	\$24,763.15
C. 1.27	Temporary Traffic Control	1,250.00	1.00	L.S.	\$1,250.00
C. 1.28	Temporary Fencing	4,370.00	1.00	L.S.	\$4,370.00
C. 1.29	Remove & Replace Permanent Fencing	1,586.00	1.00	L.S.	\$1,586.00
<b>CONTRACT TOTAL AMOUNT</b>					<b>\$727,305.02</b>
Easements					\$45,987.50
City Supplied Materials					\$23,834.13
Services & Supplies					\$4,446.08
Engineering					\$37,577.04
Overhead					\$16,918.91
<b>PROJECT TOTAL</b>					<b>\$856,068.68</b>
Less PVSB Easement Reimbursement					-\$36,985.00
Less CDBG Reimbursement					-\$334,762.00
Less CDBG Amendment					-\$32,909.00
LB 840 Funds					-\$119,758.45
Total Reimbursement					-\$524,414.45
<b>ASSESSABLE TOTAL</b>					<b>\$331,654.23</b>

**TABULATION OF CONNECTION FEES  
WATER MAIN DISTRICT 458T  
WWO 22919**

5/12/2014

ITEM	AMOUNT
Contract =	\$727,305.02
Easements =	\$45,987.50
City Materials =	\$23,834.13
Engineering =	\$37,577.04
Overhead =	\$16,918.91
Services & Supplies	\$4,446.08
Total Project =	<u>\$856,068.68</u>
Less PVS B Easement	-\$36,985.00
Less CDBG =	-\$334,762.00
Less CDBG Amendment =	-\$32,909.00
LB 840 Funds	-\$119,758.45
Total Reimbursements =	<u>-\$524,414.45</u>
Assessable =	\$331,654.23
Connection Fee / FF	\$21.510958

OWNER	PARCEL #	SEE ATTACHED PROPERTY DESCRIPTION	FRONT FOOTAGE	TOTAL CONNECTION FEE
Blattner Family Trust 10 Trailwood Creek Lufkin, TX 75901	400209217	Part SW 1/4, SE 1/4 Section 5, T-10-N, R-9-W "C"	1,145.46	\$24,639.94
Grand Island Area Economic Development PO Box 1151 Grand Island, NE 68802	400209225	Part SW 1/4, SE 1/4 Section 5, T-10-N, R-9-W "D"	2,575.34	\$55,398.03
Grand Island Area Economic Development PO Box 1151 Grand Island, NE 68802	400209209 400209160	Part E 1/2, NE 1/4 Section 5, T-10-N, R-9-W Part N 1/2, SE 1/4 Section 5, T-10-N, R-9-W "E"	3,800.03	\$81,742.29
Charles H Henderson Mary Alice Henderson, H/W 24 E Laurel Street Harrisonburg, VA 22801	400209047	Part W 1/2, NW 1/4 Section 4, T-10-N, R-9-W "F"	2,646.23	\$56,922.94
Grand Island Area Economic Development PO Box 1151 Grand Island, NE 68802	400209055	Part SW 1/4 Section 4, T-10-N, R-9-W "G"	2,558.91	\$55,044.61
Adeline M Stelk 2659 W Wildwood Dr Grand Island, NE 68801	400209241	Part N 1/2, NE 1/4 Section 8, T-10-N, R-9-W Part NE 1/4, NW 1/4 Section 8, T-10-N, R-9-W "H"	2,691.95	\$57,906.42
			Total Footage	15,417.92
			Total All Connection Fees	<u>\$331,654.23</u>



**ENGINEER'S CERTIFICATE OF FINAL COMPLETION**

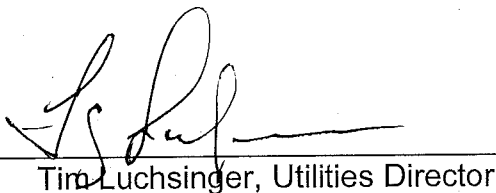
**WATER MAIN DISTRICT 458T**

The above referenced Water Main District was installed under a contract issued to the Diamond Engineering Co of Grand Island, NE. The work generally being located along Wildwood Drive from Gold Core Drive to Blaine Street; and along Blaine Street between Wildwood Drive and Schimmer Drive, all in the City of Grand Island, NE. The work on this project has been fully completed in accordance with the terms and conditions of the contract and complies with the plans and specifications.

  
Lynn M. Mayhew, P.E. #E-10661

12/11/12  
Date

I hereby authorize Water Main District 458T to be incorporation into the City of Grand Island water system.

  
Tim Luchsinger, Utilities Director

12-11-12  
Date

# INTEROFFICE MEMORANDUM



*Working Together for a  
Better Tomorrow. Today.*

**DATE:** August 13, 2014  
**TO:** Mayor and Council Members  
**FROM:** Timothy Luchsinger, Utilities Director  
**SUBJECT:** Water Main District 458T

This memo is to certify that Water Main District 458T located along Wildwood Drive from Gold Core Drive to Blaine Street; and along Blaine Street between Wildwood Drive and Schimmer Drive, all in the City of Grand Island has been fully completed.

All work was done in accordance with the terms and conditions of the contract, and complies with the plans and specifications. The water main district has been placed in service.

It is recommended that a Board of Equalization be set for September 23, 2014, to determine the benefits and connection fees for the properties within the boundaries of Water Main District 458T.

A handwritten signature in black ink, appearing to read "T. Luchsinger", is written over a horizontal line.

Timothy Luchsinger, Utilities Director

pc: Jaye Monter, Finance Director  
Bob Smith, Asst. Utilities Director  
John Collins, Public Works Director  
Tom Barnes, Civil Engineering Manager, Utilities  
Ruben Sanchez, Water Superintendent  
Yolanda Rayburn, Sr. Accounting Clerk

ENTERED AS INSTRUMENT NO

0201008949

22.00

STATE OF NEBRASKA )  
COUNTY OF HALL ) SS

2010 DEC 1 PM 1 43

*Kathy Hancock*  
REG OF DEEDS

CASH 22.00  
CHECK \_\_\_\_\_

REFUNDS:  
CASH \_\_\_\_\_  
CHECK \_\_\_\_\_

Return to:  
RaNae Edwards  
City Clerk  
100 East First Street  
Grand Island NE 68801



THIS SPACE RESERVED FOR REGISTER OF DEEDS

ORDINANCE NO. 9279

An ordinance creating Water Main District No. 458T in the City of Grand Island, Hall County, Nebraska; defining the boundaries of the district; providing for the laying of water mains in said district; approving plans and specifications and securing bids; providing for the connection fee for connecting to such water main; providing for certification to the Register of Deeds; and providing the effective date hereof.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Water Main District No. 458T in the City of Grand Island, Nebraska, is hereby created for the laying of sixteen (16.0) inch water mains with its appurtenances along Blaine Street, Schimmer Drive to Wildwood Drive; and along Wildwood Drive from Blaine Street to Gold Core Drive.

SECTION 2. The boundaries of such water main district shall be more particularly described as follows:

