



City of Grand Island

Tuesday, June 23, 2009

Council Session

Item E4

Public Hearing for Program Income Reuse Funds Application

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator

Meeting: June 23, 2009

Subject: Approving Use of Revolving Loan Funds for Storm Sewer Drainage Update at Platte Valley Industrial Park

Item #'s: E-4 & G-3

Presenter(s): Joni Kuzma, Community Development Administrator

Background

The City of Grand Island maintains a revolving loan (program income reuse) fund comprised of recaptured monies from Community Development Block Grant (CDBG) Economic Development loans. The Community Development Division manages the funds and submits semi-annual program income reports to the Nebraska Department of Economic Development regarding the fund status and projects proposed and/or completed. The City adopted a CDBG Reuse Plan in 1994 that serves as the guideline for qualifying projects.

The Grand Island Area Economic Development Corporation submitted an application to the Reuse Committee on May 20, 2009 requesting \$4,995.00 of Revolving Loan funds to update a previously completed Storm Sewer Drainage study for the Platte Valley Industrial Park. The 2002 study was completed by Olsson Associates and funded by the City of Grand Island.

The Program Income Reuse Committee met on June 3, 2009 and voted to refer the grant request to the City Council and recommend that the Council approve use of \$4,995.00 of Reuse funds for the proposed project.

A public hearing is required to invite public comment regarding the recommendation for obligation of Reuse Funds. A legal notice was published June 13, 2009 in the Grand Island Independent for a public hearing at the June 23, 2009 Council meeting.

Discussion

The project meets all of the requirements for use of Revolving loan funds. A qualifying project must:

1. Be used for Economic Development. The Platte Valley Industrial Park is targeted for business and industrial development.
2. Meet a National Objective as identified by the Department of Economic Development. This project meets the National Objective of “aiding in the prevention or elimination of slums or blight.”
3. Be located in a qualifying area. This project is within the city limits of Grand Island.
4. Meet a local objective: “to encourage the redevelopment of vacant or blighted buildings and land.”

At this time the Council is requested to approve the use of Revolving Loan funds for the proposed project at the Platte Valley 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 use of Revolving Loan funds for the proposed project at the Platte Valley 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

Recommendation

City Administration recommends that the Council approve the use of Revolving Loan funds for the proposed project at the Platte Valley Industrial Park and authorize the Mayor to sign all related documents.

Sample Motion

Move to approve the use of Revolving Loan funds for the proposed project at the Platte Valley Industrial Park and authorize the Mayor to sign all related documents.

Review Application For Business Loans and Guarantees

Important: The information contained in this form will be used to identify potential sources of public sector financing available to businesses in Nebraska. Such sources of financing include the Small Business Administration loan guarantee and 504 programs, the Farmers Home Administration Business and Industry loan program, and the State of Nebraska Community Development Block Grant program. Our ability to identify potential sources of financing is based upon the information you supply us. It is therefore very important that this preliminary information is accurate and complete. Answer "No" or "Not Applicable" where appropriate. **DO NOT LEAVE ANY QUESTIONS BLANK.**

A. Business (Borrower) Information:

Name of Business to Receive Assistance: Grand Island Area Economic Dev Corp

Address: 308 N. Locust - STE 400

Grand Island NE 68801
City State Zip

Contact Person: Morton Ferguson Telephone No. (308) 381-7500

Business Classification(Enter Primary SIC Code): ☐ Manufacturing ☐ Warehousing and Distribution
☐ Service ☐ Research and Development
☐ Administrative Management Headquarters

Business Organization: ☐ Proprietorship ☒ Corporation
☐ Partnership ☐ Other

If Yes, Identify Name: _____

Address: _____

City State Zip

Business Type: ☐ Start-up (0-5 yrs old) ☐ Buyout
☒ Existing If Existing, years in business _____

Ownership Identification: List all officers, directors, partners, owner, co-owners and all stockholders with 20% or more of the stock. Enter under Minority Code, a "1" if the person identified is a woman; a "2" if a member of a minority group; and "3" if a disabled person.

