



City of Grand Island

Tuesday, July 28, 2009

Council Session

Item G15

**#2009-184 - Approving Deed of Reconveyance of Property at Lot 1
Platte Valley Industrial Park**

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development

Meeting: July 28, 2009

Subject: Approving Deed of Reconveyance of property at Lot 1, Platte Valley Industrial Park

Item #'s: G-15

Presenter(s): Joni Kuzma, Community Development Administrator

Background

The City Of Grand Island has a Deed of Trust filed on property in the Platte Valley Industrial Park (Spec Building Site) in the amount of \$250,000. On October 5, 2007 a lien was filed against this property to secure Community Development Block Grant funds and agreements in the amount of \$250,000.00 that were loaned to the Grand Island Economic Area Development Corporation to assist in the construction of a shell building for the purposes of economic development as part of the Community Development Block Grant program. The legal description is:

Lot 7, Platte Valley Industrial Park Third Subdivision, Hall County, Nebraska.
Now a part of Lot 1, Platte Valley Industrial Park Sixth Subdivision, in Grand Island, Hall County, Nebraska

The Grand Island Area Economic Development Corporation is requesting to have the City forgive the loan and request the trustee to issue a Deed of Reconveyance on this property based on the terms of the Memorandum of Understanding with the City of Grand Island and the Nebraska Department of Economic Development. Nova-Tech, Inc. purchased the property in November 2008 and the company has met the job requirements as set forth in the Memorandum of Understanding.

Discussion

Section §4.03 of the Memorandum of Understanding states the following conditions for lien release:

“Up to 100% of the conditional grant provided by CDBG funds will be declared unconditionally granted by the Department in favor of the City, and thus the City will be

in a position to forgive some or all (the amount of forgiveness, if any, of the Loan is at the discretion of the City) of the Loan obligation of the Grand Island Area Economic Development Corporation, if certain conditions are fully satisfied.”

The benefiting business (Nova-Tech, Inc.) was required within 12 months of purchase to create 13 full-time equivalent positions, of which positions at least 51%, or seven (7), whichever was greater were to be held or made available to, low – to – moderate income (LMI) persons. Such positions were to be maintained for 12 months. Nova-Tech, Inc. has met all of the Community Development Block Grant objectives for job creation.

Alternatives

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

1. Move to forgive the loan and approve Deed of Reconveyance
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 forgive the loan and approve Deed of Reconveyance.

Sample Motion

Move to forgive the loan to GIAEDC and approve Deed of Reconveyance on Lot 7, Platte Valley Industrial Park Third Subdivision, Hall County, Nebraska. Now a part of Lot 1, Platte Valley Industrial Park Sixth Subdivision, in Grand Island, Hall County, Nebraska

RESOLUTION 2009-184

WHEREAS, the City has a Deed of Trust filed on property in the Platte Valley Industrial Park in the amount of \$250,000 to secure Community Development Block Grant funds that were loaned to the Grand Island Area Economic Development Corporation; and

WHEREAS, the GIAEDC is requesting the City forgive the loan dated October 4, 2007 in the amount of \$250,000 and release the Deed of Trust filed for record on the 5th day of October, 2007 and recorded as Instrument No. 0200708621 in the office of the Register of Deeds of Hall County, Nebraska, ; and

WHEREAS, the terms set forth in a July 2005 Memorandum of Understanding between the City of Grand Island, the Nebraska Department of Economic Development, and the Economic Development Corporation have been met;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island does hereby forgive the loan to Grand Island Area Economic Development Corporation dated October 4, 2007 in the amount of \$250,000 and releases the Deed of Trust dated October 4, 2007 and recorded as Instrument No. 0200708621 in the office of the Register of Deeds, Hall County, Nebraska. The Mayor is authorized and directed to sign the request for reconveyance to the trustee.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, July 28, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk