



City of Grand Island

Tuesday, August 23, 2005

Council Session

Item G5

**#2005-233 - Approving Grand Island Area Economic Development
Recommendation to Rescind Contract with Westward Airways,
Inc.**

Staff Contact: Paul M. Briseno

Council Agenda Memo

From: Administration

Meeting: August 23, 2005

Subject: Approving Grand Island Area Economic Development Recommendation to Rescind Contract with Westward Airways, Inc.

Item #'s: G-5

Presenter(s): Paul M. Briseno, Assistant to the City Administrator

Background

On June 28, 2005 Council approved an Economic Development Incentive Agreement with Westward Airways, Inc. to provide a forgivable loan for \$120,000 for start up costs and promotional activities in providing eastbound air service to the Grand Island area. Since the approved agreement Westward Airways has suspended all operations.

Discussion

The Grand Island Area Economic and Development Corporation recommend the agreement with Westward Airways, Inc for LB-840 funding be declared null and void. A copy of the request to rescind the grant is attached.

Alternatives

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

1. Move to approve
2. Postpone the issue to future date
3. Take no action on the issue

Recommendation

City Administration recommends the Council approve the rescinding of the LB-840 application of Westward Airways

Sample Motion

Motion to approve the rescinding of LB-840 application of Westward Airways.



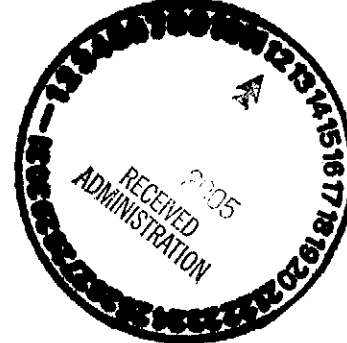
GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

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GRAND ISLAND, NE 68802-1151

August 11, 2005



Mayor Jay Vavricek and
Members of the Grand Island City Council
City of Grand Island
PO Box 1968
Grand Island NE 68802-1968

Re: Westward Airways LB-840 application

Dear Mayor and City Council:

On behalf of the Grand Island Area Economic Development Corp. we would like to thank everyone for their cooperative efforts in trying to establish eastern air service. At this time it is the request of the Executive Committee of the GIAEDC to resend its LB-840 application and approval of funding for Westward Airways.

The Committee does not see this as a failed attempt but as a statement that, when we all work together for one single goal, we can again get things accomplished. The LB-840 process also showed us it works, as in this case the company was required to perform the service prior to funds being expended. We feel the community and our membership has spoken and is 100% behind the continuation of acquiring improved air service.

The Grand Island Area Economic Development Corp. sincerely appreciates the time, input and guidance from everyone.

Respectfully,

Marlan Ferguson
President

RESOLUTION 2005-233

WHEREAS, on June 28, 2005, by Resolution 2005-193, the City Council of the City of Grand Island approved an Economic Development Incentive Agreement with Westward Airways, Inc. to provide a forgivable loan in the \$120,000 for start up costs and promotional activities in providing eastbound air service to the Grand Island area; and

WHEREAS, Westward Airways, Inc. has suspended all operations; and

WHEREAS, it is recommended that Resolution 2005-193 be rescinded and the Economic Development Incentive Agreement with Westward Airways, Inc. be null and void.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Resolution 2005-193 authorizing \$120,000 in economic development assistance through a forgivable loan to Westwards Airways, Inc. is hereby rescinded.

BE IT FURTHER RESOLVED, that the Economic Development Incentive Agreement with Westward Airways, Inc. is hereby declared null and void.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 23, 2005.

RaNae Edwards, City Clerk