



City of Grand Island

Tuesday, June 17, 2014

Study Session

Item -3

Platte Valley Industrial Park East-Community Development Block Grant Update

Staff Contact: Jaye Monter, Finance Director

Council Agenda Memo

From: Jaye Monter, Finance Director

Meeting: June 17, 2014

Subject: Platte Valley Industrial Park East Community
Development Block Grant Update

Item #: 3

Presenter(s): Jaye Monter, Finance Director
Randy Gard, President GIAEDC

Background

In July of 2010, the City through its LB-840 funds granted \$575,000 to the Grand Island Area Economic Development Corporation (GIAEDC) to be used for infrastructure improvements for the 280 acres of undeveloped area known as Platte Valley Industrial Park East owned by GIAEDC. In conjunction with this presentation for the use of the LB-840 fund dollars, the City also intended to apply for a \$925,000 Community Development Block Grant from the Nebraska Department of Economic Development to help with the total estimated project costs for water and sewer improvements of \$2,200,000. The \$575,000 of LB-840 dollars would be committed and used to help achieve a portion of the 1:1 match requirement of the grant.

In October of 2010 City Council approved the application of the \$925,000 Economic Development Community Development Block Grant.

In March of 2011, the City of Grand Island received award notification.

In 2012, the actual costs for water and sanitary sewer infrastructure activities were running below the estimated costs. As a result, the City requested and was granted an amendment to the grant contract to allow for the paving of Blaine Street as an additional grant activity.

In February 2013, Council also approved the use of the \$575,000 LB-840 fund dollars to assist in the matching fund requirements of the paving of Blaine Street grant activity.

In 2013, with Blaine Street paving complete, a contract amendment was requested and granted to reallocate excess funds reserved for the paving project back into infrastructure costs to ensure grant funds were utilized in its entirety.

At the June 10, 2014, City Council meeting, Certificates of Final Completion approving the complete public infrastructure improvements and Blaine Street paving were approved by City Council. This included the Sanitary Sewer District No. 527T, Water Main District 458T and Blaine Street Paving Project No 2012-P-2.

Discussion

The Economic Development CDBG-Platte Valley Industrial Park contract term runs six years from the date of signature which was March 25, 2011. Other milestone dates that fall into this six year term include:

- Two (2) years to complete the public infrastructure improvements which comprise the Project.
- Five (5) years to have an eligible Benefiting Business occupy a business facility site within the Spec Park and create at least 37 new, full-time positions. At least 51% of the jobs created must be held by, or made available to, low-to-moderate income (LMI) persons. The 37 positions must be maintained for one year from date of original hire for each of the jobs. This requirement does not indicate that the same individual must occupy the position during the one year time frame, but the 'position' remains filled with any individual that qualifies under the LMI requirements for Hall County, NE.

Within these activities, the first contract milestone requirement of infrastructure improvements has been met. The second milestone of securing an eligible business is in progress.

If by chance this final milestone has not been met by the contract deadline or an extension request has not been granted from the State of Nebraska; all or a portion of the \$925,000 would need to be repaid.

On May 12, 2014, Nebraska Department of Economic Development (NEDED) representatives came to Grand Island to collaborate with City and GIAEDC staff in regards to marketing strategies for promoting the Platte Valley Industrial Park-East to potential businesses.

Randy Gard, President of GIAEDC will present an update regarding the business development plans in progress surrounding Platte Valley Industrial Park East.

Conclusion

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.



