



City of Grand Island

Thursday, August 21, 2014

Special Meeting - Updated

Item I-1

#2014-233 - Consideration of Approving Project Implementation Agreement with Grand Island Area Economic Development Corporation - Platte Valley Industrial Park East - Community Development Block Grant Phase 2

Staff Contact: Robert J. Sivick, City Attorney

Council Agenda Memo

From: Jaye Monter, Finance Director

Meeting: August 21, 2014

Subject: Consideration of Approving Project Implementation Agreement with Grand Island Area Economic Development Corporation-Platte Valley Industrial Park East - LB840 - Community Development Block Grant Phase 2

Item #'s: I-1

Presenter(s): Jaye Monter, Finance Director
Robert Sivick, City Attorney

Background

At the June 17, 2014 study session, Finance Director Jaye Monter and Grand Island Area Economic Development Corporation (GIAEDC) President Randy Gard presented information to City Council concerning the status and obligations including consequences if all requirements of a Phase 2 \$925,000 Community Development Block Grant (CDBG) from the Nebraska Department of Economic Development (NEDED) the City applied for on behalf of GIAEDC are not met.

If the GIAEDC should fail to create 37 new jobs at the Platte Valley Industrial Park East by March 25, 2016, the City Of Grand Island will need to repay the \$925,000.

The Phase 2 \$925,000 CDBG was sought by the GIAEDC to offset development costs for tracts of land owned by GIAEDC known as Platte Valley Industrial Park East. The Phase 2 \$925,000 grant required a 1:1 match, therefore the GIAEDC approved and submitted an application to themselves under the city's LB-840 economic development plan seeking \$575,000 to be used as a portion of the financial match requirement.

On July 20, 2010, the Citizens Advisory Review committee approved the LB-840 application and on July 27, 2010, City Council approved the \$575,000 economic development agreement between the City and the GIAEDC for use of LB-840 fund dollars. As a condition of the funding request presented to City Council, an implementation plan agreement would occur between the City and the GIAEDC at a later date when details were available to "define the responsibilities of the parties involved".

The LB-840 grant application from the GIAEDC was unanimously approved with that understanding.

Discussion

Since the June 17, 2014 study session to City Council, city administration and the legal department have attempted to seek cooperation with the GIAEDC to define the responsibilities in an implementation plan. Those efforts have been rejected by the GIAEDC and its President Randy Gard.

On August 14, 2014, the Citizens Advisory Review Committee was advised of this situation due to the committee's oversight of LB-840 economic development plan funding requests and in conjunction with the GIAEDC's LB-840 semi-annual report review to be presented to City Council August 26, 2014.

A timeline of events including supporting documentation of communication efforts and proposed implementation agreement is extended for council consideration. City Administration, Finance and Legal Departments have diligently sought compliance addressing this matter of future outcomes and responsibilities and now seek the Council's guidance on the matter.

If an implementation agreement is not reached between GIAEDC and the City Of Grand Island, the City Of Grand Island will need to budget for the reimbursement to the NEDED for the \$925,000 in the 2015-2016 budget. If and when the reimbursement does occur, does this action constitute noncompliance of the LB-840 agreement and place GIAEDC subject to reimbursement of the \$575,000 economic funding to the City Of Grand Island as would be the case with any other applicant in noncompliance of its LB-840 agreement with the City?

Alternatives

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

1. Approve resolution 2014-233 directing City staff to pursue negotiations with the GIAEDC to draft a Project Implementation Agreement and present to the City Council at the October 14, 2014 City Council meeting.
2. Postpone the request.
3. Take no action.

Recommendation

City Administration recommends Council approve resolution 2014-233.

Timeline of Events

- **11/4/2008:** City Council approves application Phase 1, CDBG \$75K planning study on behalf of GIAEDC to study Cornhusker Industrial Park for economic site development. \$75K dollar for dollar match from GIAEDC.
- **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 understanding study results will not allow Cornhusker Industrial Park to obtain Phase 2, \$925K but will accept a proposal to accept Platte Valley Industrial Park East as alternative site for Phase 2 grant.
- **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.
- **10/26/2010:** City Council approves application Phase 2, CDBG, \$925K infrastructure economic development grant on behalf of GIAEDC for Platte Valley Industrial Park East.
- **3/2011:** City receives grant award notification from NEDED of \$925K grant.
- No “Planning Services Agreement” outlining responsibilities of GIAEDC and City for Phase 2, CDBG, \$925K was ever brought forward to City Council for approval.

