



City of Grand Island

Tuesday, January 11, 2011

Council Session

Item E4

Public Hearing on Program Income Reuse Funds Application

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator
Meeting: January 11, 2011
Subject: Approving Program Income Reuse Funds Application
Item #'s: E-4 & G-7
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 November 17, 2010 requesting \$7,000.00 of Revolving Loan funds. The forgivable loan would update an April 2010 Environmental Review of Platte Valley Industrial Park East, with the exception of the southwest corner of the southeast corner of section 5-10-9.

The Program Income Reuse Committee met on December 20, 2010 and voted to refer the loan request to the City Council and recommend that the Council approve use of \$7,000.00 of Reuse funds for the proposed project. The request meets the Community Development Block Grant State and National objective of job creation. A qualifying business will be required to create 37 full-time equivalent positions, 51% of which must be held by or made available to low-to-moderate income persons. The loan will be forgivable when a business meets those job requirements.

A public hearing is required to invite public comment regarding the recommendation for obligation of Reuse Funds. A legal notice was published January 1, 2011 in the Grand Island Independent for a public hearing at the January 11, 2011 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 “job creation.”
3. Be located in a qualifying area. This project is within the city limits of Grand Island.
4. Meet a local objective: “job creation.”

At this time the Council is requested to approve the use of Revolving Loan funds for an environmental review update at Platte Valley Industrial Park East.

Alternatives

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

1. Move to approve the item.
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 an Environmental Review update at Platte Valley Industrial Park East and authorize the Mayor to sign all related documents.

Sample Motion

Move to approve the use of Revolving Loan funds for an Environmental Review update at Platte Valley Industrial Park East and authorize the Mayor to sign all related documents.

**City of Grand Island
Program Income Reuse Committee
December 20, 2010 Meeting Minutes**

The City of Grand Island Program Income Reuse Committee met Monday, December 20, 2010, 9:00 a.m. in the Legal library at City Hall, 100 E. 1st St.

Those present: John Hoggatt, Platte Valley State Bank
Jason Eley, Assistant City Attorney
Mary Lou Brown, Interim City Administrator/Finance Director
Joni Kuzma, Community Development Administrator
Marlan Ferguson, Economic Development Corporation
Denise McGovern-Gallagher, Economic Development Corporation

The City received an application from the Grand Island Area Economic Development Corporation for up to \$7,000 in Reuse Funds to update an existing Environmental Review of Platte Valley Industrial Park East (PVIP East). The project is tied to a Community Development Block Grant that has been submitted to the Nebraska Department of Economic Development for water and sewer infrastructure improvements at PVIP East.

The request meets the Community Development Block Grant State and National objective of job creation. A qualifying business will be required to create 37 full-time equivalent positions, 51% of which must be held by or made available to low-to-moderate income persons. The loan will be forgivable when a business meets those job requirements.

J. Hoggatt moved to recommend approval of the application for \$7,000 for the project to the Grand Island City Council. M. Brown seconded the motion. Discussion of project time frame and potential took place. Motion carried with M. Brown, J. Kuzma, J. Hoggatt, and J. Eley voting yes. M. Ferguson and D. McGovern-Gallagher abstained. A public hearing will occur at the January 11, 2011 Council Meeting and the item recommended for approval.

Meeting adjourned 9:35 a.m.

Minutes recorded by Joni Kuzma, Community Development Administrator

11:30 a.m.

A motion was made by J. Hoggatt via email to award an additional \$1,000 for a total of \$8,000 to allow for expenses related to a required Wetlands Determination.