



City of Grand Island

Tuesday, March 13, 2012

Council Session

Item E2

Public Hearing on the Proposal for Use of Program Income Reuse Funds

Staff Contact: Marco Floeani

Council Agenda Memo

From: Marco Floreani, Community Development Administrator

Meeting: March 13, 2012

Subject: Approving Program Income Reuse Funds Application

Item #'s: E-2 & G-6

Presenter(s): Marco Floreani, 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 City of Grand Island submitted an application on behalf of the Grand Island Business Improvement District # 8 to the Reuse Committee on February 28, 2012 requesting \$12,500 of Revolving Loan funds. These funds would provide a portion of the required match for a 2012 Phase 1 Downtown Revitalization Grant from the Nebraska Department of Economic Development. The \$12,500 will only be allocated as matching funds if the Nebraska Department of Economic Development approves the Phase 1 grant application for funding.

The Program Income Reuse Committee met on February 28, 2012 and voted to refer the loan request to the City Council and recommend that the Council approve use of the \$12,500 of reuse funds for the proposed project. The request meets the community Development Block Grant State and National objectives. The objectives are identifies as: Benefiting Low- and Moderate Income Persons; Preventing or Eliminating Slums or Blight; and Meeting Urgent Needs.

A public hearing is required to invite public comment regarding the recommendation for allocation of Reuse Funds. A legal notice was published March 3, 2012 in the Grand Island Independent for a public hearing at the March 13, 2012 City Council Meeting.

Discussion

At this time the Council is requested to approve the \$12,500 of Revolving Loan funds that would provide a portion of the required match for a 2012 Phase 1 Downtown Revitalization Grant from the Nebraska Department of Economic Development.

Alternatives

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

1. Move to approve the \$12,500 of Revolving Loan funds Development Grant application
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 \$12,500 of Revolving Loan funds.

Sample Motion

Move to approve \$12,500 of Revolving Loan funds and authorize the Mayor to sign all related documents.



Downtown *Grand Island*

February 20, 2012

Mayor Jay Vavricek
City of Grand Island
P.O. Box 1968
Grand Island, NE 68802

RE: Program Income Reuse Application

Mayor Vavricek,

Attached please find an application from Business Improvement District #8 for a City of Grand Island Program Income Reuse grant in the amount of \$12,500. These funds would provide a portion of the required match for a 2012 Phase 1 Downtown Revitalization Initiative grant from the Nebraska Department of Economic Development.

The Phase 1 Planning grant, for which BID #8 is requesting Reuse Funds, would enable the Downtown BID to complete a three - five year Downtown plan for 1) revitalizing and redeveloping downtown infrastructure, 2) addressing health and safety concerns, and 3) developing a capacity for greater growth. BID #8 proposes a \$50,000 project to encompass comprehensive planning for Infrastructure Improvements, Business Assistance, Individual Building Development, Marketing, and Future Planning and Development. The plan would include short-range, intermediate and long-range goals. The maximum grant award is \$30,000 with a 25% required match. The City of Grand Island is required to be the applicant for Community Development Block Grants. The BID will prepare the grant application for approval by the Grand Island City Council.

The BID is requesting \$12,500 from the CDBG Program Income Reuse fund for a portion of the grant match. The remaining \$7,500 will come from other cash and in-kind sources. The recently completed Building Evaluation Study will provide valuable supporting documentation to guide business assistance and individual building development portions of the plan. Reuse funds will only be accessed by the BID for this project if the grant is awarded.

**City of Grand Island
Program Income Reuse Committee
February 28, 2012 Meeting Minutes**

The City of Grand Island Program Income Reuse Committee met Tuesday, February 28, 2012, 4:30 p.m. in Conference Room 1 at City Hall, 100 E 1st St.

Members Present: Marco Floreani, Community Development Administrator
 Marlan Ferguson, Economic Development Corporation
 Jason Eley, Assistant City Attorney

Other Members: Mary Lou Brown, City Administrator
 John Hoggatt, Platte Valley State Bank

Others Present: Jaye Monter, Finance Director
 Chad Nabity, Planning Director
 Curt Haecker, Business Improvement District # 8 representative
 Cathy Ewoldt, Senior Account Clerk

The City had received an application from Business Improvement District #8, requesting \$12,500.00 in matching funds for a Community Development Block Grant. The purpose of this grant is to complete a Phase 1 Downtown Revitalization Plan for Downtown Grand Island.

Marco outlined the request, and indicated that the grant meets the Community Development Block Grant National, State, and Local objective. Those three objectives are identified as: Benefitting Low-and Moderate Income Person; Preventing or Eliminating Slums or Bligh; and Meeting urgent Needs. Chad outlined that the funds, if approved would not actually be spent until such time that the State awards the grant to the City of Grand Island on behalf of the Business Improvement District #8.

Marlan Ferguson moved to recommend approval of the application for \$12,500.00 for the project. Marco Floreani seconded. There was no discussion needed. The three members present voted in favor of the application. John Hoggatt had indicated a vote in favor of the motion at the time of notification that he would be unable to attend. A public hearing will occur at the March 13, 2012 Council Meeting and the item recommended for approval.

Meeting adjourned at 4:45 p.m.

Minutes recorded by Cathy Ewoldt.