PLANNING SERVICES AGREEMENT

THIS AGREEMENT made and entered into this 13th day of January, 2009, by and between Grand Island Area Economic Development Corporation hereinafter called GIAEDC, and the City of Grand Island, Nebraska, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, the City of Grand Island and GIAEDC applied for grants to fund planning activities for the development of a speculative business/industrial park site near Grand Island; and

WHEREAS, it would be more efficient to have GIAEDC carry out the planning activities set forth in the grant award documents rather than duplicate efforts.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the GIAEDC for itself, and its successors, as follows:

ARTICLE I. That the GIAEDC shall furnish all equipment, superintendence, transportation, labor and services related to planning activities in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions as listed in the attached **COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT NO. 08-ED-009 DATED NOVEMBER 13, 2008** and in the attached **SCOPE OF WORK** as Submitted by the GIAEDC for EDA project funds; said documents forming the agreement and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this agreement to the said GIAEDC, such award being based on the acceptance by the City and the Nebraska Department of Economic Development's approval;

ARTICLE II. That the City will provide Certified Grant Administration and shall facilitate the distribution of grant funds in an amount not to exceed \$75,000 as identified in the contract between the City and the Department of Economic Development for activities outlined in Article I to the GIAEDC for the performance of the work embraced in this agreement and the GIAEDC agrees to hold the City harmless and reimburse the City for any sums the City is obligated to return to the Nebraska Department of Economic Development or for any other claim by any other governmental agency, person, or entity arising out of the 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.

ARTICLE III. The GIAEDC hereby agrees to follow all standards, recordkeeping, and reporting requirements of the applicable Federal and State agencies in performing the grant project including, but not limited to, purchasing goods and services for this project.

ARTICLE IV. That GIAEDC shall start work as soon as possible after the agreement is signed and approved by all necessary parties.

ARTICLE V. GIAEDC agrees to comply with all applicable State fair labor standards in the execution of this agreement. GIAEDC further agrees to comply with the provisions of State law pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this agreement, GIAEDC and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis of race, color, religion, gender, national origin, age or disability. GIAEDC agrees to comply with all applicable Local, State and Federal rules and regulations.

ARTICLE VI. City Code states that it is unethical for any person to offer, give or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

IN WITNESS WHEREOF, the parties hereto have executed this Services Agreement as of the date and year first above written.

Grand Island Area Economic Development Corporation

By Marlan Ferguson
Marlan Ferguson
Title President
Director

CITY OF GRAND ISLAND, NEBRASKA,

By Margaret Hornady
Margaret Hornady, Mayor
Attest: RaNae Edwards
RaNae Edwards, City Clerk

The contract is in due form according to law and is hereby approved.

Wesley D. Nespor
Wesley D. Nespor, Assistant City Attorney

EXHIBIT II.A.

SCOPE OF WORK

Grantee: Grand Island Area Economic Development Corporation (GIAEDC)

Project Number:

The recipient will perform the following activities:

1. Requests for Proposal/qualification process:
 - a. The GIAEDC will competitively solicit an RFP/RFQ from consultants to complete the scope of work.
 - b. The GIAEDC will negotiate with, and contract consultant(s) to perform the duties associated with each task in the scope.
 - c. The GIAEDC will provide EDA a copy of the RFP/RFQ and top qualified consultant for consideration and approval prior to signing the contract.

2. Strengths and Weaknesses / Workforce Analysis
 - a. Asses the GIAEDC area's strengths and weaknesses for the most important economic development characteristics from a professional site selector's viewpoint. The objective will be to identify industries that will find the area most attractive. The consultant will assess economic development characteristics in the area necessary to compete for new jobs, capital investment and new tax base. The assessment will include information on labor cost/availability, labor/management relations, training needs, transportation and utility issues, land use issues and other business costs and conditions.
 - b. Workforce Availability & Quality: A labor availability and quality characteristics assessment will be completed. Key characteristics to be included are: Skills availability, turnover & absenteeism, attitudes – on the job, trainability, basic skills, commutations, productivity, and accuracy among others that may be identified by the consultant.
 - c. Sites: The area will be assessed for competing industrial parks including other surrounding counties. An evaluation of land uses and marketability of key properties from a site selector's viewpoint should be completed. A list of key points and conclusions should be identified.
 - d. Training & Education: Assess training and education capabilities from a selection/relocation perspective. Possible information sources are: Community College, Public training/placement, private employment agencies, and secondary education. Information collected should include: work placement data, training/retraining opportunities, rating

comparisons, cooperation between providers and the business community. A list of key points and conclusions should be completed.

- e. Area Business Climate & Infrastructure: Assess the local business climate in terms of municipal services, government services, permitting and infrastructure and develop a list of key points and conclusions.
- f. Incentives: Assess incentives in the area. Develop a list of key points and conclusions, based upon incentives used in attracting industry in other areas of the region.
- g. Utility Costs: Compare local rates versus other cities in the region for water, sewer, electrical and other utilities.
- h. Transportation & Access: Assess this area from a site selection viewpoint and develop a list of key points and conclusions.
- i. Housing/cost of living: Compare housing and cost of living data in this area with other areas in the region.

