



City of Grand Island

Tuesday, October 14, 2014

Council Session

Item D-2

**#2014-BE-7 – Consideration of Council President Haase’s Request
the Council Override the Mayor’s Veto of Determining Benefits for
Sanitary Sewer District 527T; Platte Valley Industrial Park-East**

Staff Contact:

RaNae Edwards

From: Council C Haase
Sent: Sunday, October 05, 2014 4:16 PM
To: RaNae Edwards; Electeds
Subject: Agenda Request for October 14th to override the Mayor Veto's

RaNae,

I request the Mayor Veto's (provided 9/30) on the 9/23/2014 agenda items 2014-BE-6, 2014-BE-7 and resolutions 2014-307, and 2014-308, relating to the Platte Valley Industrial Park - East, Water Main Dist 458T and Sanitary Sewer Dist 527T be placed on the October 14, 2014 agenda for the Council consideration of overriding the Mayor's Veto's on the 4 items listed above.

Please consider this to be in compliance with the process identified in Resolution 2009-59.

Respectfully Submitted,

Chuck Haase, City Council President

From: RaNae Edwards
Sent: Tuesday, September 30, 2014 10:04 AM
To: Electeds
Subject: Mayor Veto

Please see attached information regarding the Mayor's veto.

RaNae Edwards
City Clerk
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Council Agenda Memo

From: Terry Brown PE, Assistant Public Works Director

Meeting: September 23, 2014

Subject: Consideration of Determining Benefits for Sanitary Sewer District 527T; Platte Valley Industrial Park-East

Item #'s: D-2 & I-3

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

Background

The Certificate of Final Completion for Sanitary Sewer District No. 527T was approved on August 26, 2014 with September 23, 2014 set as the date for Council to sit as the Board of Equalization. All work has been completed and special assessments have been calculated for the District.

Discussion

Sanitary Sewer District No. 527T was created by City Council on April 10, 2012 as a special economic development activity for development of a business/industrial park/site which will eventually be occupied by eligible benefited business(es). This was a combined project of the Public Works and Utility Departments for the installation of sanitary sewer lines, water main, and street improvements to provide municipal utility infrastructure to the Platte Valley Industrial Park Site.

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 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 was allocated to the project.

District 527T is a "tap" district. The district is located between Schimmer Drive on the north, Wildwood Drive on the south, Blaine Street on the east and the St. Joe Branch of the UPRR on the west. The district constructed an 18" gravity sanitary sewer extension from Gold Core Road to Blaine Street on the north side of Wildwood Drive, and in similar image a 15" gravity sanitary sewer extension on the south side of Schimmer

Drive. The district provides service to all interior lots within the Platte Valley Industrial Park – East. Connection fees will be collected from property owners within the district boundary as the main is tapped for service.

Work on the project was completed at a construction price of \$508,855.21. Other credited funds are (\$331,138.00) Total cost of the project is \$592,606.80. Costs for the project break down as follows:

Original Bid	\$486,953.20
Change Order No. 1	\$ 9,572.88
Miscellaneous	\$ 12,329.13
SUBTOTAL (Construction Price)	\$508,855.21

Construction Engineering Costs	\$ 83,751.59
SUBTOTAL (Engineering / Inspections)	\$ 83,751.59

State of Nebraska DED CDBG	\$(254,572.00)
Grand Island Area Economic Development Corp.	\$ (76,566.00)
SUBTOTAL (Other Funding)	\$(331,138.00)

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 cities costs break down as follows:

Total Assessed to Blattner Family Trust	\$ 47,526.22
Total Assessed to Grand Island Area	
<u>Economic Development Cooperation</u>	<u>\$213,942.58</u>
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

Public Works Administration recommends that the Council sit as the Board of Equalization to determine benefits and pass an Ordinance to levy Special Assessments to individual properties.

