



City of Grand Island

Tuesday, January 25, 2005

Council Session

Item G8

#2005-25 - Approving Addendum to CNH Memorandum of Understanding

Staff Contact: Doug Walker

Council Agenda Memo

From: Douglas R. Walker, City Attorney

Meeting: January 25, 2005

Subject: Addendum to Memorandum of Understanding
to CNH Agreement

Item #'s: G-8

Presenter(s): Douglas R. Walker, City Attorney

Background

On December 17, 2002, a Memorandum of Understanding, which was a mutual agreement for inducement loans and benefits to encourage CNH to upgrade and expand their manufacturing facility in Grand Island was approved and executed by the City and with Case New Holland North America, Inc. (CNH). Paragraph 17 of the original agreement, required the City to construct a street along the south side of the property on which the main manufacturing plant is located. Since the time that agreement was entered into, CNH has also built a substantial addition to a building in another location along the east side of Claude Road.

Discussion

Since the original MOU was prepared providing incentives for the expansion of the CNH facility south of Stolley Park Road, the company has also constructed an addition to a building located along the east side of Claude Road. CNH has requested that this road be paved from the intersection of Claude Road with the north side of Old US Hwy 30 to the north approximately 1,235' to tie into the existing concrete paving on Claude Road. The cost of doing this paving project should not be any greater than the street construction required in the MOU. This project will not have an adverse budgetary impact and will be of greater benefit to CNH and the community by having the unimproved portion of the existing street hard surfaced which also provides access to a residential and commercial area to the west.

Alternatives

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

1. Move to approve to the Addendum to the original MOU with CNH.
2. Refer the issue to a Committee or study session for further discussion.
3. Postpone the issue to future date.
4. Reject the Addendum, in which case the requirements of the original MOU would remain in effect.

Recommendation

City Administration recommends that the Council approve the Addendum to the Memorandum of Understanding. It appears that the changes requested by CNH are reasonable and will be of greater benefit to the company and the community and will not have an adverse budgetary impact.

Sample Motion

Motion to approve the Addendum to the Memorandum of Understanding (Mutual Agreement for Inducement Loans and Benefits) with Case New Holland North America, Inc., a corporation (CNH).

**ADDENDUM
TO
MEMORANDUM OF UNDERSTANDING (MOU)
Mutual Agreement for Inducement Loans and Benefits**

THIS ADDENDUM TO MEMORANDUM OF UNDERSTANDING is executed on _____, 2005, by the City of Grand Island, Nebraska, a City of the First Class of the State of Nebraska (City) and New Holland North America, Inc., a Corporation, (CNH).

RECITALS

WHEREAS, the City and CNH entered into a Memorandum of Understanding for a Mutual Agreement for Inducement Loans and Benefits, dated December 17, 2002, hereinafter referred to as the MOU, a copy of which is attached hereto as Exhibit "A" and made a part hereof by reference for the extension of inducement loans and benefits for CNH to upgrade and expand their manufacturing facility in the City of Grand Island, Nebraska; and

WHEREAS, the City and CNH desire to amend the terms of the Memorandum of Understanding in so far as the provisions of paragraph 17 of that agreement;

WHEREAS, the other parties to the original Memorandum of Understanding are not involved in the amendment to that agreement.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, the parties do hereby agree and contract as follows:

1. The provisions of paragraph 17 of the original Memorandum of Understanding are hereby repealed.

2. The original MOU shall be amended to create a new paragraph 17 entitled "Access Street Construction", which will read as follows:

Access Street Construction. The City shall pave all of the unpaved portion of Claude Road from its intersection at the north side of Old U.S. Highway 30 north approximately 1,235 feet to tie onto the existing concrete paving south of the intersection of Claude Road with Arch Avenue.

3. Except as specifically modified by this Addendum to MOU, all other terms and provisions of the Memorandum of Understanding, Mutual Agreement for Inducement Loans and Benefits, previously executed by the City and CNH shall remain in full force and effect.

DATED this ____ day of _____, 2005.

CITY OF GRAND ISLAND, NEBRASKA,
A Municipal Corporation

ATTEST:

By: _____
RaNae Edwards, City Clerk

By: _____
Jay Vavricek, Mayor

NEW HOLLAND NORTH AMERICA, INC.,
A Corporation

By: _____
Allen R. Rider, President & Chief Executive Officer
New Holland North American, Inc.

RESOLUTION 2005-25

WHEREAS, on December 17, 2002, by Resolution 2002-394, the City of Grand Island approved a Memorandum of Understanding with New Holland North America, Inc. to lend funds and provide inducements in support of the operation of the Grand Island manufacturing facility; and

WHEREAS, the original agreement required the City to construct a street along the south side of the property on which the main manufacturing plant is located; and

WHEREAS, the company has subsequently built a substantial addition to a building along the east side of Claude Road, and has requested that this road be paved from the intersection of Claude Road with the north side of Old Highway 30 to the north approximately 1,235 feet to tie into the existing concrete paving on Claude Road; and

WHEREAS, it is anticipated that the cost of this paving project will be comparable to the paving project originally agreed to in the Memorandum of Understanding; and

WHEREAS, it is recommended that the Memorandum of Understand be amended to change the paving requirements in Paragraph 17 of the Memorandum of Understanding; and

WHEREAS, the Addendum to the Memorandum of Understanding has been reviewed and approved by the City Attorney.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Addendum to the Memorandum of Understanding with New Holland North America, Inc. to modify Paragraph 17 of the Memorandum of Understanding pertaining to concrete paving is hereby approved.

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

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Adopted by the City Council of the City of Grand Island, Nebraska, January 25, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
January 20, 2005	☐ City Attorney