3. TARGET INDUSTRY ASSESSMENT

- a. Evaluate industry location and growth trends in the region in recent years, in order to determine which type of industries has exhibited recent location/expansion activities.
- b. Conduct a skill needs assessment of identified "high" activity level industry clusters.
- c. Select the "best fit" target industries, which have exhibited the following characteristics:
 - aa. Significant relocation and/or expansion activity as evidenced by actual facilities and strong growth characteristics.
 - bb. Have specific skill needs which match the Grand Island/Hall County skills and training.
 - cc. Exhibit a tendency to locate in areas that are similar to the GIAEDC.
- d. Conduct a supplier/customer analysis for the top targets selected. This will determine additional potential prospect types.
- e. Select industrial targets that would be particularly suited for the CIP site. Document all information and develop key conclusions from this analysis.

4. HIGHEST AND BEST USE EVALUATION

This analysis should include:

- a. Developing viable alternative uses and possible mixed uses
- b. Evaluating market demand
- c. Reviewing competing properties, rents, and sales
- d. Quantifying conversion costs
- e. Creating feasible financial projections and detailed assumptions.
- f. Assessing risk/reward tradeoffs
- g. Preparing key statistical data and supporting narrative information
- h. Developing presentation material, proposals, and reports.

5. SITE DEVELOPMENT PLANNING

Work with engineers and land planners to provide a comprehensive site development plan that incorporates the following essential elements:

- a. A comprehensive physical and operational master plan designed to accommodate industry including: land cost, aesthetics, site readiness, traffic circulation, access roads, permitting, zoning, environmental services, geotechnical services, rail access, storm water, industrial pretreatment, waste treatment and disposal, surveying, construction administration, and utilities.
- b. Compatibility among industrial and other potential operations in the park
- c. Compatibility between all park uses, and existing activities and character of the community
- d. Design controls:
 - aa. Streets designed for trucks and other traffic
 - bb. Lot size minimums
 - cc. Land area, building coverage ratio minimums
 - dd. Architectural control provisions
 - ee. Landscaping provisions
 - ff. Specific use requirements
- e. Openness and park-like character
- f. Harmonious integration into the neighborhood
- g. Zoning to protect surrounding area
- h. Development of park covenants to protect the environment, aesthetics, park users, and compatibility with the community

6. MARKETING PROGRAM AND INCENTIVES ANALYSIS

- a. Determine the marketing and competitive incentive programs that will best promote development of the CIP, and enhance the economic development of the entire area.
- b. Review existing marketing programs and material in the region and state, and provide recommendations, action plans and budgets for the marketing of the CIP
- c. Analysis existing incentive programs in the region and state
- d. Consider potential location or zone specific incentive program (Foreign Trade Zones, Enterprise, and others)
- e. Provide recommendations and action plans for enhancing the existing incentive programs, and establishing new cost-effective incentive programs that will improve the marketability and appeal of the property.

7. BUSINESS PLAN

- a. Evaluate the financial feasibility of developing and sustaining the CIP. Present typical approaches for both development and financing strategies.
- b. Prepare a detailed pro-forma for total and phased build out of the CIP as outlined in the GIAEDC's business plan.
- c. Propose a two year start-up operating budget that accounts for staffing; operating and marketing costs. Budgets should be correlated to viable funding options and availability of capital.
- d. Outline the most promising models for GIAEDC, County, City, and private sector development partnership and funding options.

8. ENVIRONMENTAL REVIEW

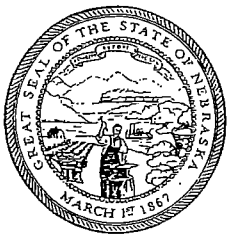
Review reports and studies completed by the Army Corp of Engineers and the EPA and provide a detailed report.

9. IMPLEMENTATION OR PHASING PLAN

- a. Propose a phased plan for implementing the steps and achieving the goals identified by the study.
- b. Highlight key action items and important next steps.
- c. Propose a timeframe over which we should measure and anticipate success.

10. REPORTING

- a. Submit a mid-point progress report, draft and final report to EDA addressing the scope of work. The final report will follow the final report guidelines provided by EDA.
- b. May also provide an oral report to EDA staff at the completion of the project.
- c. Document in the report the process in completing the scope of work and point out key elements that can be replicated by others.



Dave Heineman
Governor

STATE OF NEBRASKA

DEPARTMENT OF ECONOMIC DEVELOPMENT

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May 20, 2010

Marlan Ferguson
GIAEDC
PO Box 1151
Grand Island, NE 68802

RE: CDBG #08-ED-009, Planning - Industrial Site

Dear Marlan,

Thank you for informing us that the planning study conducted on the Cornhusker Industrial Park has been completed by Wilbur Smith and submitted to EDA. It is unfortunate the study presented so many challenges, timing issues, infrastructure needs and excessive costs to complete the development of the park. Due to these factors we understand your consideration to develop an industrial site at a different location.