Approved as to Form  MS  
November 22, 2010  City Attorney

## ORDINANCE NO. 9279 (Cont.)

Beginning at a southwest corner of Lot Nine (9), Platte Valley Industrial Park Third Subdivision; thence easterly on a line eighty (80.0) feet northerly and parallel with the southerly line of said Platte Valley Industrial Park Third Subdivision and its extension, a distance of six hundred seventy and seventy two hundredths (670.72) feet to a point on the easterly right-of-way line of the St. Joseph Branch of the Union Pacific Railroad; thence northerly along the easterly right-of-way line of said St. Joseph Branch of the Union Pacific Railroad, to a point three hundred (300.0) feet northerly of the southerly line of the Southeast Quarter (SE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West; thence easterly, three hundred (300.0) feet northerly and parallel with the southerly line of said Southeast Quarter (SE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand two hundred eighty seven and fifty six hundredths (2,287.56) feet; thence northerly and three hundred (300.0) feet parallel with the easterly line of said Southeast Quarter (SE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand two hundred and ninety three and fifty one hundredths (2,293.51) feet to a point on the southerly line of the Northeast Quarter (NE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West; thence continuing northerly and three hundred (300.0) feet parallel with the easterly line of said Northeast Quarter (NE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand five hundred twenty seven and two hundredths (2,527.02) feet; thence easterly, one hundred fifty (150.0) feet southerly and parallel with the northerly line of said Northeast Quarter (NE 1/4), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of three hundred and eight hundredths (300.08) feet to a point on the westerly line of the Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West; thence northerly along the westerly line of said Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9), a distance of one hundred fifty and four hundredths (150.04) feet to the northwest corner of the said Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West; thence easterly along the northerly line of said Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West, to a point three hundred (300.0) feet east of the westerly line of said Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West; thence southerly and three hundred (300.0) feet parallel with the westerly line of said Northwest Quarter (NW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West, a distance of two thousand six hundred seventy nine and nine hundredths (2,679.09) feet to a point on the northerly line of the Southwest Quarter (SW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West; thence continuing southerly and three hundred (300.0) feet parallel with the westerly line of said Southwest Quarter (SW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West, a distance of two thousand five hundred ninety four and twenty four hundredths (2,594.24) feet to a point on the southerly line of said Southwest Quarter (SW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West; thence westerly along the southerly line of said Southwest Quarter (SW 1/4), Section Four (4), Township Ten (10) North, Range Nine (9) West, a distance of three hundred one and twenty hundredths (301.20) feet to the northeast corner of the Northeast Quarter (NE 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West; thence southerly along the easterly line of said Northeast Quarter (NE 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West, a distance of three hundred and five hundredths (300.05) feet;

## ORDINANCE NO. 9279 (Cont.)

thence westerly and three hundred (300.0) feet parallel with the northerly line of said Northeast Quarter (NE 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West, a distance of two thousand six hundred thirty one and forty six hundredths (2,631.46) feet to a point on the easterly line of the Northwest Quarter (NW 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West; thence continuing westerly and three hundred (300.0) feet parallel with the northerly line of said Northwest Quarter (NW 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West, a distance of fifty two and forty four hundredths (52.44) feet; thence northerly and parallel with the easterly line of said Northwest Quarter (NW 1/4), Section Eight (8), Township Ten (10) North, Range Nine (9) West, a distance of two hundred sixty seven and ten hundredths (267.10) feet to a point on the southerly right-of-way line of said Wildwood Drive; thence westerly along the southerly right-of-way line of said Wildwood Drive, a distance of five hundred seventy and fifty hundredths (570.50) feet; thence northerly along the extension of the westerly line of said Lot Nine (9), Platte Valley Industrial Park Third Subdivision, a distance of one hundred twelve and ninety four hundredths (112.94) feet to a said southwest corner of Lot Nine (9), Platte Valley Industrial Park Third Subdivision, being the said Point of Beginning.

SECTION 3. Said improvement shall be made in accordance with plans and specifications approved by the Engineer for the City, who shall estimate the cost thereof. Bids for the construction of said water main shall be taken and contracts entered into in the manner provided by law.

SECTION 4. The cost of construction of such water main connection district shall be reported to the City Council, and the Council, sitting as a Board of Equalization, shall determine benefits to abutting property by reason of such improvement pursuant to Section 16-6,103, R.R.S. 1943. The special benefits shall not be levied as special assessments but shall be certified by resolution of the City Council to the Hall County Register of Deeds. A connection fee in the amount of the special benefit accruing to each property in the district shall be paid to the City of Grand Island at such time as such property becomes connected to the water main in such district. No property thus benefited by water main improvements shall be connected to the water main until the connection fee is paid.


ORDINANCE NO. 9279 (Cont.)

SECTION 5. This ordinance shall be in force and take effect from and after its passage, approval, and publication, without the plat, within fifteen days in one issue of the Grand Island Independent.

SECTION 6. This ordinance, with the plat, is hereby directed to be filed in the office of the Register of Deeds of Hall County, Nebraska.

SECTION 7. After passage, approval and publication of this ordinance, notice of the creation of said district shall be published in the Grand Island Independent, without the plat, as provided by law.

Enacted November 23, 2010.

  
Margaret Hornady, Mayor

Attest:

  
RaNae Edwards, City Clerk



WATER MAIN DISTRICTS 458T / SANITARY SEWER DISTRICT 527T  
 Platte Valley Industrial Park East ( Wildwood Dr - Gold Core to Blaine St & Blaine St - Wildwood Dr to Schimmer Dr)  
 BIDS: 3/21/2012

Item	Description	Estimated Quantity	Unit	Diamond Eng. Co.		General Excavating		Judds Bros Const Co	
				Grand Island, NE Unit \$	Total \$	Lincoln, NE Unit \$	Total \$	Lincoln, NE Unit \$	Total \$
C. 1.01	16" d.i. pipe (S)	8,412.8	l.f.	62.15	522,855.52	65.00	546,832.00	70.00	588,896.00
C. 1.02	16" d.i. pipe (R)	120.0	l.f.	76.60	9,192.00	100.00	12,000.00	95.00	11,400.00
C. 1.03	30"x0.500" Steel casing	120.0	l.f.	275.00	33,000.00	375.00	45,000.00	415.00	49,800.00
C. 1.04	16"x16"x16" tapping sleeve (MJ)	1.0	ea.	7,265.00	7,265.00	7,900.00	7,900.00	5,400.00	5,400.00
C. 1.05	16"x16"x16" Tee (MJ)	1.0	ea.	975.00	975.00	1,500.00	1,500.00	800.00	800.00
C. 1.06	16"x16"x6" tee (MJ)	16.0	ea.	675.00	10,800.00	950.00	15,200.00	750.00	8,000.00
C. 1.07	16"x22 1/2" Ell (MJ)	10.0	ea.	555.00	5,550.00	800.00	8,000.00	750.00	7,500.00
C. 1.08	16"x6" Reducer (MJ)	1.0	ea.	405.00	405.00	700.00	700.00	300.00	300.00
C. 1.09	16" sleeve coupling	21.0	ea.	510.00	10,710.00	1,000.00	21,000.00	500.00	10,500.00
C. 1.10	16" Tapping Valve	1.0	ea.	7,430.00	7,430.00	9,200.00	9,200.00	15,000.00	15,000.00
C. 1.11	16" Butterfly Valve	10.0	ea.	2,553.00	25,530.00	3,200.00	32,000.00	2,200.00	22,000.00
C. 1.12	valve box	11.0	ea.	145.00	1,595.00	210.00	2,310.00	80.00	880.00
C. 1.13	Fire Hydrant assembly Type 1	16.0	ea.	1,400.00	22,400.00	3,825.00	61,200.00	1,600.00	25,600.00
C. 1.14	Fire Hydrant Assembly Type 2	1.0	ea.	1,980.00	1,980.00	4,380.00	4,380.00	1,900.00	1,900.00
C. 1.15	Thrust Block	22.0	ea.	350.00	7,700.00	390.00	8,580.00	250.00	5,500.00
C. 1.16	Thrust Block - Invert "A"	3.0	ea.	965.00	2,895.00	930.00	2,790.00	1,200.00	3,600.00
C. 1.17	Thrust Block - Invert "B"	3.0	ea.	820.00	2,460.00	700.00	2,100.00	800.00	2,400.00
C. 1.18	remove asph./conc. Driveway	38.2	s.y.	5.80	221.56	11.00	420.20	9.00	343.80
C. 1.19	replace asph./conc. Driveway	38.2	s.y.	31.00	1,184.20	70.00	2,674.00	50.00	1,910.00
C. 1.20	remove asph./conc. Roadway	38.8	s.y.	6.80	263.84	11.00	426.80	12.00	465.60
C. 1.21	replace concrete roadway	38.8	s.y.	34.50	1,338.60	75.00	2,910.00	70.00	2,716.00
C. 1.22	remove and replace gravel roadway	10.0	ton	18.00	180.00	20.00	200.00	15.00	150.00
C. 1.23	Residential Type Seeding & Restoration	0.4	Ac	9,535.00	3,814.00	6,500.00	2,600.00	4,000.00	1,600.00
C. 1.24	Non-Residential Type Seeding & Restoration	3.2	Ac	2,695.00	8,624.00	2,500.00	8,000.00	3,200.00	10,240.00
C. 1.25	Row Crop Area Restoration	4.3	Ac	340.00	1,462.00	1,400.00	6,020.00	3,200.00	13,760.00
C. 1.26	Dewatering	8,532.8	l.f.	9.55	81,488.24	25.00	213,320.00	52.00	443,705.60
C. 1.27	Temporary Traffic Control	1.0	L.S.	1,250.00	1,250.00	5,700.00	5,700.00	4,500.00	4,500.00
C. 1.28	Temporary Fencing	1.0	L.S.	4,370.00	4,370.00	4,000.00	4,000.00	9,500.00	9,500.00
C. 1.29	Remove & Replace Permanent Fencing	1.0	L.S.	1,586.00	1,586.00	2,200.00	2,200.00	1,000.00	1,000.00
C. 1.30	<b>TOTAL BID WATER MAIN DIST 458T</b>				<b>\$778,524.96</b>		<b>\$1,029,163.00</b>		<b>\$1,249,367.00</b>
C. 2.01	18" PVC Sanitary Sewer Main	2,900.0	l.f.	40.50	117,450.00	47.00	136,300.00	75.00	217,500.00
C. 2.02	15" PVC Sanitary Sewer Main	2,831.0	l.f.	32.85	92,998.35	40.00	113,240.00	72.00	203,832.00
C. 2.03	12" PVC Sanitary Sewer Main	20.0	l.f.	36.05	721.00	40.00	800.00	35.00	700.00
C. 2.04	10" PVC Sanitary Sewer Main	40.0	l.f.	30.50	1,220.00	40.00	1,600.00	35.00	1,400.00
C. 2.05	Remove Sanitary Sewer Plug	1.0	ea.	56.30	56.30	300.00	300.00	300.00	300.00
C. 2.06	12" PVC Plug	1.0	ea.	138.40	138.40	400.00	400.00	80.00	80.00
C. 2.07	10" PVC Plug	2.0	ea.	125.50	251.00	350.00	700.00	60.00	120.00
C. 2.08	4' Sanitary Sewer Manhole (Type 2)	17.0	ea.	3,280.00	55,760.00	4,000.00	68,000.00	5,400.00	91,800.00
C. 2.09	Additional 4' Sanitary Sewer Manhole Depth (type 2)	67.5	l.f.	237.60	16,038.00	425.00	28,687.50	300.00	20,250.00
C. 2.10	Remove and Replace 6" P.C.C. Driveway	125.0	s.y.	39.45	4,931.25	90.00	11,250.00	65.00	8,125.00
C. 2.11	Dry Bore and Install 36" Encasement	247.5	l.f.	376.50	93,183.75	460.00	113,850.00	500.00	123,750.00
C. 2.12	Remove 10" PVC Stubout	1.0	ea.	220.00	220.00	550.00	550.00	180.00	180.00
C. 2.13	Remodel Manhole to Accept Proposed 15" PVC Main	1.0	ea.	780.00	780.00	1,600.00	1,600.00	750.00	750.00
C. 2.14	Dewatering	5,791.0	l.f.	17.05	98,736.55	25.00	144,775.00	54.00	312,714.00
C. 2.15	Restoration, Row Crop Areas	5.0	Ac	380.00	1,900.00	900.00	4,500.00	3,200.00	16,000.00
C. 2.16	<b>TOTAL BID SANITARY SEWER DIST 527T</b>				<b>\$484,384.60</b>		<b>\$626,552.50</b>		<b>\$997,501.00</b>
C. 3.00	<b>TOTAL CONTRACT PRICE (water + sewer)</b>				<b>\$1,262,909.56</b>		<b>\$1,655,715.50</b>		<b>\$2,246,868.00</b>