Sample Motion

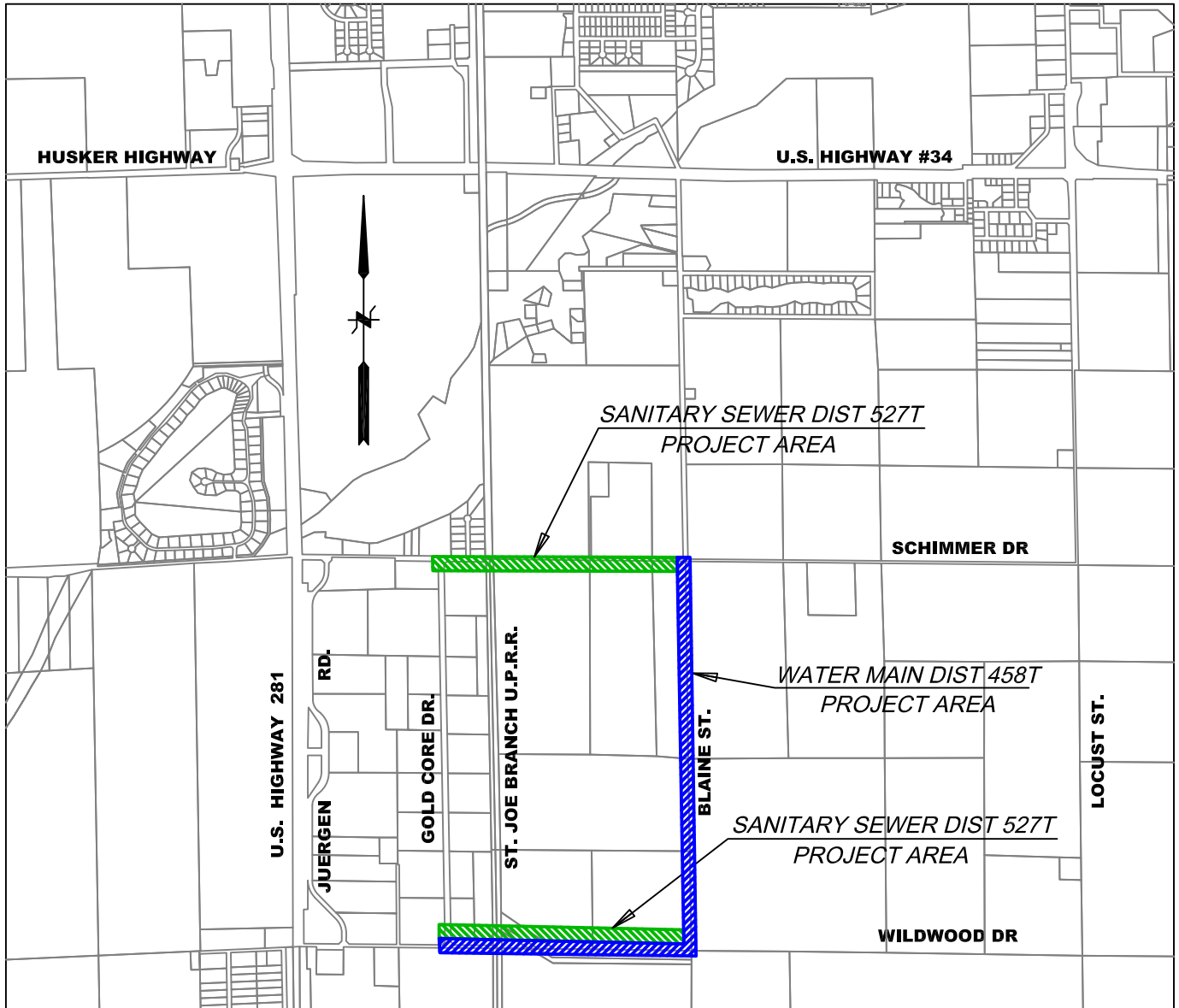
(Sample Motion for the Board of Equalization)

