



City of Grand Island

Tuesday, January 13, 2009

Council Session

Item G16

**#2009-10 - Approving Agreement for CDBG 08-ED-009 Grant
with the Grand Island Area Economic Development Corporation**

Staff Contact: jonik

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator

Meeting: January 13, 2009

Subject: Approving Agreement for CDBG 08-ED-009 Gant with the Grand Island Area Economic Development Corporation

Item #'s: G-16

Presenter(s): Joni Kuzma, Community Development Administrator

Background

In November 2008, the City of Grand Island was awarded a \$75,000 Community Development Block Grant for a short-term economic development/planning grant to formulate a development plan for the re-use of a 1,700 acre military munitions production facility into a regional industrial center. CDBG funds of \$73,750 will be applied to project costs, \$1,250 will be paid to the City for grant administration and fiscal management. Matching funds of \$75,000 have been awarded to the Grand Island Area Economic Development Corporation (GIAEDC) from a Department of Commerce, Economic Development Agency grant. The total project cost is estimated at \$150,000.

The GIAEDC agrees to furnish all equipment, superintendence, transportation, labor and services related to planning activities in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions as listed in the Community Development Block Grant contract #08-ED-009 and in the Scope of Work submitted with the grant application. A previously completed Environmental Review for the Cornhusker Industrial Park (CAAP) has been updated and an analysis of the existing water system and options for sanitary sewer finished.

Discussion

At this time the Council is requested to approve the agreement between the GIAEDC and the City to complete the activities outlined in the Scope of Work for creation of a development plan for re-use of the Cornhusker Industrial Park.

Alternatives

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

1. Move to approve the agreement between the GIAEDC and the City to complete the activities outlined in the Scope of Work for creation of a development plan for re-use of the Cornhusker Industrial Park and authorize the Mayor to sign all related documents.
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the agreement between the GIAEDC and the City to complete the activities outlined in the Scope of Work for creation of a development plan for re-use of the Cornhusker Industrial Park and authorize the Mayor to sign all related documents.

Sample Motion

Move to approve the agreement between the GIAEDC and the City to complete the activities outlined in the Scope of Work for creation of a development plan for re-use of the Cornhusker Industrial Park and authorize the Mayor to sign all related documents.

EXHIBIT II.A.

SCOPE OF WORK

Grantee: Grand Island Area Economic Development Corporation (GIAEDC)

Project Number:

The recipient will perform the following activities:

1. Requests for Proposal/qualification process:
 - a. The GIAEDC will competitively solicit an RFP/RFQ from consultants to complete the scope of work.
 - b. The GIAEDC will negotiate with, and contract consultant(s) to perform the duties associated with each task in the scope.
 - c. The GIAEDC will provide EDA a copy of the RFP/RFQ and top qualified consultant for consideration and approval prior to signing the contract.

2. Strengths and Weaknesses / Workforce Analysis
 - a. Asses the GIAEDC area's strengths and weaknesses for the most important economic development characteristics from a professional site selector's viewpoint. The objective will be to identify industries that will find the area most attractive. The consultant will assess economic development characteristics in the area necessary to compete for new jobs, capital investment and new tax base. The assessment will include information on labor cost/availability, labor/management relations, training needs, transportation and utility issues, land use issues and other business costs and conditions.
 - b. Workforce Availability & Quality: A labor availability and quality characteristics assessment will be completed. Key characteristics to be included are: Skills availability, turnover & absenteeism, attitudes – on the job, trainability, basic skills, commutations, productivity, and accuracy among others that may be identified by the consultant.
 - c. Sites: The area will be assessed for competing industrial parks including other surrounding counties. An evaluation of land uses and marketability of key properties from a site selector's viewpoint should be completed. A list of key points and conclusions should be identified.
 - d. Training & Education: Assess training and education capabilities from a selection/relocation perspective. Possible information sources are: Community College, Public training/placement, private employment agencies, and secondary education. Information collected should include: work placement data, training/retraining opportunities, rating

comparisons, cooperation between providers and the business community. A list of key points and conclusions should be completed.

