



# City of Grand Island

Tuesday, May 8, 2012

Council Session

## Item G3

**Approving Minutes of May 1, 2012 City Council Study Session**

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

May 1, 2012

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on May 1, 2012. Notice of the meeting was given in the *Grand Island Independent* on April 25, 2012.

Mayor Jay Vavricek called the meeting to order at 7:00 p.m. The following Councilmembers were present: Chuck Haase, Larry Carney, Bob Niemann, Kirk Ramsey, Peg Gilbert, Mitch Nickerson, Linna Dee Donaldson, Scott Dugan, Vaughn Minton, and John Gericke. The following City Officials were present: City Administrator Mary Lou Brown, City Clerk RaNae Edwards, City Attorney Bob Sivick, Public Works Director John Collins and Finance Director Jaye Monter.

INVOCATION was given by CYC Student McKenzie Reed followed by the PLEDGE OF ALLEGIANCE.

Mayor Vavricek introduced Community Youth Council members Josh Sugita and McKenzie Reed.

SPECIAL ITEMS:

Presentation of LB 840 Plan. Ann Martin, Chair of the Economic Development Board commented about the success of the current LB 840 Plan. Ms. Martin stated the sole purpose of GIAEDC was the creation, retention and expansion of jobs in Grand Island. GIAEDC recruits new qualified businesses and creates jobs, helps local businesses expand, train and invest in the community, promotes a well-trained workforce, cooperates with other growth oriented organizations, lobbies for pro-business legislation, works with community organizations to improve our quality of life, and creates economic development incentives with LB840.

In 2003 voters voted to leverage existing resources for the purpose of retaining and creating jobs of Grand Island and became a leader in the economic development area. LB 840 was a community tool that encouraged permanent investment and created quality job growth.

From October 2003 to May 1, 2012 a total of 19 projects with a \$3,298,500 in investment had taken place. Over 1,188 direct jobs were created with an estimated annual payroll of \$36,000,000. An additional 2,100 jobs were created indirectly. Over the last 8 years, 3,300 total jobs were created in Grand Island.

GIAEDC had helped with other project such as the Air National Guard, instrumental in passing the 1/2 Cent Sales Tax, Nebraska State Fair, and Husker Harvest Days.

GIAEDC were asking the City Council to renew LB 840 for another ten years at the 2003 funding level of \$750,000 per year. They recommended implementing greater measures of accountability to taxpayers, improve applicant and financial requirements, and to continue to create jobs and growth in Grand Island.

President of GIAEDC Marlan Ferguson, 2808 Apache Road recognized the past and current board members.

Gloria Thesenvitz representing Nova Tech spoke in support of the LB 840 program.

City Administrator Mary Lou Brown answered questions concerning the four quarterly payments for administrative/promotion funds to GIAEDC. Mr. Ferguson clarified that businesses must be located within the territorial boundaries of the City. If those businesses were located within a County Industrial Tract they must be willing to request annexation to be eligible. Exceptions to this would be brought before the City Council before the GIAEDC approval process.

Discussion was held concerning the limit for any one project. Mr. Ferguson stated there was no limit per project. GIAEC received \$750,000 each year from the General Fund, Sales Tax, Property Tax, Utility Funds, grants, and/or donations. The law allowed 1<sup>st</sup> Class cities up to \$2 million for the LB 840 program.

Comments were made concerning the 3% the City would keep regarding administering the program. Ms. Brown stated that amount was not changed. Suggestion was made by Council to increase the amount of funds available for any project in excess of \$50,000 to be disbursed to the applicant in a defined schedule be increased to \$100,000 to \$150,000.

Discussion was held regarding the \$350,000 per year for the EDC promotion, advertisement, etc. K.C. Hehnke, 8406 110th Road commented on the \$350,000 EDC received. Currently this was used for interest expenses on the CAAP and Platte Valley land.

Request was made by Council to include in Section IX Paragraph A-1 that a Councilmember be included on the Citizen Advisory Review Committee. Discussion was had concerning the EDC audit, and funds from grants and utilities. City Attorney Robert Sivick stated the amount of funds from the Utilities Department was stated in Statute. Utilities Director Tim Luchsinger made further comments regarding the Utilities funds.

Mr. Ferguson stated the GIAEC recommended moving forward with the LB 840 Program on the November 2012 General Election.

Presentation of Renewable Portfolio Goal. Utilities Director Tim Luchsinger reported that the Utilities Department had made efforts to be involved in developing technologies regarding renewable energy. Presently, the most cost effective form of renewable energy in this area was wind energy.

Currently there was no existing State Renewable Energy standard. OPPD and NPPD had internal goals of 10% renewable energy by 2020. Lincoln Electric System had goals to reduce demand

and CO2 emissions. Mr. Luchsinger stated wind was a higher cost and tax credits were not applicable to public power.

The following Grand Island Wind Participation was presented:

- Ainsworth – 1 megawatt (MW)
- Elkhorn Ridge – 1 MW
- Laredo Ridge – 1 MW
- Broken Bow – 1 MW (planned for late 2012)
- Springview 2 – minimal output – access to data

Output of wind generators relied on the wind speed. Wind accounted for 1.4% of total energy in 2011. Average power cost equaled \$34/megawatt-hour, average wind cost equaled \$58/megawatt-hour. Average monthly household cost for wind = \$0.55.

Discussion was held regarding the increase in electrical rates. Mr. Luchsinger stated natural gas prices right now were as low as they had been in the last 15 to 20 years. Comments were made by Councilmembers concerning a goal for renewable energy of 10% by 2020 being too aggressive.

Mr. Luchsinger answered questions regarding EPA emission compliance and capacity at our current facilities. Comments were made regarding the City of Grand Island being self-sustaining and what the next big step would be to keep it that way.

ADJOURNMENT: The meeting was adjourned at 9:25 p.m.

RaNae Edwards  
City Clerk