



# **City of Grand Island**

**Tuesday, September 25, 2012**

**Council Session**

## **Item E3**

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

**Staff Contact: Mary Lou Brown**

# **Council Agenda Memo**

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

**Meeting:** September 25, 2012

**Subject:** Public Hearing Concerning the Annual Report by the Citizens' Review Committee on the Economic Development Program Plan

**Item #'s:** E-3 & G-7

**Presenter(s):** Mary Lou Brown, City Administrator

## **Background**

The votes 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 an 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 annual report from the Economic Development Corporation at its meeting of August 28, 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 annual report of the Citizens' Advisory Review Committee.
2. Do not accept the annual report of the Citizens' Advisory Review Committee.

### **Recommendation**

City Administration recommends that the Council accept the annual report of the Citizens' Advisory Review Committee.

### **Sample Motion**

Move to accept the annual report of the Citizens' Advisory Review Committee.

Citizens Review Committee Report for LB 840

*Presented by Lisa Willman, Chairman*

*Citizens Review Committee*

September 25, 2012

City Hall Council Chambers

The City of Grand Island Economic Development Program Plan was approved by the citizens at an election on May 6<sup>th</sup> 2003. The effective date of the Plan was October 1, 2003. The Plan often times is referred to as LB-840 or the Local Option Municipal Development Act.

The plan allocates \$750,000 annually, from General Fund revenues, from the City of Grand Island, for a period of 10 years, for promotion, recruiting, public relations, advertising, and incentives for retention and expansion of business and industry.

The State Statute required the establishment of a Citizen's Review Committee to (1) Review the function and progress of the Economic Development Program and (2) Report to the City Council on it's findings and suggestions at a public hearing called for that purpose at least once in every six-month period after the effective date of the ordinance.

Over the past year, the GIAEDC brought forward one application for funding – Medbury Fabrication, LLC which was awarded \$76,000. During the same period, there were 10 audits and the following industries have complied with the terms of their agreement:

Case IH #2 - \$50,000.00 (job creation)  
Hastings Foods - \$23,333.33 (job creation)  
Hornady Mfg. #1 - \$53,333.34 (job creation) final report  
Hornady Mfg. #2 - \$75,000.00 (expansion)  
Hornady Mfg. #2 - \$41,666.66 (job creation)  
Love Signs - \$14,000 (job creation) final report  
Nova-Tech, Inc. - \$20,000 (job creation)  
O'Neill Wood Resources - \$5,000.00 (job creation) final report  
Rogue Mfg. - \$35,000.00 (expansion)  
Standard Iron #2 - \$150,000.00 (expansion)

- Over \$5.5 million in total real estate taxes have been generated since 2003.

Between now and November 6, 2012, we hope you help the committee spread the word to Vote 'Yes" on the renewal of the Grand Island Economic Job program.

*As Chairman of the Citizens Review Committee, I would like to report that on August 28, 2012 at 7:30 am in City Council Chambers, the Citizens Review Committee met to review the LB-840 program as presented by Marlan Ferguson, President of the Grand Island Area Economic Development Corporation. The report was accepted and scheduled to be presented to City Council at this Public Hearing.*

Thank you for your interest and support.