- e. Area Business Climate & Infrastructure: Assess the local business climate in terms of municipal services, government services, permitting and infrastructure and develop a list of key points and conclusions.
- f. Incentives: Assess incentives in the area. Develop a list of key points and conclusions, based upon incentives used in attracting industry in other areas of the region.
- g. Utility Costs: Compare local rates versus other cities in the region for water, sewer, electrical and other utilities.
- h. Transportation & Access: Assess this area from a site selection viewpoint and develop a list of key points and conclusions.
- i. Housing/cost of living: Compare housing and cost of living data in this area with other areas in the region.

3. TARGET INDUSTRY ASSESSMENT

- a. Evaluate industry location and growth trends in the region in recent years, in order to determine which type of industries has exhibited recent location/expansion activities.
- b. Conduct a skill needs assessment of identified “high” activity level industry clusters.
- c. Select the “best fit” target industries, which have exhibited the following characteristics:
 - aa. Significant relocation and/or expansion activity as evidenced by actual facilities and strong growth characteristics.
 - bb. Have specific skill needs which match the Grand Island/Hall County skills and training.
 - cc. Exhibit a tendency to locate in areas that are similar to the GIAEDC.
- d. Conduct a supplier/customer analysis for the top targets selected. This will determine additional potential prospect types.
- e. Select industrial targets that would be particularly suited for the CIP site. Document all information and develop key conclusions from this analysis.

4. HIGHEST AND BEST USE EVALUATION

This analysis should include:

- a. Developing viable alternative uses and possible mixed uses
- b. Evaluating market demand
- c. Reviewing competing properties, rents, and sales
- d. Quantifying conversion costs
- e. Creating feasible financial projections and detailed assumptions.
- f. Assessing risk/reward tradeoffs
- g. Preparing key statistical data and supporting narrative information
- h. Developing presentation material, proposals, and reports.

5. SITE DEVELOPMENT PLANNING

Work with engineers and land planners to provide a comprehensive site development plan that incorporates the following essential elements:

- a. A comprehensive physical and operational master plan designed to accommodate industry including: land cost, aesthetics, site readiness, traffic circulation, access roads, permitting, zoning, environmental services, geotechnical services, rail access, storm water, industrial pretreatment, waste treatment and disposal, surveying, construction administration, and utilities.
- b. Compatibility among industrial and other potential operations in the park
- c. Compatibility between all park uses, and existing activities and character of the community
- d. Design controls:
 - aa. Streets designed for trucks and other traffic
 - bb. Lot size minimums
 - cc. Land area, building coverage ratio minimums
 - dd. Architectural control provisions
 - ee. Landscaping provisions
 - ff. Specific use requirements
- e. Openness and park-like character
- f. Harmonious integration into the neighborhood
- g. Zoning to protect surrounding area
- h. Development of park covenants to protect the environment, aesthetics, park users, and compatibility with the community

6. MARKETING PROGRAM AND INCENTIVES ANALYSIS

- a. Determine the marketing and competitive incentive programs that will best promote development of the CIP, and enhance the economic development of the entire area.
- b. Review existing marketing programs and material in the region and state, and provide recommendations, action plans and budgets for the marketing of the CIP
- c. Analysis existing incentive programs in the region and state
- d. Consider potential location or zone specific incentive program (Foreign Trade Zones, Enterprise, and others)
- e. Provide recommendations and action plans for enhancing the existing incentive programs, and establishing new cost-effective incentive programs that will improve the marketability and appeal of the property.

7. BUSINESS PLAN

- a. Evaluate the financial feasibility of developing and sustaining the CIP. Present typical approaches for both development and financing strategies.
- b. Prepare a detailed pro-forma for total and phased build out of the CIP as outlined in the GIAEDC's business plan.
- c. Propose a two year start-up operating budget that accounts for staffing, operating and marketing costs. Budgets should be correlated to viable funding options and availability of capital.
- d. Outline the most promising models for GIAEDC, County, City, and private sector development partnership and funding options.

8. ENVIRONMENTAL REVIEW

Review reports and studies completed by the Army Corp of Engineers and the EPA and provide a detailed report.

9. IMPLEMENTATION OR PHASING PLAN

- a. Propose a phased plan for implementing the steps and achieving the goals identified by the study.
- b. Highlight key action items and important next steps.
- c. Propose a timeframe over which we should measure and anticipate success.