ENGINEER'S CERTIFICATE OF FINAL COMPLETION

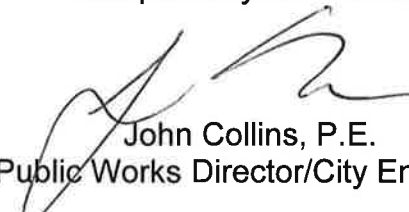
WATER MAIN DISTRICT NO. 458T

August 26, 2014

Water Main District No. 458T is located along Wildwood Drive from Gold Core Drive to Blaine Street; and along Blaine Street between Wildwood Drive and Schimmer Drive, all in the City of Grand Island, Nebraska. The work on this main, as certified to be fully completed by Timothy Luchsinger, Utilities Director, is hereby accepted for the City of Grand Island, Nebraska, by me as Public Works Director in accordance with the provision in Section 16-650, R.R.S., 1943.

It is recommended that the City Council sit as Board of Equalization on September 23, 2014 to determine benefits and levy special assessments.

Respectfully Submitted,



John Collins, P.E.  
Public Works Director/City Engineer  
WATERMAIN DISTRICT NO. 458T

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August 26, 2014

TO THE MEMBERS OF COUNCIL  
CITY OF GRAND ISLAND  
GRAND ISLAND, NEBRASKA

I hereby recommend that the Engineer's Certificate of Final Completion for Water Main District 458T be approved.

I further recommend that the City Council sit as Board of Equalization on September 23, 2014 to determine benefits and levy special assessments.

Respectfully Submitted,

Jay Vavricek,  
Mayor



RESOLUTION 2014-256

WHEREAS, the City Engineer/Public Works Director and the Utilities Director for the City of Grand Island have issued a Certificate of Final Completion for Water Main District 458T certifying that The Diamond Engineering Company of Grand Island, Nebraska, under contract has completed the water main project according to the terms, conditions, and stipulations for such improvements; and

WHEREAS, the City Engineer/Public Works Director recommends the acceptance of the project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

- The City Engineer/Public Works Director's Certificate of Final Completion for Water Main District 458T is hereby confirmed.
- That the City Council will sit as a Board of Equalization on September 23, 2014, to determine benefits and set assessments for Water Main District 458T.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-9

**#2014-257 - Consideration of Approving Certificate of Final Completion and Scheduling the Board of Equalization for Sanitary Sewer District No. 527T – Platte Valley Industrial Park**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown PE, Assistant Public Works Director

**Meeting:** August 26, 2014

**Subject:** Approving Certificate of Final Completion and Scheduling the Board of Equalization for Sanitary Sewer District No. 527T – Platte Valley Industrial Park

**Item #'s:** I-9

**Presenter(s):** John Collins PE, Public Works Director

## Background

This was a combined project of the City's Public Works and Utilities Departments for the installation of sanitary sewer lines and water main to provide municipal utility infrastructure to the Platte Valley Industrial Park Site. The project is located in a 280 acre tract of land purchased by the Grand Island Area Economic Development Corporation, more commonly known as Platte Valley Industrial Park-East. The development area is located between Gold Core Drive and Blaine Street, and between Schimmer Drive and Wildwood Drive. Attached for reference is a map showing the construction area.

Funding assistance was provided for the project from the 2010 Community Development Block Grant (CDBG) Economic Development Program in the amount of \$935,000. This Block Grant required a City's matching fund of \$1,275,000. On October 26, 2010 the City Council approved authorizing the application for the Economic Development Grant from the Nebraska Department of Economic Development. Additionally, \$575,000 in Local Area Economic Development LB 840 funds were allocated to the project.

The contract for Sanitary Sewer District No. 527T was awarded to The Diamond Engineering Company of Grand Island, Nebraska on April 10, 2012, in the amount of \$484,384.60. Work on this project commenced in May, 2012 and was completed in January, 2013.

## Discussion

Sanitary Sewer District No. 527T was created on November 23, 2010 as a special economic development activity for development of a business/industrial park/site which will eventually be occupied by eligible benefited businesses.

The project provided nearly one mile of extended 18", and 15" sanitary sewer service along the length of Wildwood Drive and Schimmer Drive, between Gold Core and Blaine Street.

The connection fees for Sanitary Sewer District 527T are computed based on the construction being done as a "Tap" district. This is the standard method used by the City to recoup costs when sanitary sewer mains are installed across undeveloped lands. Those fees are due when a property "taps" the main for service.

The connection fee for properties included in the referenced district is \$40.97 per front foot.