Grand Island Area

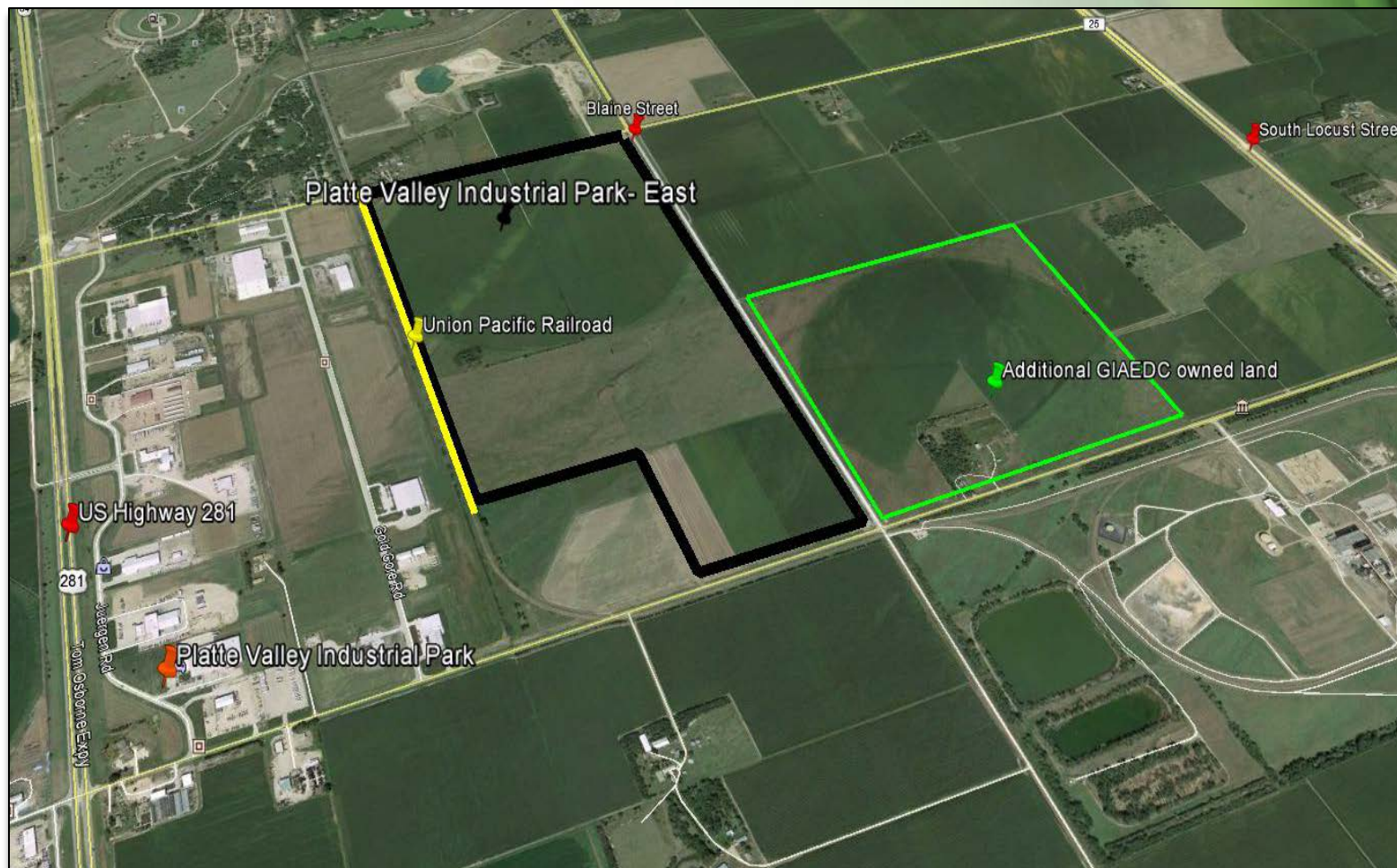
Economic Development Corporation



Platte Valley Industrial Park- East



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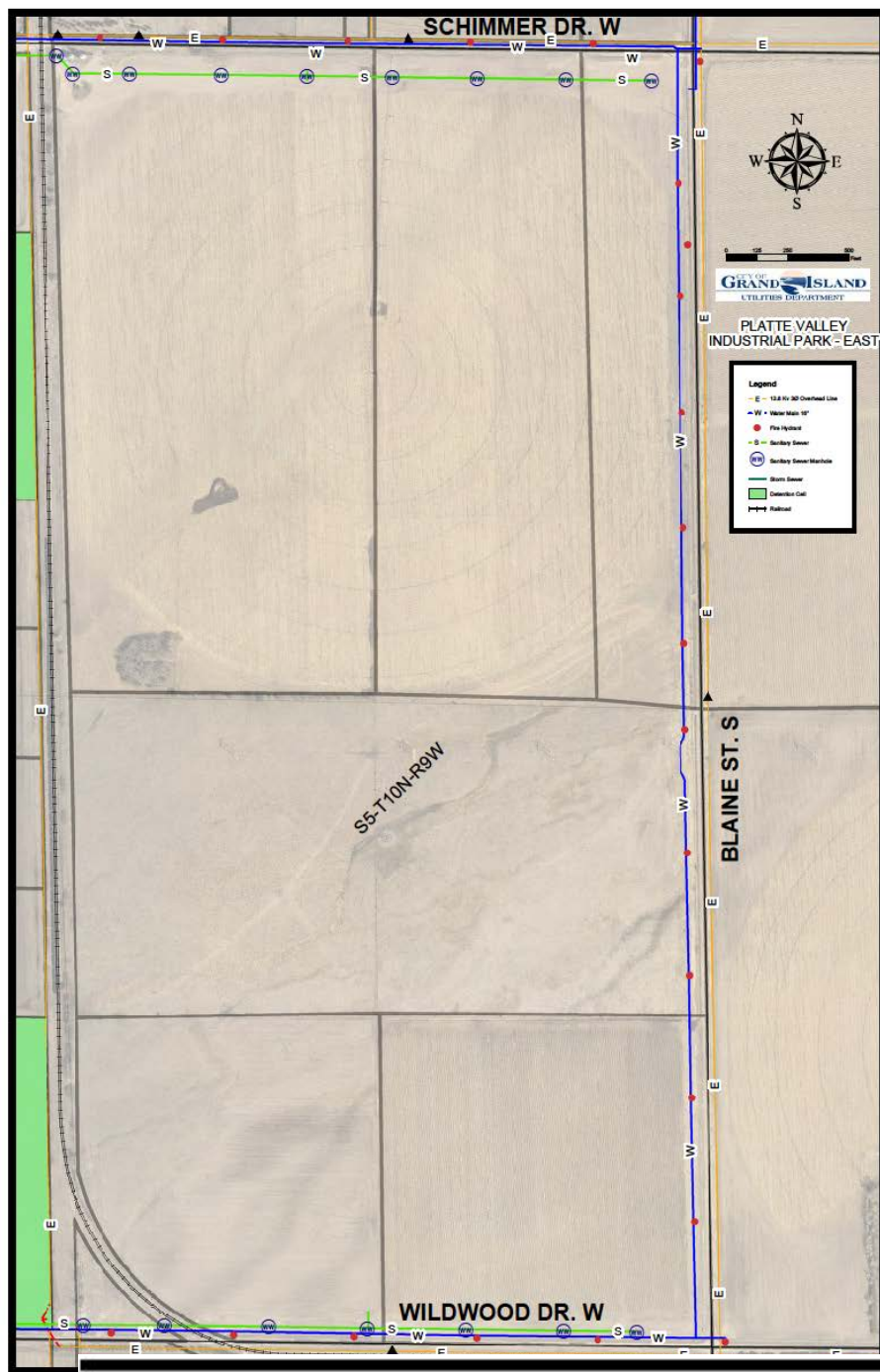
Grant Requirements



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- 37 jobs by 2016 in order to meet the one-year bench mark of 2017
- 51% of jobs must meet Federal HUD income guidelines
 - Low to moderate income for a single individual is **\$40,000 per year (\$19.23 per hour)**
 - Hall County's average per capita income per household is **\$38,972 (\$18.73 per hour)**