Our department is supportive of the EDC Board and City wanting to develop the Platte Valley Industrial Park East as an alternative. The strengths you listed for this alternative site make it an attractive location for prospective businesses. We remain open to discussing Phase 2 of this CDBG application which is the development of an industrial site. Now that the study is done, we would like the City/GIADC to proceed with preparing a proposal on developing the Platte Valley site with CDBG funds. Our discussions have focused on the potential of \$1 million being available to invest in an industrial site, and we have already awarded \$75,000 for the planning study.

Cheryl Brandenburgh will remain your contact for preparing Phase 2 of the application, and Dave Honz will remain your contact for the administration of the CDBG grant. We would like to keep the process moving forward and get the \$975,000 CDBG application for Phase 2 completed within the next 90 days.

Sincerely,

Lara Huskey
Director
Community and Rural Development Division

Cc: Cheryl Brandenburgh
Dave Honz
Bob Doty
Gary Hamer
Dan Curran
DED project file
Jeff Pederson, City Administrator
Joni Kuzma, Grant Administrator



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. **Applicant Business Name** Grand Island Area Economic Development Corp.

Address 308 North Locust, STE 400

Telephone () 381-7500

Email Address mferguson@grandisland.org

Business Contact Person Marlan Ferguson, President

Telephone () _____

2. **Business Organization:** Corporation Partnership
 Proprietor Other

3. **Business Type:** Startup Existing
 Business Buyout Spec Building
 Other _____

4. **Project Location:** Within the city limits of Grand Island, Nebraska
 Outside the city limits, but within the 2 mile zoning jurisdiction
 Outside the zoning jurisdiction of Grand Island in (county) _____

5. **Purpose of the Project:** This Application is made for funds to be used exclusively for Public Works Improvements at Platte Valley Industrial Park East which is owned by Applicant. The use of LB 840 Funds for this purpose is specifically authorized by the provisions of subparagraph 2) of paragraph B of Section III of the City of Grand Island Economic Development Program to provide

infrastructure for "qualifying businesses" defined in that program. Section 18-2705 of the Local Option Municipal Economic Development Act (known as LB 840) provides that assistance may be given to "qualifying business ... without regard to whether that business is identified at the time of the project or program is initiated or is to be determined by specified means at some time in the future."

Platte Valley Industrial Park East consists of 280 acres bounded on the North by Schimmer Drive, on the East by Blaine Street and on the South by Wildwood Drive and on the West by Platte Valley Industrial Park which is now developed.

Platte Valley Industrial Park East is one of the most often visited new industrial sites in the entire State of Nebraska. Prospective businesses show great interest in the site's access to US Highway 281, its proximity to I-80, and the City of Grand Island as well as access to railroad transportation. Their interest is enhanced by the eligibility of the site for tax increment financing and the over-all plan for the Park's development.

This public works project will benefit all businesses which are hereafter located in Platte Valley Industrial Park East. Applicant states that it will sell parcels of that Industrial Park only to "qualifying businesses" under LB 840. They will be specifically identified at the time of their purchases.

6. **Project Description:** Platte Valley Industrial Park East is presently undeveloped. The plan for its development includes paving Blaine Street with concrete, resurfacing Schimmer Drive and Wildwood Drive with asphalt paving, providing for storm water drainage to the Wood River Flood Control Diversion, as well as providing City water and sanitary sewer.

The staffs of the appropriate City offices and the Applicant have agreed that the entire development cost is too much to bear at once and that the highest priority must be given to providing City water and sanitary sewer. This Application is for funds to meet those needs. They have also agreed that this Application should be based upon providing:

(1) The City water system will be extended from its present termination at the intersection of Schimmer Drive and Blaine Street South along Blaine Street to Wildwood Drive and then West along Wildwood Drive to Gold Core Drive where it will form a loop by connecting to the City water at that place. This loop is necessary to provide continuous water pressure required by the City's Fire Department. This will also lower fire insurance rates. (Engineering is now under way West of South Locust Street to provide a City water loop near Riverside Lodge.)

(2) The City Sanitary Sewer System is to be extended along Schimmer Drive to Blaine Street and along Wildwood Drive to Blaine Street which will make it serviceable to Platte Valley Industrial Park East on both its North side and its South side.

FINANCING

The State of Nebraska has provided the Applicant and the City with a Community Development Block Grant making Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00) available for public works at the Platte Valley Industrial Park East provided that the Applicant and the City match the Grant with another Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00).