Sanitary sewer work on the project was completed at a construction price of \$508,855.21. Other credited funds are \$331,138.00, with a total project cost of \$592,606.80. Project costs break down as follows:

Original Bid by Diamond Engineering	\$ 486,953.20
Change Order No. 1	\$ 9,572.88
Miscellaneous	\$ 12,329.13
<b>SUBTOTAL (Construction Price)</b>	<b>\$ 508,855.21</b>

Internal Public Works	
<u>Construction Engineering Costs</u>	\$ 83,751.59
<b>SUBTOTAL (Engineering / Inspections)</b>	<b>\$ 83,751.59</b>

State of Nebraska DED CDBG	\$(254,572.00)
<u>LB 840 Funds</u>	\$ (76,566.00)
<b>SUBTOTAL (Other Funding)</b>	<b>\$(331,138.00)</b>

**TOTAL COST** \$ 261,468.80

The final assessment for Sanitary Sewer District 527T, Platte Valley Industrial Park East is \$261,468.80.

The assessed cost in the district and the City's costs break down as follows:

Total Assessed to Blattner Family Trust	\$ 47,526.22
Total Assessed to Grand Island Area	

Economic Development Corporation \$213,942.58

TOTAL COST \$261,468.80

The Engineers Estimate for the project was underrun in the amount of \$6,261.61.

### **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**

It is recommended that the Council accept the Certificate of Final Completion for Sanitary Sewer District 527T, and sit as Board of Equalization on September 23, 2014 to set the connection fee amount for the properties within the boundaries of Sanitary Sewer District 527T as tabulated on the attached listing.

### **Sample Motion**

Move to approve the resolution in Certificate of Final Completion for Sanitary Sewer District 527T with the Diamond Engineering Company of Grand Island, Nebraska; and

Move to approve City Council sit as a Board of Equalization on September 23, 2014 to determine benefits and set assessments for Sanitary Sewer District 527T.

**ENGINEER'S CERTIFICATE OF FINAL COMPLETION**

**SANITARY SEWER DISTRICT 527T**

Grand Island Public Works Sanitary Sewer District 527T  
Platte Valley Industrial Park - East  
CITY OF GRAND ISLAND, NEBRASKA  
August 26, 2014

TO THE MEMBERS OF THE COUNCIL  
CITY OF GRAND ISLAND  
GRAND ISLAND, NEBRASKA

This is to certify that Sanitary Sewer District 527T, Platte Valley Industrial Park - East has been fully completed by The Diamond Engineering Company of Grand Island, Nebraska under the contract dated April 17, 2012. The work has been completed in accordance with the terms, conditions, and stipulations of said contract and complies with the contract, the plans and specifications. The work is hereby accepted for the City of Grand Island, Nebraska, by me as Public Works Director in accordance with the provisions of Section 16-650 R.R.S., 1943.

**Sanitary Sewer District 527T, Platte Valley Industrial Park – East**

**Bid Section**

Item No.	Description	Price Bid	Quantities Placed		Total Amount Completed
1	18" PVC Sanitary Sewer Main (Installation)	\$ 25.00	2,895.00	I.f.	\$ 72,375.00
1B	S/M 18" SDR35 PVC GJ	\$ 15.50	2,895.00	I.f.	\$ 44,872.50
2	15" PVC Sanitary Sewer Main (Installation)	\$ 22.38	2,826.30	I.f.	\$ 63,252.59
2B	S/M 15" SDR35 PVC GJ	\$ 10.47	2,826.30	I.f.	\$ 29,591.36
3	12" PVC Sanitary Sewer Main	\$ 36.05	15.70	I.f.	\$ 565.98
4	10" PVC Sanitary Sewer Main	\$ 30.50	31.00	I.f.	\$ 945.50

5	Remove Sanitary Sewer Plug	\$ 56.30	1.00	ea.	\$ 56.30
6	12" PVC Plug	\$ 138.40	1.00	ea.	\$ 138.40
7	10" PVC Plug	\$ 125.50	2.00	ea.	\$ 251.00
8	4' Sanitary Sewer Manhole (Type 2)	\$ 3,280.00	17.00	ea.	\$ 55,760.00
9	Additional 4' Sanitary Sewer, Manhole Depth (Type 2)	\$ 237.60	73.20	v.f.	\$ 17,401.82
10	Remove and Replace 6" P.C.C. Driveway	\$ 39.45	126.10	s.y.	\$ 4,974.33
11	Dry Bore and Install 36" Encasement	\$ 376.50	252.50	l.f.	\$ 95,066.25
12	Remove 10" PVC Stubout	\$ 220.00	1.00	ea.	\$ 220.00
13	Remodel Manhole to Accept Proposed 15" PVC Main	\$ 780.00	1.00	ea.	\$ 780.00
14	Dewatering	\$ 17.05	5,721.30	l.f.	\$ 97,548.17
15	Restoration, Row Crop Areas	\$ 380.00	8.30	ac.	\$ 3,154.00

**ORIGINAL BID SUBTOTAL = \$ 486,953.20**

**Change Order No. 1**

1	Encasement Rework	\$ 9,572.88	1.0	ls	\$ 9,572.88
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**CHANGE ORDER NO. 1 SUBTOTAL = \$ 9,572.88**

**Miscellaneous**

1.	Nunnenkamp Well Company				\$ 7,000.00
2.	The Grand Island Daily Independent				\$ 261.71
3.	Grand Island Printing Company				\$ 1,067.42
4.	Union Pacific Railroad				\$ 4,000.00

**MISCELLANEOUS SUBTOTAL = \$ 12,329.13**

**Engineering / Construction Phase Staff Hours**

1.	Engineering/Construction Phase Staff Hours				\$ 83,751.59
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<b>ENGINEERING / CONSTRUCTION PHASE STAFF HOURS SUBTOTAL =</b>					<b>\$ 83,751.59</b>
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<b>PROJECT EXPENSE COST:</b>					<b>\$ 592,606.80</b>
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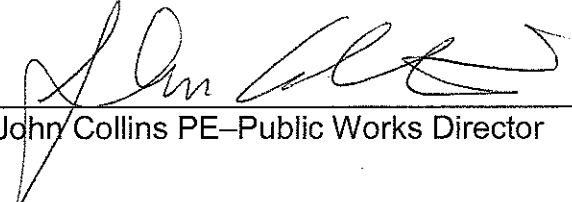
**Other Funding**

- 1. Community Development Block Grant Funding \$ (254,572.00)
- 2. LB 840 Funding (EDC) \$ ( 76,566.00)

<b>OTHER FUNDING SUBTOTAL=</b>					<b>\$ (331,138.00)</b>
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<b>TOTAL PROJECT COST:</b>					<b>\$ 261,468.80</b>
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I hereby recommend that the Engineer's Certificate of Final Completion for Sanitary Sewer District 527T, Platte Valley Industrial Park - East be approved.