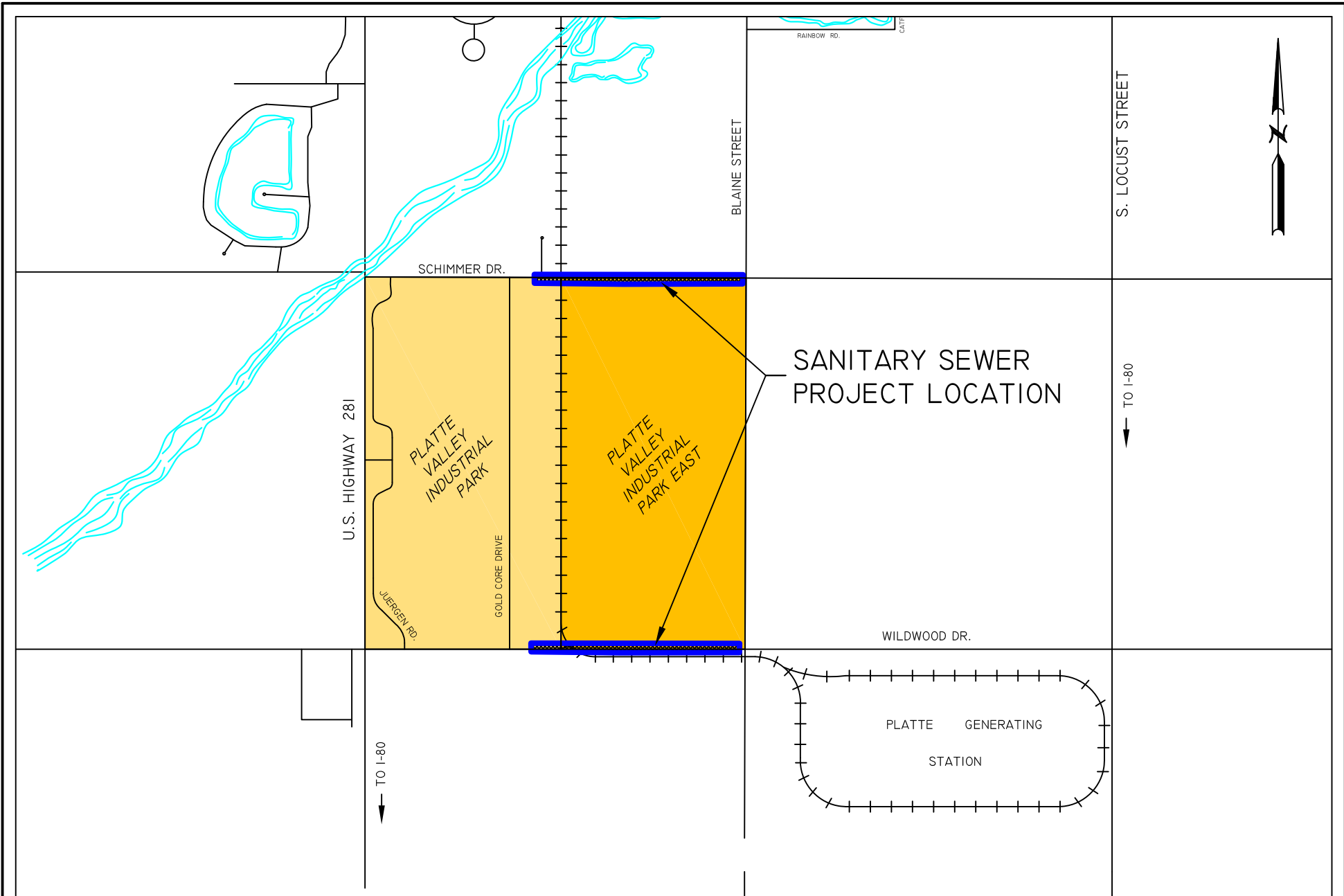
Move to approve the resolution determining benefits for Sanitary Sewer Districts 527T.

(Sample Motion for the Resolution)

Move to approve the Resolution levying the assessments for Sanitary Sewer Districts 527T.