The cost of providing the extension of City Water (One Million Two Hundred Thousand and No/100 Dollars) (\$1,200,000.00) and the City Sanitary Sewer (One Million and No/100 Dollars) (\$1,000,000.00) are estimated to cost a total of Two Million Two Hundred Thousand and No/100 Dollars) (\$2,200,000.00). The Application of the existing available balance of Five Hundred Seventy-five Thousand and No/100 Dollars (\$575,000.00) of LB 840 Funds to the Water and Sewer Infrastructure with the City contributing an additional Seven Hundred Thousand and No/100 Dollars (\$700,000.00) and the State's Nine Hundred Twenty-five Thousand and No/100 Dollars (\$925,000.00) Grant will provide the startup money of Two Million Two Hundred Thousand and No/100 Dollars (\$2,200,000.00).

Therefore, the Grand Island Area Economic Development Corporation requests that Five Hundred Seventy-five Thousand and No/100 Dollars (\$575,000.00) of LB 840 Funds be used for the Water and Sanitary Improvements, subject the project being approved for construction by the City of Grand Island.

7. **Project Timetable:** Some preliminary engineering has already been completed. Once approved, the project will commence and be completed within a one (1) year period.
8. **Financing/Incentives Requested:** The Grand Island Area Economic Development Corp. is asking for \$575,000 for part of matching funds under a State Community Development Block Grant for infrastructure for the development of Platte Valley Industrial Park East.

NOTE: Additional Information may be required and made part of this application by attachment.

To the best of my knowledge, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporation (GIAEDC).

By: Marian Ferguson
Marian Ferguson

President
Title

Date: 06/10/2010

Grand Island Area Economic Development LB-840 Project Application

Project Name: Platte Valley Industrial Park East

Date Referred to Grand Island Area Economic Development Board: June 10, 2010

Approved: X Disapproved: _____ Date: June 10, 2010

Comments: _____

Signature of Officer: Roger Bullington
Roger Bullington, 2nd Vice Chairman

Date Referred to Citizen's Review Committee: July 20, 2010

Approved: X Disapproved: _____ Date: July 20, 2010

Comments: _____

Signature of Chairman: Mark Stelk
~~John Renter~~ Mark Stelk.

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Margaret Hornady

RESOLUTION 2010-207

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

WHEREAS, Grand Island Area Economic Development Corporation (GIAEDC) has applied for a forgivable loan in the amount of \$575,000.00 towards Public Works Improvements at the Platte Valley Industrial Park East from the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program; and

WHEREAS, such application has been approved by the executive committee of the Economic Development Corporation and was approved on July 20, 2010 by the Citizens Advisory Review Committee; and

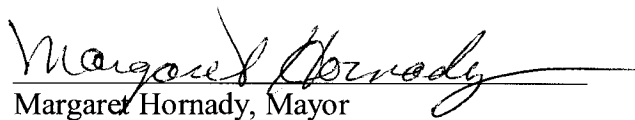
WHEREAS, it is in the best interests of the City to provide economic development funding to the Grand Island Area Economic Development Corporation as provided by the Grand Island Economic Development Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Economic Development Agreement by and between the City and the Grand Island Area Economic Development Corporation to provide \$575,000.00 in economic assistance to Grand Island Area Economic Development Corporation, to be used for Public Works Improvements at the Platte Valley Industrial Park East in Grand Island is hereby approved.

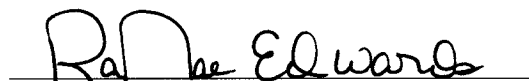
BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

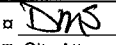
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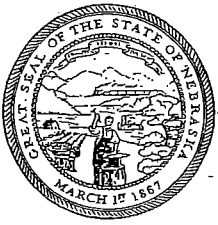
Adopted by the City Council of the City of Grand Island, Nebraska, July 27, 2010.


Margaret Hornady, Mayor

Attest:


RaNae Edwards, City Clerk

Approved as to Form	<input checked="" type="checkbox"/>	
July 26, 2010	<input checked="" type="checkbox"/>	City Attorney



STATE OF NEBRASKA

Dave Heineman
Governor

DEPARTMENT OF ECONOMIC DEVELOPMENT

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January 25, 2013

Jay Vavricek, Mayor
City of Grand Island
P.O. Box 1968
Grand Island, NE 68802-1968

RE: CDBG #08-ED-009 / Planning - Industrial Site, Performance Monitoring Review
CDBG #10-ED-010 / Platte Valley Industrial Site, Performance Monitoring Review

Dear Mr. Vavricek:

This is a status report of the monitoring compliance review conducted December 11, 2012 at the City Offices on the above CDBG grants. Tonja Carey and Marco Floreani made the files available and provided information during the review. We made a site visit with Marlan Ferguson & Terry Brown to review improvements to the industrial property and discussed the paving of Blaine Street that is scheduled for this spring. The status for each program area that was monitored is reported.

National Objective Compliance – To be determined

The proposed National Objective for both of these grants is LMJ (low-moderate-income jobs) and the job requirements are the creation of 37 new jobs, of which at least 51% will be held by or made available to low-to-moderate income (LMI) persons.