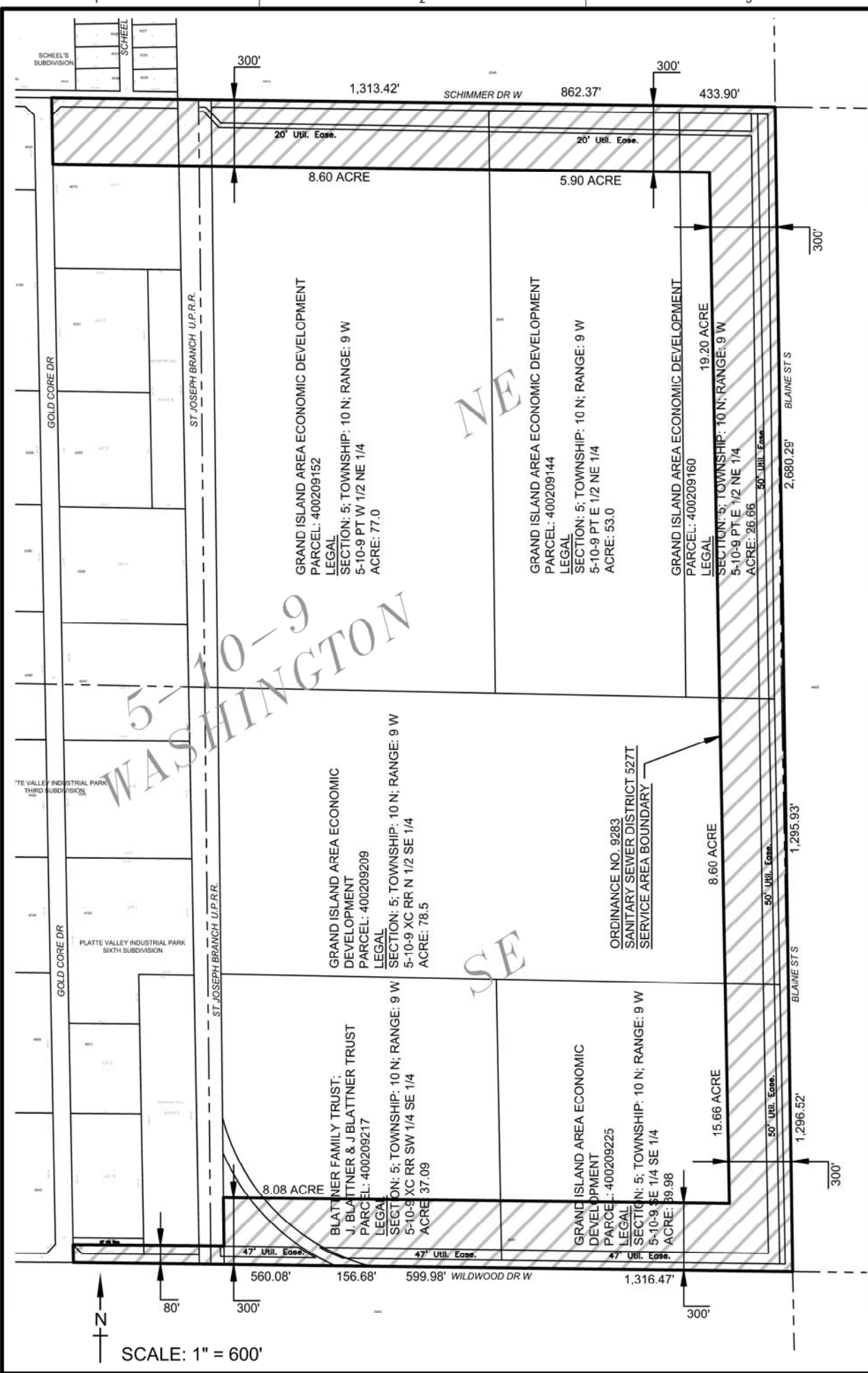
  
\_\_\_\_\_  
John Collins PE—Public Works Director

8-21-14  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Jay Vavricek—Mayor

\_\_\_\_\_  
Date





N  
 80'  
 300'  
 560.08'  
 156.68'  
 599.98'  
 1,316.47'  
 SCALE: 1" = 600'

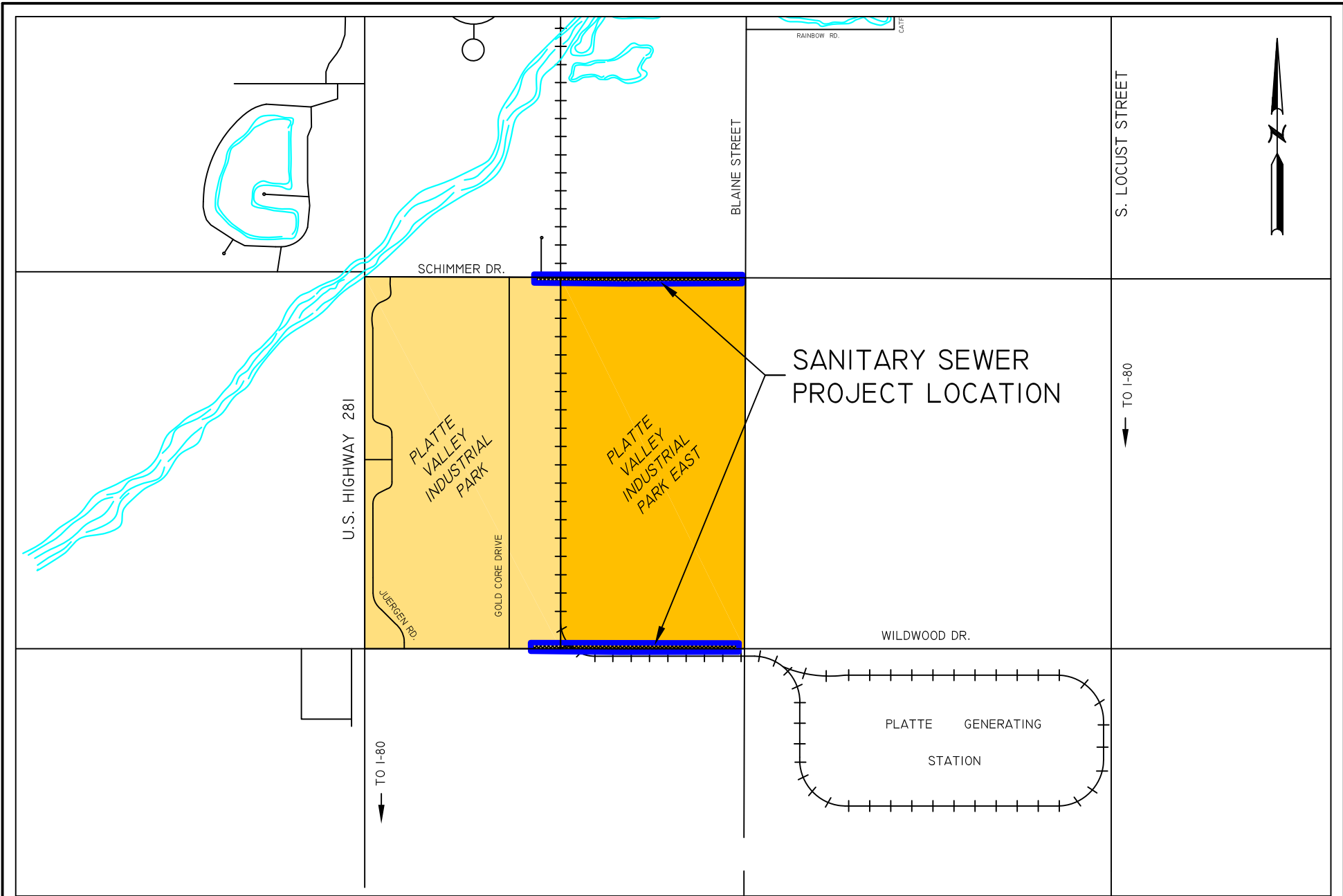
NO.		DESCRIPTION	
NO.		REVISION	
DSGN		DR	CHK
DATE		APVD	
NO.		APVR N	
NO.		BY APVD	

CITY OF GRAND ISLAND PUBLIC WORKS DIVISION 100 EAST 1ST STREET, GRAND ISLAND, NE 68801	
CIVIL EXHIBIT "A" SANITARY SEWER ASSESSMENT PLATTE VALLEY INDUSTRIAL PARK - EAST	

VERIFY SCALE	
BAR IS ONE INCH ON ORIGINAL DRAWING.	
DATE	26 DECEMBER 2012
PROJ	26122012
DWG	C-1
SHEET	SHEET - 1





ENTERED AS INSTRUMENT NO

0201008948

21.00

STATE OF NEBRASKA )  
COUNTY OF HALL ) SS

2010 DEC 1 PM 1 43

*Kelly Deane*  
REG OF DEEDS

CASH 21.00  
CHECK \_\_\_\_\_

REFUNDS:  
CASH \_\_\_\_\_  
CHECK \_\_\_\_\_

This Space Reserved for Register of Deeds

Return to:  
RANAE EDWARDS  
City Clerk  
100 East First Street  
Grand Island NE 68801



201008948

ORDINANCE NO. 9281

An ordinance creating Sanitary Sewer District No. 527T of the City of Grand Island, Nebraska; defining the boundaries thereof; providing for the laying of sanitary sewer mains in said district; providing for plans and specifications and securing bids; providing for the connection fee for connecting to such sanitary sewer; providing for certification to the Register of Deeds of the connection fee; and providing for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Sanitary Sewer District No. 527T is hereby created for the construction of

- an eight (8.0) inch gravity sanitary sewer main and appurtenances thereto along Wildwood Drive from Gold Core Drive east to Blaine Street
- an eight (8) inch gravity sanitary sewer main and appurtances thereto along Schimmer Drive from Gold Core Drive east to Blaine Street
- a sanitary sewer lift station and appurtances adjacent to Blaine Street between Wildwood Drive and Schimmer Drive

Approved as to Form	<input checked="" type="checkbox"/>	<i>DMS</i>
November 22, 2010	<input checked="" type="checkbox"/>	City Attorney

## ORDINANCE NO. 9281 (Cont.)

- a sanitary sewer force main and appurtenances from the lift station along Blaine Street north to the gravity sanitary sewer main on Schimmer Drive all in the City of Grand Island, Hall County, Nebraska.