LOCATION MAP





R E S O L U T I O N 2014-BE-7

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, sitting as a Board of Equalization for Sanitary Sewer District 527T, after due notice having been given thereof, that we find and adjudge:

That the benefits accruing to the real estate in such district 527T to be the total sum of \$261,468.80; and

Such benefits are equal and uniform; and

According to the equivalent front and area of the respective lots, tracts, and real estate within such Sanitary Sewer District No. 527T, such benefits to abutting property are the sums set opposite the several descriptions as follows:

<u>Name</u>	<u>Description</u>	<u>Assessment</u>
<u>Sanitary Sewer District No. 527T</u>		
Blattner Family Trust	Part SW 1/4, SE 1/4, Section 5, T-10-N, R-9-W Platte Valley Industrial Park Third Subdivision	\$ 47,526.22
Grand Island Area Economic Development Corporation	Part SE 1/4, SE 1/4, Section 5, T-10-N, R-9-W Platte Valley Industrial Park Third Subdivision	\$ 53,934.15
Grand Island Area Economic Development Corporation	Part N 1/2, SE 1/4, Section 5, T-10-N, R-9-W Platte Valley Industrial Park Third Subdivision	\$ 53,092.65
Grand Island Area Economic Development Corporation	Part W 1/2, NE 1/4, Section 5, T-10-N, R-9-W Platte Valley Industrial Park Third Subdivision	\$ 53,809.19
Grand Island Area Economic Development Corporation	Part E 1/2, NE 1/4, Section 5, T-10-N, R-9-W W 53-1/3 Platte Valley Industrial Park Third Subdivision	\$ 35,330.23
Grand Island Area Economic Development Corporation	Part E 1/2, NE 1/4, Section 5, T-10-N, R-9-W E 26-2/3 Platte Valley Industrial Park Third Subdivision	\$ 17,776.35
TOTAL		\$261,468.80

BE IT FURTHER RESOLVED that the special benefits as determined by this resolution shall not be levied as special assessments but shall be certified by this resolution to the Register of Deeds, Hall County, Nebraska, pursuant to Section 16-6,103, R.R.S. 1943. A connection fee in the amount of the above benefit accruing to each property in the district shall be paid to the City of Grand Island at the time such property becomes connected to the sanitary sewer main. No property benefited as determined by this resolution shall be connected to the sanitary sewer main until the connection fee is paid. The connection fees collected shall be paid into the fund from which construction costs were made to replenish such fund for the construction costs.

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Approved as to Form ✕ _____ October 10, 2014 ✕ City Attorney

Adopted by the City Council of the City of Grand Island, Nebraska, September 23, 2014.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

September 30, 2014

Members of the City Council,

With the authority entrusted to me as Mayor as provided in Grand Island City Code and Nebraska Law, I feel it is important to veto the policies approved September 23, 2014 concerning the assessments of personal property primarily owned by the Grand Island Area Economic Development Corporation (GIAEDC) and commonly referred to as Platte Valley Industrial Park East.

Therefore this veto pertains to the following: #2014-BE-6, #2014-BE-7, #2014-307 and #2014-308.

First, my history of supporting economic development in our community is well documented. I am proud of efforts leading to the Heartland Events Center, competing to become home of the Nebraska National Guard Aviation facility, legislative efforts to relocate and supporting the Nebraska State Fair to efforts supporting the passage of two LB 840 economic development elections.

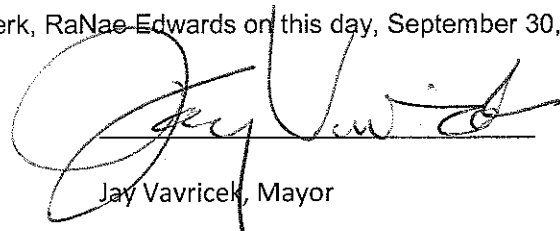
In the past four years, we can all take pride in promoting economic development success in many ways. Efforts that have led to extending the sanitary sewer lines to the Interstate, approving 19 tax increment financing proposals, redeveloping the former Aurora Coop County Industrial site, squelching railroad noise Downtown, insuring affordable housing starts, redevelopment related to the GI Mall, Five Points or along South Locust Street to gaining voter confidence to renew our City's LB 840 Economic Development Plan and yearly approval of GIAEDC annual funding requests to retain key employers.

