



City of Grand Island

Tuesday, June 24, 2008

Council Session

Item E8

**Public Hearing Concerning the Semi-Annual Report by the
Citizens' Review Committee on the Economic Development
Program Plan**

Staff Contact: Dehn Renter, Chairman

Council Agenda Memo

From: Dale M. Shotkoski, City Attorney

Meeting: June 24, 2008

Subject: Public Hearing Concerning the Semi-Annual Report by the Citizen's Review Committee on the Economic Development Program Plan

Item #'s: E-8 & G-7

Presenter(s): Dale M. Shotkoski, City Attorney
Mark Stelk, Vice-Chairman, Citizen's Advisory Review Committee

Background

The voters of the City of Grand Island approved an economic development plan at the May 6, 2003 election. Subsequent to the election, the city has adopted an ordinance that establishes the economic development plan and a Citizens' Advisory Review Committee to oversee the process of approving applications for economic development incentives. The Citizens Advisory Review Committee is required by State Statute and the Grand Island City Code to make a semi-annual report to the City Council.

Discussion

The Citizens Advisory Review Committee has been conducting regular meetings during the last six months as required by the City Code and the Nebraska Statutes. The committee looks forward to receiving and reviewing meritorious applications for consideration in the future. The committee received the semi-annual report from the Economic Development Corporation at its meeting of June 13, 2008, and voted to forward it onto the City Council for its review and acceptance.

Alternatives

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

1. Accept the semi-annual report of the Citizens' Advisory Review Committee.

2. Do not accept the semi-annual report of the Citizens' Advisory Review Committee.

Recommendation

City Administration recommends that the Council accept the semi-annual report of the Citizens' Advisory Review Committee.

Sample Motion

Move to accept the semi-annual report of the Citizens' Advisory Review Committee.

Citizens Review Committee

Semi-Annual Report

June 2008

The City of Grand Island Economic Development Program Plan was approved by the citizens at an election on May 6th 2004. The effective date of the Plan was October 1, 2004. The plan allocates \$750,000 annually, from general fund tax proceeds for a period of 10 years, for promotion, recruiting, public relations, advertising, and incentives for retention and expansion of business and industry. During the past 4-1/2 years, the EDC has been allocated \$2 million to advance to new and existing companies wishing to relocate, expand, or move to our community. To date, we have assisted 11 companies. Presently we have a balance of \$308,859.63 for future project applications.

The State Statute required the establishment of a Citizen's Review Committee to (1) Review the function and progress of the Economic Development Program and (2) Report to the City Council on it's findings and suggestions at a public hearing called for that purpose at least once in every six-month period after the effective date of the ordinance.

Since our Annual Report to this committee, we have presented two applications which have been acted upon (Nova-Tech, Inc. and Hastings Foods). Numerous other proposals have been submitted and site visits by several of these companies have and are being conducted.

Other activities of the Grand Island Area Economic Development Corp. have been focused on the negotiations and purchase agreement of the CAAP ground. This mega site is approximately 1,700 acres formerly known as the Load Lines 2, 3 & 4 of the Cornhusker Army Ammunition Plant. The EDC intends to develop and market this land for industrial development at its highest and best use. Targeted industries and uses include Inter-modal

Transportation which is the movement of freight from one mode of transport to another, commonly taking place at a terminal. The other possibility is the creation of a Foreign-Trade Zone. A Foreign-Trade Zone program is a distinct government incentive. It does not reduce property taxes or provide tax credits, nor does it provide huge cash grants or work force training funds. Instead, companies that receive Foreign-Trade Zone Board approval are eligible for import and export benefits that help them gain a competitive edge.

We also have been working with other community organizations, and leaders for the relocation of the Nebraska State Fair. The Nebraska State Fair can be an economic stimulator by not only creating additional jobs but an additional revenue source for our restaurants, hotels, gas stations, and other various businesses. This is our communities time to showcase what we can offer weather it is our outstanding parks, clean streets, our shopping, restaurants, homes for sale, job opportunities, continuing education, Stuhr Museum, or friendly citizens, we are Grand Island.

As stated earlier, the EDC makes application for \$350,000 for promotion, recruiting, public relations, advertising, community publicity, and industrial park development. To date, the EDC has expended \$58,000 for Industrial Park Assessments; \$174,000 - Land Acquisition; \$9,900 - Industrial Park Interest; \$6,500 - Surveys & Studies; Advertising - \$9,000; Taxes - \$10,000; Occupancy - \$18,000; and \$6,000 for office printing, supplies, postage, and web site development for a total of approx. \$291,000.

Let us remind everyone here today and tomorrow, our mission is to facilitate the creation of jobs and economic opportunities for the regional trade area. Our goal is to advance and improve the economic, social, and political environments so that constructive, balanced economic growth may be realized.

Thank you!