Name	Title	Ownership %	Minority Code
<u>Morton Ferguson</u>	<u>President</u>	<u>0</u>	<u> </u>
<u>Karl Coen</u>	<u>Chairman</u>	<u>0</u>	<u> </u>
<u>Jerry Harrison</u>	<u>1st Vice Chairman</u>	<u>0</u>	<u> </u>
<u>Dan McElligott</u>	<u>Sec. Treasurer</u>	<u>0</u>	<u> </u>

Personnel: (Full-Time-Equivalent, FTE is based upon 2,080 hours per year.)

Existing Number of Full Time Equivalent Positions: 2

Full-Time-Equivalent Positions to be created within 18 months of Application Approval: 0

Total Number of Seasonal Full-Time-Equivalent Jobs Created
(i.e. Jobs which will be available for at least 3 continuous months and recur annually): 0

B. Project Information

USES OF FUNDS;

Total Project Cost:

CDBG Funds Requested

Land Acquisition

Building Acquisition/Renovation

New Facility Construction

Acquisition of Machinery/Equipment

Acquisition of Furniture/Fixtures

Working Capital (Includes Inventory)

Other (Specify) Planning Grant

Total:

\$ 4,995.00

\$ 4,995.00

SOURCES OF FUNDS:

Note: Public sources of financing require the participation of a Bank and/or an injection of equity (non-debt) funds.

Participating Lender Information: N/A

Name of Lending Institution: _____

Address: _____

Contact Person: _____ Phone (____) _____

Loan Amount: \$ _____ Loan Term: (Yrs) _____

Interest Rate: _____ % _____ Variable _____ Fixed

Collateral Required: _____ Equity Required: _____

Equity Information:

Amount available by business or owners for investment: \$ _____

Project Location:

____ Within the City Limits of (Name of City) _____

Population of City _____

____ Outside of City Limits, but within the Zoning Jurisdiction of (Name of City) _____

Population of City _____

____ Unincorporated Area (Name of County) _____

Personal Financial Statement: Complete the Attached Personal Financial Statement Form for Each Person Owning 20% or More of the Business.

The above information is accurate to the best of my knowledge and belief. The above information is provided to help you evaluate the feasibility of obtaining public financial assistance. It is further understood that the submission of this form does not constitute a formal loan application and that the form will be used for analysis and assessment purposes only.

Dated: 5/20/09

Signature: Melvin Ferguson

ATTACH THE FOLLOWING:

- (1) A brief description of the business' history and the proposed project.
- (2) 3 year historical balance sheets and operating statements. Current statements less than 90 days old. Start-up provide projected year-end statements for first 2 years of operation.
- (3) Personal Financial Statement for each person owning 20% or more of the business (See Attached Form).
- (4) List of Current Obligations for Existing Business (See Exhibit G).
- (5) For new business and existing business expanding into a new produce line, please include a business plan.

Platte Valley Industrial Park Storm Sewer Improvements

Since the creation of the Platte Valley Industrial Park, there has been a need to improve the storm sewer drainage. This became a major issue with the spring storms of 2008.

During these spring storms, Platte Valley Industrial Park had two major projects going. Fed-X Ground and ASAP Express. Even though the park has detention cells the water was flowing over the street. Detention cells had reached their capacity. Our spec building might have been affected, but during the construction stage, the detention cell behind the building was dredged out and made deeper. This allowed the capacity of the cell to more than double.

What is being proposed at this time is to update the study conducted by Olsson Associates back in 2002. Olsson's will also update the project to current dollars.

Grand Island Area Economic Development Corp. has been conversing with the EDA on possible grants which will be used to offset project costs.



MEMO

TO: Marlin Ferguson
GIAEDC
3008 No. Locust Street – Suite 400
Grand Island, NE 68801

FROM: Kevin L. Prior
Olsson Associates
Grand Island, Nebraska

RE: Drainage – Platte Valley Industrial Park

DATE: May 22, 2009

PROJECT #:

PHASE:

NOTES:

I have put together a budget to update the Design Memorandum on the Platte Valley Industrial Park Storm Sewer System. The Fees necessary to complete the work is \$4,995. The work to be complete is as follows:

- 1) Verification Field Surveys
- 2) Use existing contours and a survey of the approximate ditch centerline to determine dirt excavation quantities.
- 3) Size Railroad and County Road drainage structures
- 4) Update project to current dollars
- 5) Summarize findings in a letter of report to the GIAEDC

If you have any questions, my number is 308-384-8750.

Kevin

A handwritten signature in black ink, appearing to read 'Kevin Prior', written over the printed name.

