



City of Grand Island

Tuesday, October 25, 2005

Council Session

Item I1

#2005-313 - Approving Funding of Economic Development Request

Staff Contact: David Springer

Council Agenda Memo

From: David Springer, Finance Director

Meeting: October 25, 2005

Subject: Approving Economic Development Funding Request

Item #'s: I-1

Presenter(s): David Springer, Finance Director

Background

On July 22, 2003, the City Council approved Ordinance No. 8830 adopting an Economic Development Program for the City of Grand Island in conformance with Neb. Rev. Stat. 18-2710. This provides for annual funding of \$750,000 by the City.

Discussion

A request has been received from the Grand Island Area Economic Development Corporation, duly approved by the Citizens' Review Committee for payment of \$350,000. Said funds to be used for operating expenses, community publicity, and promotion.

Alternatives

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

1. Approve the request for funds.
2. Disapprove or deny the request for funds.
3. Modify the Resolution to meet the wishes of the Council.
4. Table the issue.

Recommendation

City Administration recommends that the Council approve the request for funds.

Sample Motion

Motion to approve the request for funds to allow payment of \$350,000 to the Grand Island Area Economic Development Corporation.



PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

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

Address The Downtown Center, 308 North Locust, STE 400, Grand Island, NE 68801

Telephone (308) 381-7500

Email Address mferguson@grandisland.org

Business Contact Person Marlan Ferguson, President

Telephone (308) 381-7500

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. Product or Services Provided: N/A

6. Project Description: Operating overhead to include salaries and benefits, occupancy costs, supplies, business recruitment, and community publicity. To offset cost associated with infrastructure including: interest, real estate taxes, maintenance, advertising, special assessments to city, debt service payments, and infrastructure needs study (long range plan).

7. Project Timetable: October 1, 2005 thru September 30, 2006

8. Employment Information:

Current number of employees 2 (full-time equivalent)

Proposed number of employees N/A (full-time equivalent)

What is the average hourly wage for all employees? N/A

Number of new jobs to be created N/A (full-time equivalent)

What would be the average hourly wage for new jobs? N/A

Number of jobs to be retained, if any N/A (full-time equivalent)

Please describe all benefits which the business provides to employees: N/A

9. Financing/Incentives Requested: The request for \$350,000 funding from LB-840 funds is
for the fiscal year beginning October 1, 2005 thru September 30, 2006. Application being
made is to continue Economic Development within Hall County under state statute 13,315.

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: Marlan Ferguson
Marlan Ferguson
President
Title

Date: 10/3/2005

Date Referred to Grand Island Area Economic Development Board: 22-Sep-05

Approved: x Disapproved: Date: 9/23/2005

Comments:

Signature of Chairman: 

William Westering

Date Referred to Citizen's Review Committee: October 18, 2005

Approved: ☒ Disapproved: ☐ Date: 10/18/08

Comments: 10

Signature of Chairman:

Tim White

Date Referred to City Council: October 25, 2005

Approved: _____ Disapproved: _____ Date: 10/25/2005

Comments:

Signature of Mayor: _____

Jay Vavricek

GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION

BUDGETED COSTS TO APPLY TO LB-840 \$350,000 REQUEST

(replacement funds for previous city funding under state statute 13,315)

For Fiscal Period October 1, 2005 thru September 30, 2006

Infrastructure Costs

Platte Valley Industrial Park

Interest, Real Estate Taxes, Maintenance, Advertising	\$ 41,359.00
Special Assessments to City	75,525.00
Debt Service Payments	25,000.00
Infrastructure Needs Study (long range plan)	12,500.00

Project Costs	161,610.00
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Overhead Contribution

(to include salaries and benefits, occupancy costs, supplies, business recruitment, and community publicity)	34,006.00
	<u>350,000.00</u>

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

October 18, 2005

Pursuant to due call and notice thereof, a Regular Meeting of the Citizens' Review Committee (CRC) of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on October 18, 2005. Notice of the meeting was given in the *Grand Island Independent* on October 12, 2005.

Chairman Tim White called the meeting to order at 8:00 a.m. The following board members were present: Tim White, Ed Armstrong, Lisa Willman, Dehn Renter, Dan Eakes, Bill Thiemann, and Mark Stelk. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, and City Attorney Doug Walker

APPROVAL OF MINUTES. Motion was made by Armstrong, second by Renter to approve the minutes of the June 21, 2005 CRC meeting. Motion adopted unanimously.

PRESENTATION OF SEMI-ANNUAL REPORT: Marlan Ferguson, Grand Island Economic Development Corporation (EDC) President presented the semi-annual report and application from the EDC for \$350,000. A PowerPoint presentation was made reviewing budgeted costs, economic impact, and progress for Grand Island.

Mentioned were the following four (4) LB-840 applications that were approved:

Heritage Disposal & Storage	\$100,000
CXT, Inc. a LB Foster Company	\$200,000
Love Signs	\$ 42,000
Westward Airways (Rescinded)	

Mr. Ferguson stated these businesses created an estimated \$15 million in new property tax with 323 new jobs and an estimated new Annual Property Tax of \$285,500.

The total LB-840 dollars allocated for Fiscal Year 2004/2005 were:

Available Funding for Projects:		\$800,000
Standard Iron	\$200,000	
Heritage Disposal	100,000	
Love Signs	42,000	
CXT, Inc.	<u>200,000</u>	
	\$542,000	
Balance for Future Projects:		\$258,000

Lisa Willman thanked Mr. Ferguson and the EDC staff for their work in bringing new businesses to Grand Island. Discussion was held with regards to jobs and salaries. EDC funds were discussed regarding carry over funds.

Motion was made by Willman, second by Stelk to approve the EDC application for funding in the amount of \$350,000. Upon roll call vote, all voted aye. Motion adopted.

Tim White mentioned that the Citizens' Review Committee's Semi-Annual Report would be given to the City Council on October 25, 2005 and encouraged attendance by the committee.

NEW BUSINESS: Tim White mentioned the open house invitation for CXT on November 9, 2005 and encouraged everyone to attend.

ADJOURNMENT: The meeting was adjourned at 8:25 a.m.

RaNae Edwards
City Clerk

RESOLUTION 2004-313

WHEREAS, on July 22, 2003, by Ordinance No. 8830, the City Council of the City of Grand Island approved and adopted an Economic Development Program for the City of Grand Island prepared in conformity with Neb. Rev. Statute §18-2710; and

WHEREAS, such program was amended on August 12, 2003, by Ordinance No. 8832;
and

WHEREAS, the program provides for \$750,000 in annual funding to be provided by the City of Grand Island; and

WHEREAS, a request has been made by the Grand Island Area Economic Development Corporation and the Economic Development Program's Citizens Review Committee for the payment of \$350,000 to be used for operating expenses, community publicity and promotion.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that approval is given to forward \$350,000 in City funding to the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program.

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

RaNae Edwards, City Clerk