## SECTION 2. The boundaries of such sanitary sewer district shall be as follows:

Beginning at a southwest corner of Lot Nine (9), Platte Valley Industrial Park Third Subdivision; thence easterly on a line eighty (80.0) feet northerly and parallel with the southerly line of said Platte Valley Industrial Park Third Subdivision and its extension, a distance of six hundred seventy and seventy two hundredths (670.72) feet to a point on the easterly right-of-way line of the St. Joseph Branch of the Union Pacific Railroad; thence northerly along the easterly right-of-way line of said St. Joseph Branch of the Union Pacific Railroad, to a point three hundred (300.0) feet northerly of the southerly line of the Southeast Quarter (SE  $\frac{1}{4}$ ), Section Five (5), Township Ten (10) North, Range Nine (9) West; thence easterly, three hundred (300.0) feet northerly and parallel with the southerly line of said Southeast Quarter (SE  $\frac{1}{4}$ ), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand two hundred eighty seven and fifty six hundredths (2,287.56) feet; thence northerly and three hundred (300.0) feet parallel with the easterly line of said Southeast Quarter (SE  $\frac{1}{4}$ ), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand two hundred and ninety three and fifty one hundredths (2,293.51) feet to a point on the southerly line of the Northeast Quarter (NE  $\frac{1}{4}$ ), Section Five (5), Township Ten (10) North, Range Nine (9) West; thence continuing northerly and three hundred (300.0) feet parallel with the easterly line of said Northeast Quarter (NE  $\frac{1}{4}$ ), Section Five (5), Township Ten (10) North, Range Nine (9) West, a distance of two thousand three hundred seventy seven and two hundredths (2,377.02) feet; thence westerly and three hundred (300.00) feet parallel with the northerly line of the said Northeast Quarter (NE  $\frac{1}{4}$ ) of Section Five (5), Township Ten (10) North, Range Nine (9) West, to a point on the east line of Gold Core Drive; thence northerly on the east line of Gold Core Drive and an extension thereof to the north line of Section Five (5), Township Ten (10) North, Range Nine (9) West, thence easterly on the north line of Section Five (5), Township Ten (10) North, Range Nine (9) West to the northeast corner of said Section Five (5), Township Ten (10) North, Range Nine (9) West, thence southerly on the easterly line of Section Five (5), Township Ten (10) North, Range Nine (9) West to the southeast corner of said Section Five (5), Township Ten (10) North, Range Nine (9) West; thence westerly on the south line of said Section Five (5), Township Ten (10) North, Range Nine (9) West; and the south line of Platte Valley Industrial Park Third Subdivision to a point five hundred seventy and fifty hundredths (570.50) feet west of the southeast corner of Platte Valley Industrial Park Third Subdivision; thence northerly on a line for a distance eighty (80) feet to the point of beginning.

ORDINANCE NO. 9281 (Cont.)

SECTION 3. Said improvement shall be made in accordance with plans and specifications prepared by the Engineer for the City who shall estimate the costs thereof, and submit the same to the City Council, and thereafter, bids for the construction of such sanitary sewer shall be taken and contracts entered into in the manner provided by law.

SECTION 4. The cost of construction of such sanitary sewer main connection district shall be reported to the City Council, and the Council, sitting as a Board of Equalization, shall determine benefits to abutting property by reason of such improvement pursuant to Section 16-6,103, R.R.S. 1943. The special benefits shall not be levied as special assessments but shall be certified by resolution of the City Council to the Hall County Register of Deeds. A connection fee in the amount of the special benefit accruing to each property in the district shall be paid to the City of Grand Island at such time as such property becomes connected to the sanitary sewer main in such district. No property thus benefited by sanitary sewer main improvements shall be connected to the sanitary sewer main until the connection fee is paid.

SECTION 5. This ordinance shall be in force and take effect from and after its passage, approval and publication, without the plat, as provided by law.

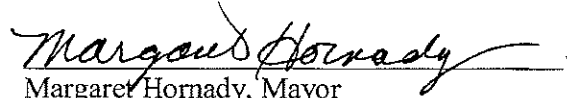
SECTION 6. This ordinance, with the plat, is hereby directed to be filed in the office of the Register of Deeds of Hall County, Nebraska.

SECTION 7. After passage, approval and publication of this ordinance, notice of the creation of said district shall be published in the Grand Island Independent, a legal newspaper published and of general circulation in said City, as provided by law.

201008948

ORDINANCE NO. 9281 (Cont.)

Enacted: November 23, 2010.

  
Margaret Hornady, Mayor

Attest:

  
RaNae Edwards, City Clerk



WATER MAIN DISTRICTS 458T / SANITARY SEWER DISTRICT 527T  
 Platte Valley Industrial Park East ( Wildwood Dr - Gold Core to Blaine St & Blaine St - Wildwood Dr to Schimmer Dr)  
 BIDS: 3/21/2012