So my objection to approving the policies from September 23, 2014 with respect to the assistance for the development of personal property pertain to the State's \$925,000 economic development grant – a substantial grant that funds 42 per cent of the City's development costs. Since we don't know the outcome of the grant's funding forgiveness, it is unreasonable and premature to set an assessment today when the City's costs may change in the future.

Secondly, we should guard the integrity of our City's LB 840 Economic Development Plan. If the State's grant requires reimbursement by the City of Grand Island, the funding is bound by our State's economic development laws and raises concerns of the ability to do so outside of LB 840. Based on consultations with the Nebraska League of Municipalities, the League shares in these concerns since the circumstances involved here have never been experienced in our State before.

Therefore, until the City's full costs are absolutely known to be true and accurate pending the grant's successful resolution, deferring assessments would be more reasonable to do. This would also insure the City does not compromise the funding limitations and the approval process in our voter approved LB840 Economic Development Plan.

This veto has been delivered and certified by the City Clerk, RaNae Edwards on this day, September 30, 2014.



Jay Vavricek, Mayor

ATTEST:



RaNae Edwards, City Clerk

9-30-14

Date

**Platte Valley Industrial Park East (PVIP-E)
Development Understanding
Chronology of Events**

- **9/9/2008:** City Council approves application on behalf of GIAEDC for Phase 1, CDBG \$75K planning study to study Cornhusker Army Ammunition Park (CAAP) for economic site development. \$75K dollar for dollar match from GIAEDC.

- **11/4/2008:** City of Grand Island was awarded Phase 1, CDBG \$75K grant.

- **1/13/2009:** City Council approves “Planning Services Agreement” outlining GIAEDC/City responsibilities of Phase 1, CDBG \$75K grant.
 - City provides Certified Grant Administration and distribution of grant funds.
 - GIAEDC provides scope of work performance and agrees to hold City harmless and reimburse City for any sums City is obligated to return to NEDED out of failure of GIAEDC to perform the conditions of the contract or failure of the project to meet the CDBG required national objective whether or not the failure to meet the national objective was caused by the act or omission of GIAEDC

- **5/10/2010:** NEDED informs GIAEDC study results indicate CAAP is not eligible for Phase 2, \$925K grant but will accept a proposal for PVIP-E as the alternative site for Phase 2 grant. The study contributed to the later decision by the GIAEDC to divest of the majority of its holdings at the CAAP.

- **7/20/2010:** Citizens Advisory Review Committee approves GIAEDC application for \$575K LB-840 Funding to be used as part of match for intent to apply for Phase 2 CDBG \$925K grant.

- **7/27/2010:** City Council approves \$575K, LB-840 Funding with understanding Phase 2 CDBG \$925K will be applied for at NEDED and “Planning Services Agreement” outlining GIAEDC/City responsibilities for phase 2, CDBG \$925K will come forward to City Council. The “Planning Services Agreement” was never brought forward to City Council.

**Platte Valley Industrial Park East (PVIP-E)
Development Understanding
Chronology of Events**

- **10/26/2010:** City Council approves application for Phase 2, CDBG, \$925K infrastructure economic development grant on behalf of GIAEDC for PVIP-E.

- **11/23/2010:** City Council approved formation of a tap district for both the water and sewer infrastructure at the PVIP-E. This was manner in which the City would be reimbursed for the \$600k it spent out of the Utility Enterprise Funds to put the infrastructure in place.

- **3/25/2011:** City receives grant contract awarded from NEDED \$925K grant.

- **5/12/2014:** Meeting at the request of NEDED regarding progress toward meeting \$925K grant requirements. Attendees included the City and GIAEDC.

- **6/17/2014:** Council study session update in preparation for negotiation of a “Planning Services Agreement”

- **8/14/2014:** Citizens Review Committee was updated on the status of the \$925 grant.

- **8/21/2014:** City Council determined a “Planning Services Agreement” was not necessary

- **9/23/2014:** Board of Equalization sat and set assessments.

- **10/1/2014:** Mayoral veto occurred.