CDBG #08-ED-009, This project requires 3 jobs for our \$75,000 CDBG investment.

CDBG #10-ED-010, This project requires a minimum of 34 jobs for our \$935,000 investment.

The City will have to provide any business that locates on the site an Employee Certification Form that includes information on income. Persons hired will need to complete the form, and the City will need to document job creation and compliance with LMJ National Objective.

Program Progress - Satisfactory Performance

CDBG #08-ED-009, This project was a grant to the City to fund a planning study of industrial property and has been completed. The two-year CDBG contract period was from November 12, 2008 to November 12, 2010. The total CDBG award was \$75,000, and was used to pay for the planning study. All CDBG funds from this grant were drawn down and expended.

CDBG #10-ED-010, This project is a grant to the City to develop an industrial site in the Platte Valley Industrial Park East. The water and sewer infrastructure have been completed. The paving of Blaine Street is expected to be completed by summer of 2013. The contract period is from March 25, 2011 to March 25, 2017, six years to get the site ready and locate a business that will create the required jobs. The total CDBG award is \$935,000 of which \$925,000 is for water, sewer, and street paving, and the remaining \$10,000 is for administrative expenses.

Environmental Review - Satisfactory Performance

CDBG #08-ED-009, The planning activity is Exempt from NEPA review requirements and the City submitted a Determination of Level of Review, signed by the mayor showing the project as Exempt.

CDBG #10-ED-010, The environmental review record for this project was challenging, and our Department did not accept initial submissions from the city as they were not prepared correctly, nor did they have proper publications and comment periods. The environmental review record identified the project as having no significant impact on the environment. An Environmental Assessment was determined to be needed. The project site contained wetlands so the city followed the "8-Step Process" that was required. The City published the required notices for the FONSI and Request for Release of Funds. Our Department received the Request for Release of Funds and Certification that was signed by the mayor. We issued a Release of Funds after the comment periods expired.

General Files/Documents - Satisfactory Performance

The project files for both grants were in order and complete. The city held public hearings on the applications and no citizen complaints were noted.

CDBG #10-ED-010, The city requested an amendment to this grant, to add street paving (Blaine St.) as part of the project. The city followed the proper procedures and the request was approved.

Financial Management - Satisfactory Performance

Internal Control: The accounts payable clerk prepares invoices for city council meeting and claims are presented to council. The checks for payments are prepared after council approval and then sent to vendors. CDBG funds are drawn down as reimbursement to city's accounts.

Cash Management: The City requests CDBG funds after paying all claims. CDBG funds are wired to the city's account at Wells Fargo and then transferred to the appropriate account. I reviewed the timing of when CDBG funds were received and when they were paid and found it was satisfactory.

Accounting Records: The City maintains documentation of project costs and submitted this with each draw down. The matching funds are being injected into the projects at the correct ratio for each activity.

Audits: The City conducts an annual audit each year. The audit is on file.

Procurement - Satisfactory Performance

CDBG #08-ED-009, The City used the Grand Island Area Economic Development Corp (GIAEDC) as a sub-recipient for this grant. GIAEDC used a competitive negotiation process to select a firm to complete a Planning Study. They advertised in the newspaper and submitted RFPs to more than six firms. They evaluated responses received and interviewed firms before selecting Wilber Smith Associates to conduct the study.

Professional Services Contracts - Satisfactory Performance

CDBG #08-ED-009, GIAEDC executed a service agreement with Wilber Smith Associates after the Notice of Approval. Applicable terms and conditions were included in the contract.

Fair Housing/Equal Opportunities - Satisfactory Performance

Program Beneficiaries: None to date. The City will need to collect data by having employees complete an income survey that includes questions on race and gender. This data will need to be reported on the Project Status Reports after a business locates to the industrial park.

Fair Housing: The City undertakes a proactive approach to addressing the issue of Affirmatively Furthering Fair Housing (AFFH). The City passed a Fair Housing ordinance; has Fair Housing brochures in city hall; and Fair Housing promotions on GI-TV. The City also participated in Community Development week activities.

Section 504: OK - Monitored under previous grants.

Job Creation - To be determined

The project has requirements of 37 new jobs created at the industrial site. The city will have to locate a business(es) that will create 37 jobs by March 25, 2017 and maintain them for one year.

Performance and Capacity Considerations - Satisfactory Performance

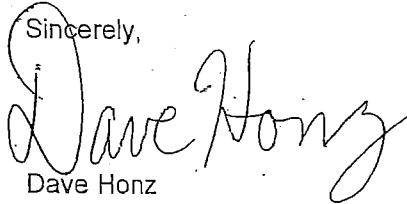
The City is implementing the projects as specified in the approved applications and grant agreements. The City staff demonstrates adequate administrative capacity to implement the projects.

