



# **City of Grand Island**

**Tuesday, April 10, 2012**

**Council Session**

## **Item E3**

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

**Staff Contact: Lisa Willman, Chairman**

# **Council Agenda Memo**

**From:** Mary Lou Brown, City Administrator

**Meeting:** April 10, 2012

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

**Item #'s:** E-3 & G-16

**Presenter(s):** Mary Lou Brown, City Administrator  
Lisa Willman, 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 April 3, 2012, 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.

## 2012 Mid-year LB-840 Report

Prepared by: Marlan Ferguson, President

Look around Grand Island today. Through past leadership, visioning, listening, hard work, and planning Grand Island has and will continue to grow. Strong leadership is the secret to our success. Grand Island is very fortunate to have a large manufacturing sector of jobs. Almost 20% of all jobs in our community are manufacturing. With the rest of the nation experiencing a depressed economy, the number of firms outside of Grand Island area looking to locate here is very limited. Thus, the best opportunities for growth lie within our existing community. In 2011 there were over 700 new jobs created. We saw major expansion from Case IH, Standard Iron, Hornady Manufacturing, Global Industries, and of course Chief Industries. We also are experiencing additional growth in the secondary job market with the expansion of Olive Garden, Buffalo Wings, Panera Bread, Freddy's, Road House, Napoli's and Fed-X, just to name a few. It is encouraging to see this positive growth continue.

It is no secret that thousands of new jobs have been created as a result of performance-based incentives, tax increment financing, job training funds, and other programs. These new and growing businesses have led to increased construction, new buildings, and more employees who are investing in homes, buying cars, and supporting local retailers. This strong business activity means more money coming into our community, broadening our tax base – which means there are more businesses and residents to help share the tax load. This is why the LB-840 economic development program is so important to everyone living in Grand Island.

In fact, our top 2012 goal for the EDC is to make sure voters again approve the passage of LB-840. The basic idea behind the current economic development program was for our community to grow, we need new businesses in the area and we need existing businesses to expand. There have been over 3,300 new jobs created in Grand Island since 2003. These jobs have an estimated payroll of more than \$36 million every year. Over \$3.9 million in total real estate taxes from 2003 to 2011 alone; and over \$26 million in real estate valuation during that same time.

In almost every way, Grand Island is definitely on a roll! We've become a major destination city with the Nebraska State Fair and the Heartland Event Center. Our status as a regional trade center is underscored by our quality health care, excellent educational opportunities, and the recent growth of new retail establishments, restaurants and hotel facilities.

As we approach the final year of the current program, many of our LB-840 projects have fulfilled some or all of their contractual obligations. During the past six (6) months seven (7) companies were notified of their compliance: Ace Machine Shop, Standard Iron, Case IH #1, Heritage Disposal and Storage, Love Signs, O'Neill Wood Resources, and Rogue Mfg.

2012 is an important year for Grand Island Area Economic Development Corporation and our community. You can be assured that our board and staff will be rolling up our sleeves to guarantee the renewal of LB-840 and with your help, we'll continue to add good full time jobs to our community. Working together we can help take Grand Island to the next level!

## 2012 Board of Trustees

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# Grand Island Area Economic Development Corporation

Recap of the LB-840 Program

April 10, 2012

# LB840 ECONOMIC DEVELOPMENT FUND RECONCILIATION

## Contribution by the City for Economic Development

Fund 238-A/C #23811402

DATE	RECEIPTS	PAYMENTS	DETAIL
<b>FISCAL 2004</b>			City transfer to LB-840 Fund
10/31/2003	400,000.00		City transfer to LB-840 Fund
11/17/2003	76,305.00		Grant received for paving
12/09/2003		(76,305.00)	GIAEDC, for Gold Core Road paving
02/11/2004	38,005.00		Grant received for paving
06/08/2004		(38,005.00)	GIAEDC, for Gold Core Road paving
08/10/2004		(200,000.00)	GIAEDC, for Standard Iron
2004	2,403.00		Interest earned
2004		(22,500.00)	City administrative fee
<b>FISCAL 2005</b>			
10/12/2004		(100,000.00)	GIAEDC, for Heritage Disposal
03/01/2005	400,000.00		City transfer to LB-840 Fund
04/12/2005		(42,000.00)	GIAEDC, for Love Signs
05/10/2005		(200,000.00)	GIAEDC, for CXT
2005	10,434.81		Interest earned
2005		(22,500.00)	City administrative fee
<b>FISCAL 2006</b>			
10/31/2005	750,000.00		City transfer to LB-840 Fund
10/31/2005		(22,500.00)	City administrative fee
11/08/2005		(350,000.00)	GIAEDC Annual Funding Request
05/31/2006		(13.16)	Grand Island Independent, Public Notice
08/30/2006		(13,992.58)	Interest earned
Grand Island	13,992.58		

**FISCAL 2007**

10/1/2006	750,000.00	City transfer to LB-840 Fund
10/10/2006	(350,000.00)	GIAEDC Annual Funding Request
10/1/2006	(22,500.00)	City administrative fee
11/28/2006	(45,000.00)	O'Neill Wood Resources
11/28/2006	(325,000.00)	CNH America, LLC expansion
05/22/2007	(154,000.00)	Hornady Manufacturing, Inc.
05/22/2007	(330,000.00)	Principal Life Insurance Co.
9/20/2007	27,259.19	Interest earned YTD

