



# **City of Grand Island**

**Tuesday, April 13, 2010**

**Council Session**

## **Item E4**

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

**Staff Contact: Citizens' Review Committee**

# **Council Agenda Memo**

**From:** RaNae Edwards, City Clerk

**Meeting:** April 13, 2010

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

**Item #'s:** E-4 & G-17

**Presenter(s):** Dale M. Shotkoski, City Attorney  
Mark Stelk, 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 March 31, 2010, and voted to forward it on to 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.



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## 2010 - Semi-Annual Report to the Citizens Review Committee and City Council

Positive growth has been significant during the past several years. Future growth depends on availability of workforce, educational opportunities, pro business climate, and the availability of shovel ready sites.

Grand Island continues to face increasing competition for jobs. The future of our area's job growth depends not only on the success of our existing businesses continued growth, but on the successful recruitment of new businesses.

Grand Island has been fortunate in 2009; with the recent announcement of Structured Solutions and the numerous, confidential, "Request For Proposals".

EDC staff continues to submit proposals for potential projects. Over the past years our office has submitted 130 proposals for new industry/expansion projects. Each proposal has its own unique characteristics and key elements that need to be addressed. The assistance of key city staff, Workforce Development, Central Community College, Grand Island Public School Administration, NorthWestern Energy, and the Chamber to assist in the preparation of these proposals in a timely and efficient manner is critical.

Our pro-business attitude at both the City and County government levels makes Grand Island a perfect location for a company to locate or expand. In 2003, Grand Island voters approved \$7.5 million over a 10 year period to help existing businesses expand, and to recruit new business and industry to the area. We are now getting close to the end of the 10 year period whereas the citizens of Grand Island will need to evaluate the program and vote on its continuation.

Since the passage of LB-840, the program has assisted in the expansion and recruitment of 13 projects. Over 2,747 jobs were created or retained by these companies. Due to this impact, over 4,120.5 ( $1.5 \times 2,747$ ) secondary jobs were created. The cost to recruit these new jobs "\$1,962,500". However, the new jobs have generated close to \$17+ million in new payroll each year and around \$28 million in new real estate valuation. That is a \$45 million impact or a 900% return on the cities investment. Other ways these projects have impacted our community are: additional personal property tax, new retail businesses created, increase in home sales, additional service sector businesses, and new secondary industrial jobs created.

Insuring that each project funded continues to meet the guidelines of the program and the signed agreement on job creation, our office audits these projects annually. To recap just a few of the projects, on September 11, 2009, Standard Iron was requested to submit their final FTE report. On September 25<sup>th</sup>, that report was received which state they had created and retained 113 employees. Standard Iron was sent a formal letter stating they had met the terms of the Incentive Agreement and thanked them for fulfilling its requirements. This was our first project funded under LB-840.

O'Neill Wood Resources, under the same audit procedures, has surpassed their obligations by hiring 16 employees at an average rate of \$13.45. They still have two more years until their grant is forgiven.

Case IH grant was \$325,000 in December of 2008. On January 26, 2010 they complied with our audit by stating they had retained an employment level of 771 and currently were at 936.63 FTE's. Of the amount granted to Case IH, a balance of \$100,000 remains. Total forgiveness will occur on January 1, 2011.

Why is economic growth important? For each two manufacturing jobs created, one new service job is created. For each two service jobs created, one more service job is created, and for every dollar of new money created by a new job that dollar turns over within the community up to seven times.

Economic growth, specifically productive growth, is vital to improve the well being of each family in Grand Island and surrounding communities. Economic growth makes addressing many of the problems of our community easier. Higher economic growth could help meet the needs of entitlement programs.

We thank each of you who have assisted us in accomplishing our mission to stimulate the expansion of existing business and attract new enterprises, while enhancing our quality of life.



Marlan Ferguson

President

Grand Island Area Economic Development Corp.