Item	Description	Estimated Quantity	Unit	Diamond Eng. Co.		General Excavating		Judds Bros Const Co	
				Grand Island, NE Unit \$	Total \$	Lincoln, NE Unit \$	Total \$	Lincoln, NE Unit \$	Total \$
C. 1.01	16" d.i. pipe (Sj)	8,412.8	l.f.	62.15	522,855.52	65.00	546,832.00	70.00	588,896.00
C. 1.02	16" d.i. pipe (Rj)	120.0	l.f.	76.60	9,192.00	100.00	12,000.00	95.00	11,400.00
C. 1.03	30"X0.500" Steel casing	120.0	l.f.	275.00	33,000.00	375.00	45,000.00	415.00	49,800.00
C. 1.04	16"X16"X16" tapping sleeve (MJ)	1.0	ea.	7,265.00	7,265.00	7,900.00	7,900.00	5,400.00	5,400.00
C. 1.05	16"X16"X16" Tee (MJ)	1.0	ea.	975.00	975.00	1,500.00	1,500.00	800.00	800.00
C. 1.06	16"X16"X6" tee (MJ)	16.0	ea.	675.00	10,800.00	950.00	15,200.00	500.00	8,000.00
C. 1.07	16"X22 1/2" Ell (MJ)	10.0	ea.	555.00	5,550.00	800.00	8,000.00	750.00	7,500.00
C. 1.08	16"X6" Reducer (MJ)	1.0	ea.	405.00	405.00	700.00	700.00	300.00	300.00
C. 1.09	16" sleeve coupling	21.0	ea.	510.00	10,710.00	1,000.00	21,000.00	500.00	10,500.00
C. 1.10	16" Tapping Valve	1.0	ea.	7,430.00	7,430.00	9,200.00	9,200.00	15,000.00	15,000.00
C. 1.11	16" Butterfly Valve	10.0	ea.	2,553.00	25,530.00	3,200.00	32,000.00	2,200.00	22,000.00
C. 1.12	valve box	11.0	ea.	145.00	1,595.00	210.00	2,310.00	80.00	880.00
C. 1.13	Fire Hydrant assembly Type 1	16.0	ea.	1,400.00	22,400.00	3,825.00	61,200.00	1,600.00	25,600.00
C. 1.14	Fire Hydrant Assembly Type 2	1.0	ea.	1,980.00	1,980.00	4,380.00	4,380.00	1,900.00	1,900.00
C. 1.15	Thrust Block	22.0	ea.	350.00	7,700.00	390.00	8,580.00	250.00	5,500.00
C. 1.16	Thrust Block - Invert "A"	3.0	ea.	965.00	2,895.00	930.00	2,790.00	1,200.00	3,600.00
C. 1.17	Thrust Block - Invert "B"	3.0	ea.	820.00	2,460.00	700.00	2,100.00	800.00	2,400.00
C. 1.18	remove asph./conc. Driveway	38.2	s.y.	5.80	221.56	11.00	420.20	9.00	343.80
C. 1.19	replace asph./conc. Driveway	38.2	s.y.	31.00	1,184.20	70.00	2,674.00	50.00	1,910.00
C. 1.20	remove asph./conc. Roadway	38.8	s.y.	6.80	263.84	11.00	426.80	12.00	465.60
C. 1.21	replace concrete roadway	38.8	s.y.	34.50	1,338.60	75.00	2,910.00	70.00	2,716.00
C. 1.22	remove and replace gravel roadway	10.0	ton	18.00	180.00	20.00	200.00	15.00	150.00
C. 1.23	Residential Type Seeding & Restoration	0.4	Ac	9,535.00	3,814.00	6,500.00	2,600.00	4,000.00	1,600.00
C. 1.24	Non-Residential Type Seeding & Restoration	3.2	Ac	2,695.00	8,624.00	2,500.00	8,000.00	3,200.00	10,240.00
C. 1.25	Row Crop Area Restoration	4.3	Ac	340.00	1,462.00	1,400.00	6,020.00	3,200.00	13,760.00
C. 1.26	Dewatering	8,532.8	l.f.	9.55	81,488.24	25.00	213,320.00	52.00	443,705.60
C. 1.27	Temporary Traffic Control	1.0	L.S.	1,250.00	1,250.00	5,700.00	5,700.00	4,500.00	4,500.00
C. 1.28	Temporary Fencing	1.0	L.S.	4,370.00	4,370.00	4,000.00	4,000.00	9,500.00	9,500.00
C. 1.29	Remove & Replace Permanent Fencing	1.0	L.S.	1,586.00	1,586.00	2,200.00	2,200.00	1,000.00	1,000.00
C. 1.30	TOTAL BID WATER MAIN DIST 458T				\$778,524.96		\$1,029,163.00		\$1,249,367.00
C. 2.01	18" PVC Sanitary Sewer Main	2,900.0	l.f.	40.50	117,450.00	47.00	136,300.00	75.00	217,500.00
C. 2.02	15" PVC Sanitary Sewer Main	2,831.0	l.f.	32.85	92,998.35	40.00	113,240.00	72.00	203,832.00
C. 2.03	12" PVC Sanitary Sewer Main	20.0	l.f.	36.05	721.00	40.00	800.00	35.00	700.00
C. 2.04	10" PVC Sanitary Sewer Main	40.0	l.f.	30.50	1,220.00	40.00	1,600.00	35.00	1,400.00
C. 2.05	Remove Sanitary Sewer Plug	1.0	ea.	56.30	56.30	300.00	300.00	300.00	300.00
C. 2.06	12" PVC Plug	1.0	ea.	138.40	138.40	400.00	400.00	80.00	80.00
C. 2.07	10" PVC Plug	2.0	ea.	125.50	251.00	350.00	700.00	60.00	120.00
C. 2.08	4' Sanitary Sewer Manhole (Type 2)	17.0	ea.	3,280.00	55,760.00	4,000.00	68,000.00	5,400.00	91,800.00
C. 2.09	Additional 4' Sanitary Sewer Manhole Depth (type 2)	67.5	l.f.	237.60	16,038.00	425.00	28,687.50	300.00	20,250.00
C. 2.10	Remove and Replace 6" P.C.C. Driveway	125.0	s.y.	39.45	4,931.25	90.00	11,250.00	65.00	8,125.00
C. 2.11	Dry Bore and Install 36" Encasement	247.5	l.f.	376.50	93,183.75	460.00	113,850.00	500.00	123,750.00
C. 2.12	Remove 10" PVC Stubout	1.0	ea.	220.00	220.00	550.00	550.00	180.00	180.00
C. 2.13	Remodel Manhole to Accept Proposed 15" PVC Main	1.0	ea.	780.00	780.00	1,600.00	1,600.00	750.00	750.00
C. 2.14	Dewatering	5,791.0	l.f.	17.05	98,736.55	25.00	144,775.00	54.00	312,714.00
C. 2.15	Restoration, Row Crop Areas	5.0	Ac	380.00	1,900.00	900.00	4,500.00	3,200.00	16,000.00
C. 2.16	TOTAL BID SANITARY SEWER DIST 527T				\$484,384.60		\$626,552.50		\$997,501.00
C. 3.00	TOTAL CONTRACT PRICE (water + sewer)				\$1,262,909.56		\$1,655,715.50		\$2,246,868.00



RESOLUTION 2014-257

WHEREAS, the City Engineer/Public Works Director for the City Of Grand Island has issued a Certificate of Completion for Platte Valley Industrial Park East; Sanitary Sewer District 527T, certifying that The Diamond Engineering Co., of Grand Island, Nebraska, under contract, has completed the improvement project; and

WHEREAS, the City Engineer/Public Works Director recommends the acceptance of the project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

The Certificate of Final Completion for Platte Valley Industrial Park East; Sanitary Sewer District 527T, certifying that The Diamond Engineering Co., of Grand Island, Nebraska, is hereby confirmed, for the total amount of \$496,526.08; and

The City Council will sit as a Board of Equalization on September 23, 2014 to determine benefits and set assessments for Sanitary Sewer District 527T.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-10

**#2014-258 - Consideration of Approving the Semi-Annual Report by the Grand Island Area Economic Development Corporation/Citizens Advisory Review Committee on the Economic Development Program Plan**

*This item relates to the aforementioned Public Hearing item E-8.*

**Staff Contact:**

RESOLUTION 2014-258

WHEREAS, Neb. Rev. Stat. §18-2715(3) and Grand Island City Code §38-5 require a report by the Citizens Advisory Review Committee to the City Council at least once every six months on its findings and suggestions on the administration of the Economic Development Plan; and

WHEREAS, a public hearing on the report submitted by the Citizens' Advisory Review Committee was held at a regular session of the Grand Island City Council on August 14, 2014; and

WHEREAS, said report gave information about the activities of the past six months that have taken place pursuant to the Economic Development Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the semi-annual report of the Citizens Advisory Review Committee is hereby accepted and approved.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☒ _____
August 25, 2014	☒ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item I-11

**#2014-259 - Consideration of Approving Interlocal Agreement with Hall County Regarding Transit Services**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown PE, Assistant Public Works Director

**Meeting:** August 26, 2014

**Subject:** Consideration of Approving Interlocal Agreement with Hall County Regarding Transit Services

**Item #'s:** I-11

**Presenter(s):** John Collins PE, Public Works Director

## Background

In March of 2012, the City of Grand Island was declared a Census Defined Urbanized Area. This designation changes the funding streams and responsibilities for a number of programs, including those used to provide Transportation Services within the City of Grand Island. With this new designation, Section 5307 Urban Transit Funds became available to the City of Grand Island. On September 25, 2012 the Grand Island City Council authorized the Mayor to send a letter requesting the City of Grand Island be named the recipient of these transit funds. The Governor then approved the request.

## Discussion

Since the mid-1970s, Hall County, using Section 5311 Rural Transit Funding, has provided elderly and para-transit services through Senior Citizens Industries, Inc. Over the years, this service has evolved into a full-scale, portal-to-portal transit service, providing transportation to all residents of Hall County through a combination of busses and discounted cab vouchers.

With the "Urbanized" designation, the City of Grand Island began receiving 5307 funds for transportation services, instead of the 5311 funds Hall County was receiving. However, in order for us to plan for and contract with an entity to provide transit services within the City of Grand Island, and in order for the services to continue through this transitional period, the attached Interlocal Agreement is being proposed to you for approval.

This Interlocal Agreement was approved by the Hall County Board of Supervisors on March 12, 2014.

This agreement will allow Hall County to continue to contract with Senior Citizens Industries, Inc. to provide the same level of transit services within the City of Grand Island as they have in the past. The agreement will also allow the City of Grand Island to provide a payment of \$104,665.00 to Hall County, as shown in the proposed 2014-2015 budget in fund 226. The budget shows \$110,00 for 2014-2015 fiscal year Transit Services.