10. REPORTING

- a. Submit a mid-point progress report, draft and final report to EDA addressing the scope of work. The final report will follow the final report guidelines provided by EDA.
- b. May also provide an oral report to EDA staff at the completion of the project.
- c. Document in the report the process in completing the scope of work and point out key elements that can be replicated by others.

PLANNING SERVICES AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____ 2009, by and between Grand Island Area Economic Development Corporation hereinafter called GIAEDC, and the City of Grand Island, Nebraska, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, the City of Grand Island and GIAEDC applied for grants to fund planning activities for the development of a speculative business/industrial park site near Grand Island; and

WHEREAS, it would be more efficient to have GIAEDC carry out the planning activities set forth in the grant award documents rather than duplicate efforts.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the GIAEDC for itself, and its successors, as follows:

ARTICLE I. That the GIAEDC shall furnish all equipment, superintendence, transportation, labor and services related to planning activities in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions as listed in the attached **COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT NO. 08-ED-009 DATED NOVEMBER 13, 2008** and in the attached **SCOPE OF WORK** as Submitted by the GIAEDC for EDA project funds; said documents forming the agreement and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this agreement to the said GIAEDC, such award being based on the acceptance by the City and the Nebraska Department of Economic Development's approval;

ARTICLE II. That the City will provide Certified Grant Administration and shall facilitate the distribution of grant funds in an amount not to exceed \$75,000 as identified in the contract between the City and the Department of Economic Development for activities outlined in Article I to the GIAEDC for the performance of the work embraced in this agreement and the GIAEDC agrees to hold the City harmless and reimburse the City for any sums the City is obligated to return to the Nebraska Department of Economic Development or for any other claim by any other governmental agency, person, or entity arising out of the failure of GIAEDC to perform the conditions of the contract or failure of the project to meet the CDBG required national objective whether or not the failure to meet the national objective was caused by the act or omission of GIAEDC.

ARTICLE III. The GIAEDC hereby agrees to follow all standards, recordkeeping, and reporting requirements of the applicable Federal and State agencies in performing the grant project including, but not limited to, purchasing goods and services for this project.

ARTICLE IV. That GIAEDC shall start work as soon as possible after the agreement is signed and approved by all necessary parties.

ARTICLE V. GIAEDC agrees to comply with all applicable State fair labor standards in the execution of this agreement. GIAEDC further agrees to comply with the provisions of State law pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this agreement, GIAEDC and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis

of race, color, religion, gender, national origin, age or disability. GIAEDC agrees to comply with all applicable Local, State and Federal rules and regulations.

ARTICLE VI. City Code states that it is unethical for any person to offer, give or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

IN WITNESS WHEREOF, the parties hereto have executed this Services Agreement as of the date and year first above written.

Grand Island Area Economic Development Corporation

By _____

Title _____

CITY OF GRAND ISLAND, NEBRASKA,

By _____

Margaret Hornady, Mayor

Attest: _____

RaNae Edwards, City Clerk

The contract is in due form according to law and is hereby approved.

Wesley D. Nespor, Assistant City Attorney

RESOLUTION 2009-10

WHEREAS, the City of Grand Island, Nebraska, has been awarded a Community Development Block Grant (CDBG) through the Nebraska Department of Economic Development for economic development and planning for the Cornhusker Industrial Park; and

WHEREAS, the City will provide Certified Grant Administration for this CDBG grant project and facilitate the distribution of up to \$75,000 in grant funds to the Grand Island Area Economic Development Corporation (GIAEDC); and

WHEREAS, the Department of Commerce, Economic Development Agency has committed a \$75,000 match to the GIAEDC for a total projected project cost of \$150,000; and

WHEREAS, it would be efficient to have the Grand Island Area Economic Development Corporation carry out the planning activities set forth in the grant award documents rather than duplicate efforts; and

WHEREAS, the GIAEDC agrees to follow all standards, recordkeeping, and reporting requirements of the applicable State and Federal agencies in performing the grant project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island, Nebraska hereby enters into an agreement with the GIAEDC to carry out the economic development planning project for the Cornhusker Industrial Park and the Mayor is hereby authorized and directed to execute such proceedings on behalf of the City of Grand Island for such grant programs.

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Adopted by the City Council of the City of Grand Island, Nebraska, January 13, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
January 7, 2009 ☐ City Attorney