Summary Response

This monitoring report identified Satisfactory Performance so far in all areas of review. The Department is hopeful the City and GIAEDC are successful in locating a business to this industrial site soon. The files maintained by the City of Grand Island are organized, complete for source documentation, and easily accessible for locating records.

I would like to thank Tonja Carey and Marco Floreani of the City for making the files available and providing information during the review. I also want to thank Marlan Ferguson and Terry Brown for showing us the site and explaining the progress made at the site. If you have any questions, please call me at (402) 471-3763, or email me at dave.honz@nebraska.gov.

Sincerely,



Dave Honz
Community and Rural Development Division
Department of Economic Development

Copies: Marco Floreani, Tonja Carey, City of Grand Island
Marlan Ferguson, GIAEDC
DED → CDBG files



Office of City Attorney
Robert J. Sivick, City Attorney
Stacy R. Nonhof, Assistant City Attorney
rsivick@grand-island.com
stacyvn@grand-island.com

Working Together for a
Better Tomorrow. Today.

July 22, 2014

Randy Gard
President
Grand Island Area Economic Development Corporation
123 North Locust Street, Suite 201
Post Office Box 1151
Grand Island, Nebraska 68802-1151

HAND DELIVERED

Re: Community Development Block Grant 10-ED-010 - Platte Valley
Industrial Park East - Implementation Agreement

Dear Mr. Gard:

As you know, during the June 17, 2014 meeting of the Grand Island City Council the Council was provided an update regarding the above matter. During that meeting the issue was raised of an Implementation Agreement between the City of Grand Island and the GIAEDC setting forth the terms of each party's respective responsibilities. As you also know, this Implementation Agreement was referenced in the memorandum accompanying Resolution 2010-207 which was approved by the Council on July 27, 2010 authorizing the City to enter into an Economic Development Agreement with the GIAEDC encompassing the above matter. This also appears to be the custom as evidenced by a Planning Services Agreement between the City and the GIAEDC entered into on January 13, 2009 regarding CDBG 08-ED-009 which the State of Nebraska coupled with the above matter and the requisite combined job creation total of thirty-seven.

It is my understanding last week you, GIAEDC Vice Chairperson Jay Kaspar, and Trustee, Galen Stehlik met with Mayor Jay Vavricek and City Administrator Mary Lou Brown to discuss the terms of an Implementation Agreement regarding the above matter. It is also my understanding there was an agreement the issue would be discussed by the GIAEDC Board of

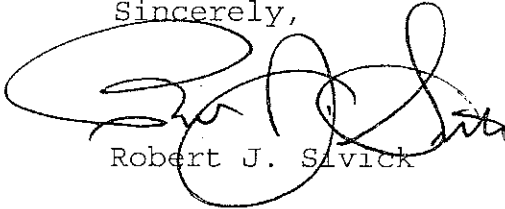
City Hall • 100 East First Street • Box 1968 • Grand Island, Nebraska 68802-1968
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Randy Gard
July 22, 2014
Page Two

Directors and the Board subsequently decided an Implementation Agreement was not necessary.

As the City's legal counsel, I am writing to inform you the City insists upon the execution of an Implementation Agreement with the GIAEDC setting forth terms memorializing the responsibilities of the parties regarding the above matter. Although the City and the GIAEDC agree the continued development of the Platte Valley Industrial Park and meeting the requirements of CDBG 10-ED-010 is our mutual goal, it is prudent we prepare for and memorialize respective responsibilities arising out of all possible outcomes. Please contact me immediately so we may arrangements to do so. If I do not hear from you by the close of business on Thursday, July 24, 2014 the City will draft an agreement without your input. If you have any questions do not hesitate to contact me. Thank you for your time and cooperation.

Sincerely,



Robert J. Slavick

RJS/cle

CC: Jay Vavricek, Mayor
Mary Lou Brown, City Administrator
Jaye Monter, Finance Director
Jay Kaspar, GIAEDC Vice Chairperson
Galen Stehlik, GIAEDC Trustee

PROJECT IMPLEMENTATION AGREEMENT

THIS AGREEMENT entered into by the City of Grand Island (City) and the Grand Island Area Economic Development Corporation (GIAEDC) does hereby set forth the respective responsibilities of the parties regarding the implementation of the terms and conditions of Community Development Block Grants 08-ED-009 (CDBG 08-ED-009) and 10-ED-010 (CDBG 10-ED-010) awarded to the City by the Nebraska Department of Economic Development (NDED) for the development of the Platte Valley Industrial Park East as follows:

I. CHRONOLOGY OF EVENTS

- A. The parties acknowledge the City received Nine Hundred and Twenty-Five Thousand Dollars (\$925,000.00) from the NDED pursuant to CDBG 10-ED-010 to be used for the development of the Platte Valley Industrial Park East.
- B. The parties further acknowledge the NDED coupled the job creation requirements of a previous grant awarded the City (CDBG 08-ED-009) which was three (3) full time jobs with the original job creation requirements of CDBG 10-ED-010 which was thirty-four (34) full time jobs for a combined total of thirty-seven (37) full time jobs.
- C. The parties further acknowledge that as a result of the NDED's actions as stated above the job creation requirements of CDBG 10-ED-010 is thirty-seven (37) full time jobs of which at least fifty-one percent (51%) must be held by or made available to low to moderate income persons as defined by the NDED.
- D. The parties further acknowledge the job creation requirements of CDBG 10-ED-010 must be met by a business or businesses locating in the Platte Valley Industrial Park East by March 25, 2016, those business(es) creating at least thirty-seven (37) full time jobs of which at least fifty-one percent (51%) must be held by or made available to low to moderate income persons by the aforementioned date, and said jobs being maintained for a minimum period of one (1) year or at least until March 25, 2017.
- E. The parties further acknowledge that on July 27, 2010 the Grand Island City Council (Council) approved Resolution 2010-207 which approved an Economic Development Application

by the GIAEDC and that application incorporated the terms of CDBG 10-ED-010. The parties further acknowledge at that Council meeting then City Administrator Jeff Pederson disclosed a Project Implementation Agreement would be entered into by the City and the GIAEDC setting forth the terms of each parties' responsibilities regarding the development of Platte Valley Industrial Park East. The parties further acknowledge no such agreement was drafted or executed until now.

F. The parties further acknowledge at the June 17, 2014 Council meeting GIAEDC President Randy Gard agreed with Mayor Jay Vavricek a written agreement between the City and the GIAEDC should be executed setting forth the responsibilities of the parties regarding CDBG 10-ED-010.

II. POTENTIAL REPAYMENT OF CDBG 10-ED-010 FUNDS

The parties agree in the event all or any portion of the monies awarded the City by the NDED pursuant to CDBG 10-ED-010 must be repaid as a result of a failure to meet the job creation requirements as stated in paragraph I D of this Agreement, the GIAEDC will reimburse the City for any portion the City must repay the NDED.

III. ENTIRETY OF AGREEMENT

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

WITNESS OUR HANDS:

GRAND ISLAND AREA
ECONOMIC DEVELOPMENT CORPORATION

Date

By _____
Randy Gard, President

THE CITY OF GRAND ISLAND

Date

By _____
Jay Vavricek, Mayor

DRAFT

RESOLUTION 2014-233

WHEREAS, on November 12, 2008 the City of Grand Island (City) was awarded Community Development Block Grant (CDBG) 08-ED-009 from the Nebraska Department of Economic Development (NDED) in the amount of Seventy-Five Thousand Dollars (\$75,000.00); and

WHEREAS, on March 25, 2011 the City was awarded CDBG 10-ED-010 from the NDED in the amount of Nine Hundred and Twenty-Five Thousand Dollars (\$925,000.00); and

WHEREAS, the NDED coupled the job creation requirements of both the aforementioned grants to total at least thirty-seven (37) full time jobs of which at least fifty-one percent (51%) must be held by or made available to low to moderate income persons and must be created no later than March 25, 2016 by a business or businesses locating in the Platte Valley Industrial Park East and must be maintained for a minimum period of one (1) year or at least until March 25, 2017; and

WHEREAS, on July 27, 2010 the Grand Island City Council (Council) approved Resolution 2010-207 which approved an Economic Development Application submitted by the Grand Island Area Economic Development Corporation (GIAEDC) which incorporated the terms of CBDG 10-ED-010; and

WHEREAS, at the July 27, 2010 meeting of the Council, then City Administrator Jeff Pederson and then GIAEDC President Marlan Ferguson stated a Project Implementation Agreement would be entered into by the City and the GIAEDC setting forth the terms of each parties' responsibilities regarding CDBG 10-ED-010 and the development of the Platte Valley Industrial Park East; and

WHEREAS, the aforementioned Project Implementation Agreement has never been drafted or executed by the City or the GIAEDC; and

WHEREAS, City staff has attempted to discuss a Project Implementation Agreement with representatives of the GIAEDC to no avail; and

WHEREAS, the Council believes it important the City and the GIAEDC memorialize in writing the terms of promises made by both parties regarding CDBG 10-ED-010 and the development of the Platte Valley Industrial Park East.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that City staff pursue negotiations with the GIAEDC to draft a Project Implementation Agreement and present to City Council at the October 14, 2014 City Council meeting.

Approved as to Form	☐ _____
August 20, 2014	☐ City Attorney

Adopted by the City Council of the City of Grand Island, Nebraska, August 21, 2014.

Jay Vavricek, Mayor

ATTEST:

RaNae Edwards, City Clerk