**FISCAL 2008**

11/30/2007	750,000.00	City transfer to LB-840 Fund
11/13/2007	(350,000.00)	GIAEDC Annual Funding Request
11/13/2007	(22,500.00)	City administrative fee
3/11/2008	(160,000.00)	Nova Tech, Inc.
3/11/2008	(70,000.00)	Hastings Foods, Inc.
09/30/2008	19,015.70	Interest earned YTD

**FISCAL 2009**

10/31/2008	750,000.00	City transfer to LB-840 Fund
10/31/2008	(22,500.00)	City administrative fee
10/31/2008	(350,000.00)	GIAEDC Annual Funding Request
12/23/2008	300,000.00	Principal Life Insurance Co.-Paid back loan
02/24/2009	(32,500.00)	Ace Machine Shop & Sales
09/30/2009	14,854.36	Interest earned YTD
09/30/2009	0.41	Adjust to actual cash balance



**FISCAL 2010**

10/13/2009	750,000.00	City transfer to LB-840 Fund
10/13/2009	(350,000.00)	GIAEDC Annual Funding Request
10/13/2009	(22,500.00)	City administrative fee
12/29/2009	(600,000.00)	Stuctured Solutions
05/19/2010	14,000.00	Love Signs-pay back loan
08/31/2010	11,767.12	Interest earned thru 8/31/10
09/28/2010	(200,000.00)	Hornady Manufacturing, Inc.
09/30/2010	432.91	Interest earned

**FISCAL 2011**

10/01/2010	750,000.00	City transfer to LB-840 Fund
10/01/2010	(22,500.00)	City administrative fee
10/13/2010	(350,000.00)	GIAEDC Annual Funding Request
10/22/2010	20.86	Interest earned
12/29/2010	(50,000.00)	Rogue Manufacturing
01/31/2011	916.75	Interest earned Nov-Jan 2011
05/25/2011	(225,000.00)	Standard Iron
05/25/2011	(100,000.00)	CNH America, LLC expansion
06/30/2011	1,807.57	Interest earned Feb-June 2011
08/31/2011	1,626.77	Interest earned July-Aug 2011
09/30/2011	193.86	Interest earned Sept 2011

## ISCAL 2012

10/01/2011	750,000.00	City transfer to LB-840 Fund
10/12/2011	(350,000.00)	GIAEDC Annual Funding Request
10/12/2011	(22,500.00)	City administrative fee
10/12/2011	(119,000.00)	CNH America, LLC
10/31/2011	29.43	Interest earned Oct 2011
11/30/2011	513.12	Interest earned Nov 2011
12/31/2011	228.08	Interest earned Dec 2011
01/31/2012	6.58	Interest earned Jan 2012
02/28/2012	160.79	Interest earned Feb 2012
03/31/2012	88.20	Interest earned Mar 2012
04/10/2012	(575,000.00)	Platte Valley Industrial Park

# LB-840 projects under current

Year	Applicant	\$ Amount Approved	\$ Amount Forgiven	Jobs Created/ Retained	Status of
2004	<b>Standard Iron</b>	200,000	200,000	100	All obligations fulfilled
2004	<b>Heritage Disposal</b>	100,000	100,000	18	All obligations fulfilled
2005	<b>Love Signs</b>	42,000	42,000	20	All obligations fulfilled
2005	<b>CXT, Inc.</b>	200,000	200,000	55	All obligations fulfilled
2006	<b>J.C. Doyle</b>	20,000	20,000	21	All obligations fulfilled
2007	<b>O'Neill Wood Rec.</b>	45,000	45,000	15	All obligations fulfilled
2007	<b>Case IH #1</b>	325,000	325,000	80	All obligations fulfilled
2007	<b>Hornady Mfg. #1</b>	154,000	106,666	77	2/3 job creation report due final report due 1/30/12
2007	<b>Principal Financial</b>	30,000	30,000	550	All obligations fulfilled
2008	<b>Hastings Foods</b>	70,000		35	Have created 90 jobs 1st forgiveness report due 1/30/12
2008	<b>Nova-Tech</b>	160,000	100,000 20,000	50	Infrastructure completed Next report due 1/30/12
2009	<b>Ace Machine Shop</b>	32,500	15,000 17,500	7	Infrastructure funded job creation fulfilled
2009	<b>Structured Solutions</b>	600,000			in default
2010	<b>Hornady Mfg. #2</b>	200,000	75,000 41,666	50	Infrastructure funded 1/3 Job Creation report due in July
2010	<b>Platte Valley Ind. Pk.</b>	575,000			Project bids received
2010	<b>Rogue Manufacturing</b>	50,000	35,000	12	Infrastructure funded FTE report due 1/30/12
2011	<b>Standard Iron #2</b>	225,000	150,000	25	Infrastructure funded FTE report due 1/30/12
2011	<b>Case IH #2</b>	219,000		73	First reporting period October of 2012

# Grand Island Workforce 2002 thru 2011

**Annual Not Seasonally Adjusted Labor Force, Employment and Unemployment data in Grand Island**

<b>Civilian Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment Rate</b>
22,924	21,966	958	

*Source: Nebraska Dept. of Labor, Labor Market Information, Local Area Unemployment Statistics*

**Annual Not Seasonally Adjusted Labor Force, Employment and Unemployment data in Grand Island**

<b>Civilian Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Unemployment Rate</b>
26,296	25,240	1,056	

*Source: Nebraska Dept. of Labor, Labor Market Information, Local Area Unemployment Statistics*

# Impact of LB-840 investment

- 3,274 new jobs in 10 years (NE Dept. of Labor)
- 1,188 direct jobs created with estimated payroll of \$36,048,313 per year.
- Direct jobs created reflect what was stated in the application.

(Every dollar spent turns over 7 times (\$890 million) in our community)