The proposed agreement will end on September 30, 2015, which is the end of the fiscal year for the City of Grand.

### **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 approve the Interlocal Agreement with Hall County as presented.

### **Sample Motion**

Move to approve the resolution.

**INTERLOCAL COOPERATION AGREEMENT BETWEEN THE COUNTY OF HALL AND  
THE CITY OF GRAND ISLAND FOR TRANSIT SERVICE**

WHEREAS, pursuant to the Nebraska Interlocal Cooperation Act codified at Article 8, Chapter 13 and §13-303 *et seq.* of the Nebraska Revised Statutes, the County of Hall (County) and the City of Grand Island (City) do hereby enter into an Interlocal Cooperation Agreement (Agreement) for the County to provide transit service for residents of the County and the City to provide the necessary matching funds to the County to provide that service; and

WHEREAS, in March, 2012, the United States Bureau of the Census designated Grand Island and its surrounding area as an Urbanized Area having a population in excess of fifty thousand (50,000) persons; and

WHEREAS, as a result of the aforementioned designation by the U.S. Census Bureau, residents of the Urbanized Area lost access to Section 5311 Rural Transit funds; and

WHEREAS, the State of Nebraska has unexpended Section 5311 Rural Transit funds and will allow those funds to be disbursed to benefit the residents of the Urbanized Area as it transitions to using Section 5307 Urban Transit funds to provide urban transit services; and

WHEREAS, the Parties wish to continue to provide existing transit services until the City can establish urban transit services through the use of Section 5307 funds.

NOW, THEREFORE, the Parties do hereby set forth the terms of their Interlocal Cooperation Agreement for the City to provide matching funds to the County to enable the County to continue to provide transit services as follows:

I.

The duration of this Agreement shall be for 12 months commencing on October 1, 2014 and ending on September 30, 2015.

II.

The County agrees to continue to adhere to Hall County Resolution 14-022 and the terms of its present agreement with Senior Citizens Industries, Inc. for transit services.

III.

The County agrees to pay only the cost of service to Hall County patrons outside the city limits of Grand Island.

IV.

The City agrees to pay the County matching funds in the amount of One Hundred Four Thousand Six Hundred Sixty-Five Dollars (\$104,665.00) that are necessary for the County to continue to receive Section 5311 funds. This amount is understood to include funding for cab tickets and approximately Eleven Thousand Dollars (\$11,000.00) for the annual purchase of a new bus. It is further understood that the \$104,665.00 amount represents matching funds for the fiscal year of the City commencing October 1, 2014 and ending September 30, 2015. The City agrees to provide said matching funds within thirty (30) days of receiving a written request by the County, but no sooner than October 1, 2014.

V.

The terms of this Agreement shall not be altered or amended unless done so in writing with the approval of both the governing bodies of the Parties.

VI.

This Agreement may be terminated by either Party for any reason or no reason upon the approval of such action by the governing body of either Party with a minimum of thirty (30) days notice to the other Party.

COUNTY OF HALL

8-12-2014  
Date

By Bob McFarland  
Bob McFarland, Chairman  
Hall County Board of Supervisors

ATTEST:

Marla J. Conley  
Marla J. Conley  
Hall County Clerk



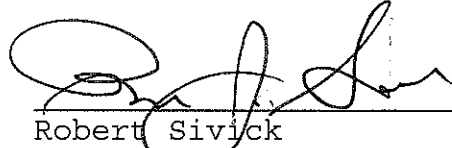
CITY OF GRAND ISLAND

\_\_\_\_\_  
Date

By

\_\_\_\_\_  
Jay Vavricek, Mayor  
City of Grand Island

\_\_\_\_\_  
RaNae Edwards  
Grand Island City Clerk

  
\_\_\_\_\_  
Robert Sivick  
City Attorney

Prepared by:  
Jack Zitterkopf  
Chief Deputy Hall County Attorney

RESOLUTION 2014-259

WHEREAS, Hall County has been providing transit services to all of the citizens of Hall County through an agreement with Senior Citizens Industries, Inc. and the State of Nebraska to use Section 5311 Rural Transit Funds within Hall County for almost 40 years; and

WHEREAS, the City of Grand Island, Nebraska has been declared a Census Defined Urbanized Area with a population of more than 50,000 people; and

WHEREAS, funding for transit services in Grand Island will be impacted because of the declaration of Grand Island as a Census Defined Urbanized Area; and

WHEREAS, the City and the County wish to continue to provide transit services to the Citizens who reside within the Census Defined Urbanized Area; and

WHEREAS, the State of Nebraska has made available unallocated funding under the Section 5311 Rural Transit Program that will allow Grand Island residents to continue to avail themselves of transit services in the same manner as has previously been provided within the agreement between Hall County and Senior Citizens Industries, Inc.; and

WHEREAS, it is in the best interest of the citizens of Grand Island, and the governing bodies of both Grand Island and Hall County for the City to fund transit services in the City through the existing contract between Hall County and Senior Citizen Industries, Inc. until such time as the City is ready to authorize a separate contract for the provision of transit services within the City; and

WHEREAS, the City of Grand Island and the Hall County, Nebraska, have indicated an interest in working together to provide transit services in their respective jurisdictions.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Interlocal Agreement between the City of Grand Island and Hall County for transit services 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.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, August 26, 2014.

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

Attest:

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

Approved as to Form	☐ _____
August 25, 2014	☐ City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item J-1

### **Approving Payment of Claims for the Period of August 13, 2014 through August 26, 2014**

*The Claims for the period of August 13, 2014 through August 26, 2014 for a total amount of \$6,612,291.73. A MOTION is in order.*

Staff Contact: Jaye Monter, Finance Director



# **City of Grand Island**

**Tuesday, August 26, 2014**

**Council Session - Updated**

## **Item S-1**

### **Discussion Concerning the Proposed Fiscal Year 2014-2015 City of Grand Island and Community Redevelopment Authority (CRA) Budgets**

**Staff Contact: Jaye Monter, Finance Director**



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item X-1

### **Strategy Session with Respect to Labor Negotiations with IBEW and International Association of Firefighters (IAFF - Local 647)**

*The City Council may hold a closed or Executive Session as permitted by Neb. Rev. Stat. Sec. 84-1410. Closed sessions may be held for, but shall not be limited to such reasons as:*

- 1. Protection of the public interest.*
- 2. Needless injury to the reputation of an individual.*
- 3. Strategy sessions with respect to*
  - a. collective bargaining,*
  - b. real estate purchases,*
  - c. pending litigation, or*
  - d. imminent or threatened litigation.*
- 4. Discussion regarding deployment of security personnel or devices.*
- 5. For the Community Trust created under Sec. 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster.*

Staff Contact: Robert J. Sivick, City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item X-2

### Strategy Session with Respect to a Real Estate Purchase

*The City Council may hold a closed or Executive Session as permitted by Neb. Rev. Stat. Sec. 84-1410. Closed sessions may be held for, but shall not be limited to such reasons as:*

- 1. Protection of the public interest.*
- 2. Needless injury to the reputation of an individual.*
- 3. Strategy sessions with respect to*
  - a. collective bargaining,*
  - b. real estate purchases,*
  - c. pending litigation, or*
  - d. imminent or threatened litigation.*
- 4. Discussion regarding deployment of security personnel or devices.*
- 5. For the Community Trust created under Sec. 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster.*

Staff Contact: Robert J. Sivick, City Attorney



# City of Grand Island

Tuesday, August 26, 2014

Council Session - Updated

## Item X-3

### **Strategy Session with Respect to Litigation which is Imminent as Evidenced by Communication or a Claim or Threat of Litigation to or by the Public Body**

*The City Council may hold a closed or Executive Session as permitted by Neb. Rev. Stat. Sec. 84-1410. Closed sessions may be held for, but shall not be limited to such reasons as:*

- 1. Protection of the public interest.*
- 2. Needless injury to the reputation of an individual.*
- 3. Strategy sessions with respect to*
  - a. collective bargaining,*
  - b. real estate purchases,*
  - c. pending litigation, or*
  - d. imminent or threatened litigation.*
- 4. Discussion regarding deployment of security personnel or devices.*
- 5. For the Community Trust created under Sec. 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster.*

Staff Contact: Robert J. Sivick, City Attorney