



City of Grand Island

Tuesday, November 22, 2005

Council Session

Item G5

#2005-326 - Approving Funding of Economic Development Corporation Request for Standard Iron (NWPS Rate Agreement Funds)

Staff Contact: Dave Springer

Council Agenda Memo

From: David Springer, Finance Director

Meeting: November 22, 2005

Subject: Approving Funding of Economic Development Corporation Request for Standard Iron and Platte Valley Industrial Park (NWPS Rate Agreement Funds)

Item #'s: G-5 & G-6

Presenter(s): David Springer, Finance Director

Background

On September 26, 2000, the City Council approved Resolution #2000-291 establishing an Economic Development Policy for the annual contribution from Northwestern Public Service (NWPS). Two requests have been received for funding and recommended for approval by the NWPS Funds Review Committee.

Discussion

The Grand Island Area Economic Development Corporation (GIAEDC) requests \$25,000 to help offset the cost of gas equipment to be installed on a new paintline at Standard Iron. The GIAEDC also requests \$25,000 to be used towards principal payment for the 127 acres of land that was purchased in January, 2000, to expand the Platte Valley Industrial Park. These funds represent direct cash contributions previously made by NWPS to the City of Grand Island and the usage of these funds for this purpose falls within the guidelines of the economic development policy set forth in the rate agreement. There are adequate funds in Account #10011102-85454.

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. Table the issue

Recommendation

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

Sample Motion

Approve the request for funds to allow payment to Standard Iron and to the Grand Island Area Economic Development Corporation.



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • www.grandisland.org

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

September 22, 2005

Gary Greer, City Administrator
City of Grand Island
100 E 1st St
PO Box 1968
Grand Island, NE 68802-1968



RE: Applications for NWPS Economic Development Rate Agreement Funds

Dear Gary,

Our local review committee made up of the GIAEDC executive committee and Terry Wootten from NorthWestern Energy as spelled out in the rate agreement policy have reviewed the following project and recommend them to the City Council for their review and approval.

Project #1: To offset the cost of gas equipment for Standard Iron and their new paintline operation. Requesting for review and approval of \$25,000. Check is to be made payable to Standard Iron but mailed to GIAEDC.

Project #2: Principal payment of \$25,000 for the GIAEDC for the 127 acres that was purchased in January 2000 to expand the Platte Valley Industrial Park. Requesting for review and approval of \$25,000.

Attached is the request letters for your reference. If you have any questions, or would need any additional information, please give me a call. Thanks.

Sincerely,


Marlan Ferguson
President

Enclosure



207 DUNDAS ROAD
MONTICELLO, MN 55362-8916
763-295-8700 • Fax 763-295-8701
www.std-iron.com

August 16, 2005

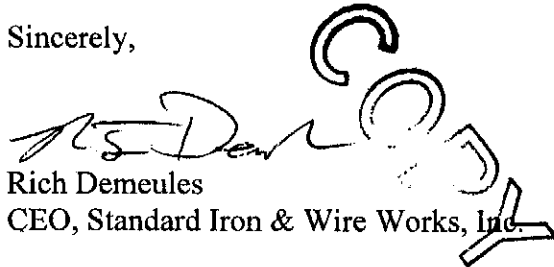
Executive Committee of the EDC
And
Terry Wooton
NorthWestern Energy
Grand Island Area Economic Development Corporation
308 North Locust Street, Suite 400
PO Box 1151
Grand Island, NE 68802-1151

Re: Gas Funding for Standard Iron, Inc.

I am writing to request that you consider Standard Iron, Inc. as a recipient for the Gas Funding program. Standard Iron has just completed a new 100,000+ square foot building in the Platte Valley Industrial Park. In addition to normal operations, Standard Iron will have a paintline operation in this facility that is a heavy user of natural gas. Our plant in Minnesota that has similar operations uses ~190,000 therms per year.

If you would like to have someone from Standard Iron attend your meeting to give you additional information, please contact Ray Saunders (Grand Island Plant Manager). You can also contact our Controller, Cathi Boerner, at 763-271-8774 with questions. Thank you for your consideration to this program.

Sincerely,



Rich Demeules
CEO, Standard Iron & Wire Works, Inc.



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • www.grandisland.org

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

September 20, 2005

Grand Island Area Economic Development Corp.
Executive Committee & Mr. Terry Wootton
Acting as NWPS Funds Review Committee
The Downtown Center
308 N. Locust Street, Ste. 400
Grand Island, NE 68801

RE: Request for Funding


Dear Review committee members,

I am requesting on behalf of the Grand Island Area Economic Development Corporation funds from the Northwestern Public Service rate agreement to assist the GIAEDC with our principal payment for our land at the Platte Valley Industrial Park.

This request is consistent with and falls within the guidelines of the economic development policy set forth in the rate agreement. I feel this is a prudent use of the funds, as this newly developing industrial property should directly benefit NWPS with new gas customers as all this property is in their service territory.

Thank you for your consideration. Please give me a call if you have any questions or need any additional information.

Sincerely,


Marlan Ferguson
President

COPY

RESOLUTION 2005-326

WHEREAS, Northwestern Public Service (NWPS) makes an annual contribution for economic development purposes to the City of Grand Island in the amount of \$86,000; and

WHEREAS, on September 26, 2000, the Mayor and City Council approved Resolution 2000-291 establishing an economic development policy for receiving, considering and making recommendations regarding requests for disbursement of said funds; and

WHEREAS, the office of the City Administrator received a recommendation for funding from the local economic development committee for \$25,000 payable to the Grand Island Area Economic Development Corporation on behalf of Standard Iron to assist with the installation cost of a paintline operation in the facilities which is a heavy user of natural gas; and

WHEREAS, said request is consistent with the intent of NWPS in making its annual economic development contribution, and the policy established by the Mayor and City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the request for disbursement in the amount of \$25,000 to be made to the Grand Island Area Economic Development Corporation on behalf of Standard Iron to fund a portion of the installation costs of a paintline operation in its facility is hereby approved

- - -

Adopted by the City Council of the City of Grand Island, Nebraska on November 22, 2005.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 16, 2005	☐ City Attorney