Source: Bureau of Economic Analysis; United States Census Bureau



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Legend

Blue = Water Main

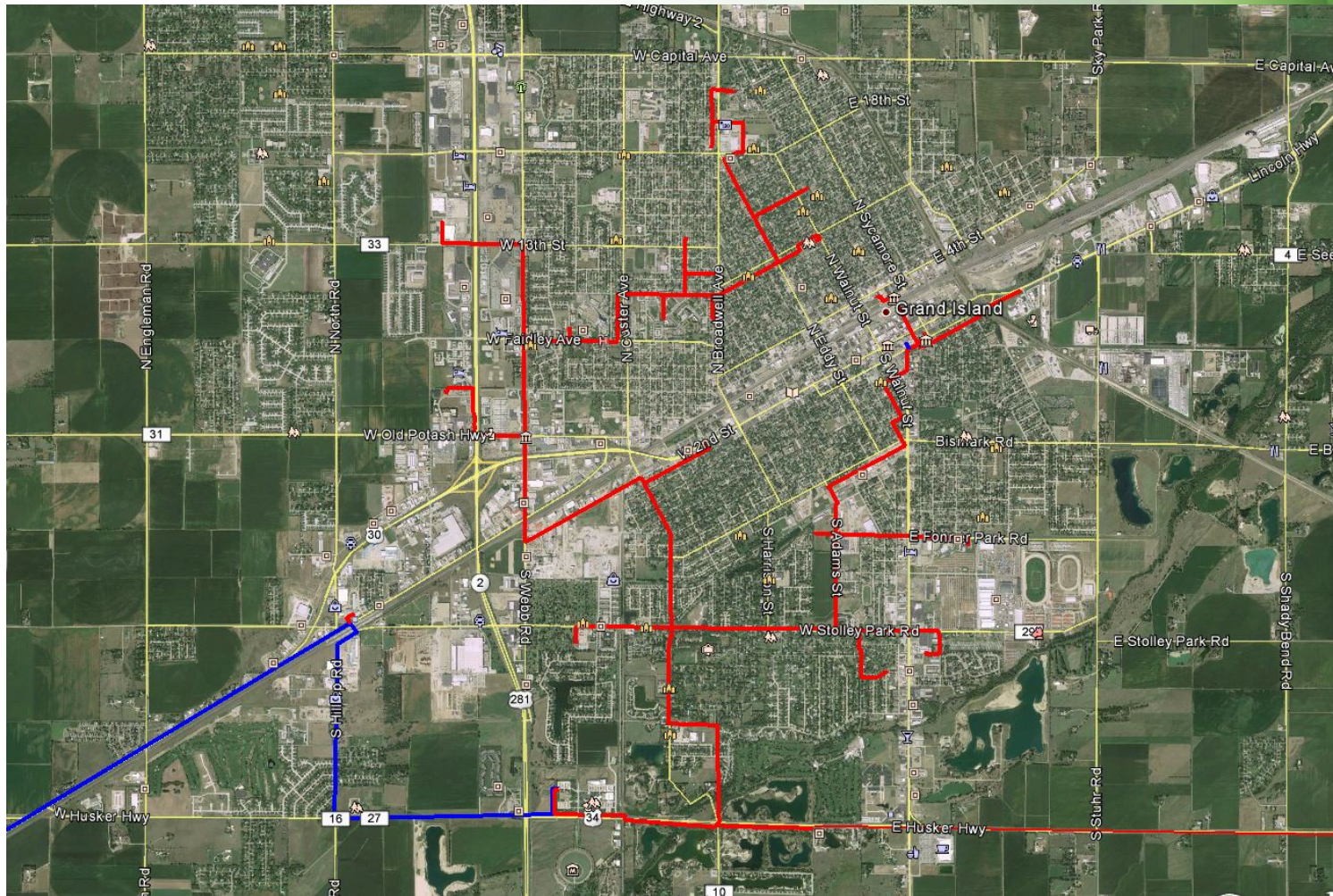
Green = Sanitary Sewer

Red = Fire Hydrants

Current Fiber Optic Infrastructure



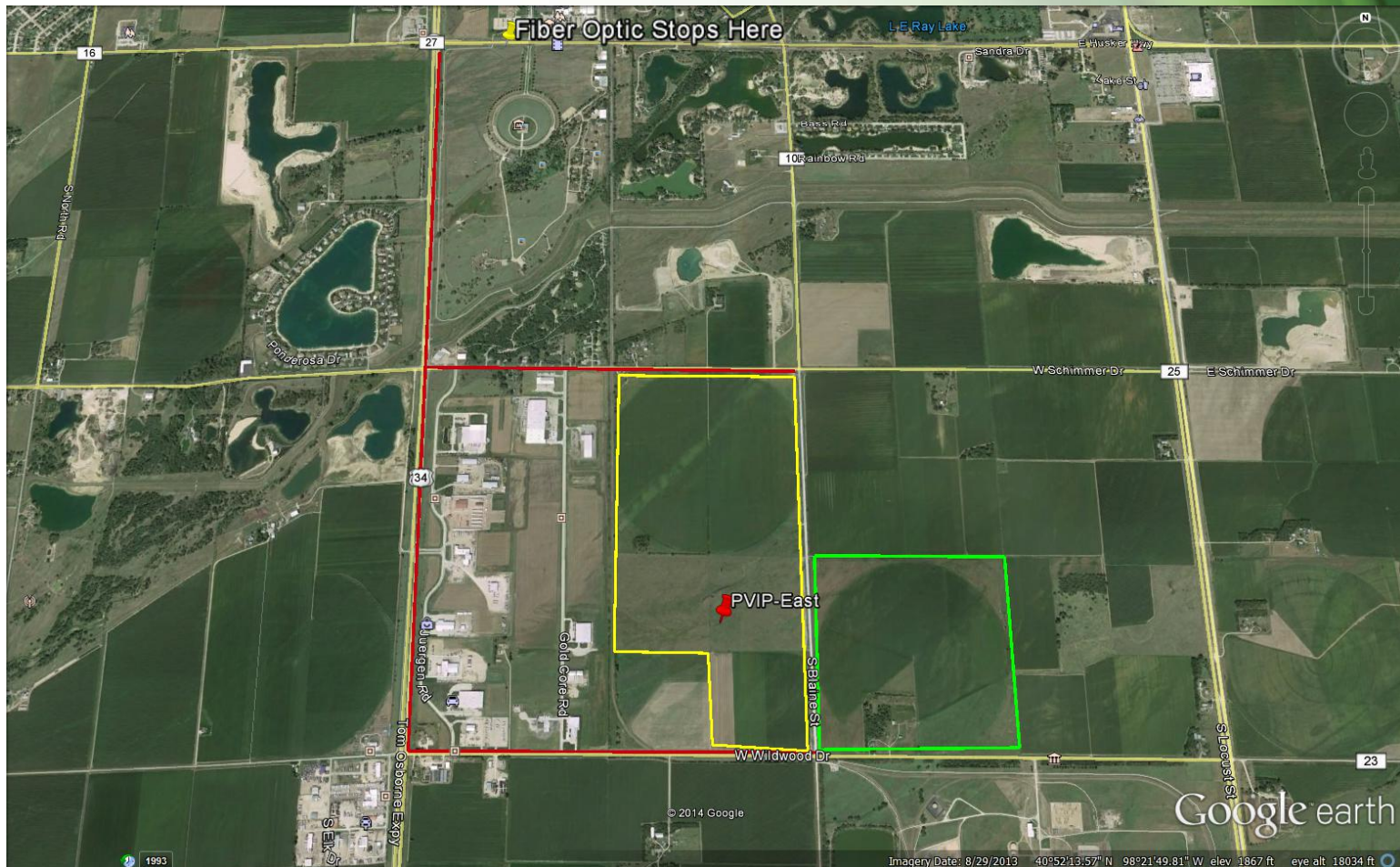
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Fiber Optic Strategy



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Enhanced Marketing Approach



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State Level

- Offered office space at GIAEDC for State DED representatives
- All electronic marketing materials
- Enhanced staff training
- Site / community visits with DED
- Increased communication regarding State issued project proposals
 - Receive candid, constructive feedback on all proposals

National Level

- Marketing “reset”
 - Business Expansion
 - Market directly with Site Selection companies
 - Attend 6 tradeshows, representing GIAEDC
 - Warehousing
 - Transportation
 - Manufacturing
 - Logistics
 - Automotive
 - Food Processing
 - Receive company contacts/ leads from trade shows

Marketing Materials



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Extension Options

- If 37 jobs are not secured by 2016, an extension through the State DED is possible.
 - Must have a project in play
 - Supporting documentation
 - Purchase agreement
 - LB-840 application



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We are Here!





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