**LB840 EDC FUND RECONCILIATION****Contribution by the City for Grand Island Economic Development**

Fund 238-A/C #23811402

DATE	RECEIPTS	PAYMENTS	DETAIL	BALANCE
<b>FISCAL 2004</b>				
10/31/2003	400,000.00		City transfer to EDC Fund	\$400,000.00
11/17/2003	76,305.00		Grant received for paving	\$476,305.00
12/09/2003		(76,305.00)	GIAEDC, for Gold Core Road paving	\$400,000.00
02/11/2004	38,005.00		Grant received for paving	\$438,005.00
06/08/2004		(38,005.00)	GIAEDC, for Gold Core Road paving	\$400,000.00
08/10/2004		(200,000.00)	GIAEDC, for Standard Iron	\$200,000.00
2004	2,403.00		Interest earned	\$202,403.00
2004		(22,500.00)	City administrative fee	\$179,903.00
<b>FISCAL 2005</b>				
10/12/2004		(100,000.00)	GIAEDC, for Heritage Disposal	\$79,903.00
03/01/2005	400,000.00		City transfer to EDC Fund	\$479,903.00
04/12/2005		(42,000.00)	GIAEDC, for Love Signs	\$437,903.00
05/10/2005		(200,000.00)	GIAEDC, for CXT	\$237,903.00
2005	10,434.81		Interest earned	\$248,337.81
2005		(22,500.00)	City administrative fee	\$225,837.81
<b>FISCAL 2006</b>				
10/31/2005	750,000.00		City transfer to EDC Fund	\$975,837.81
10/31/2005		(22,500.00)	City administrative fee	\$953,337.81
11/08/2005		(350,000.00)	GIAEDC Annual Funding Request	\$603,337.81
05/31/2006		(13.16)	Grand Island Independent, Public Notice	\$603,324.65
08/08/2006		(20,000.00)	J.C. Doyle, Inc./LTD	\$583,324.65
9/30/2006	13,992.58		Interest earned	\$597,317.23
<b>FISCAL 2007</b>				
10/1/2006	750,000.00		City transfer to EDC Fund	\$1,347,317.23
10/10/2006		(350,000.00)	GIAEDC Annual Funding Request	\$997,317.23
10/1/2006		(22,500.00)	City administrative fee	\$974,817.23
11/28/2006		(45,000.00)	O'Neill Wood Resources	\$929,817.23
11/28/2006		(325,000.00)	CNH America, LLC expansion	\$604,817.23
05/22/2007		(154,000.00)	Hornady Manufacturing, Inc.	\$450,817.23
05/22/2007		(330,000.00)	Principal Life Insurance Co.	\$120,817.23
9/20/2007	27,259.19		Interest earned YTD	\$148,076.42
<b>FISCAL 2008</b>				
11/30/2007	750,000.00		City transfer to EDC Fund	\$898,076.42
11/13/2007		(350,000.00)	GIAEDC Annual Funding Request	\$548,076.42
11/13/2007		(22,500.00)	City administrative fee	\$525,576.42
3/11/2008		(160,000.00)	Nova Tech, Inc.	\$365,576.42
3/11/2008		(70,000.00)	Hastings Foods, Inc.	\$295,576.42
09/30/2008	19,015.70		Interest earned YTD	\$314,592.12
<b>FISCAL 2009</b>				
10/31/2008	750,000.00		City transfer to EDC Fund	\$1,064,592.12
10/31/2008		(22,500.00)	City administrative fee	\$1,042,092.12
10/31/2008		(350,000.00)	GIAEDC Annual Funding Request	\$692,092.12
12/23/2008	300,000.00		Principal Life Insurance Co.-Paid back loan	\$992,092.12
02/24/2009		(32,500.00)	Ace Machine Shop & Sales	\$959,592.12
09/30/2009	14,854.36		Interest earned YTD	\$974,446.48
09/30/2009	0.41		Adjust to actual cash balance	\$974,446.89
<b>FISCAL 2010</b>				

**LB840 EDC FUND RECONCILIATION****Contribution by the City for Grand Island Economic Development**

Fund 238-A/C #23811402

<b>DATE</b>	<b>RECEIPTS</b>	<b>PAYMENTS</b>	<b>DETAIL</b>	<b>BALANCE</b>
10/13/2009		(350,000.00)	GIAEDC Annual Funding Request	\$1,374,446.89
10/13/2009		(22,500.00)	City administrative fee	\$1,351,946.89
12/29/2009		(600,000.00)	Structured Solutions	\$751,946.89
05/19/2010	14,000.00		Love Signs-pay back loan	\$765,946.89
08/31/2010	11,767.12		Interest earned thru 8/31/10	\$777,714.01
09/28/2010		(200,000.00)	Hornady Manufacturing, Inc.	\$577,714.01
09/30/2010	432.91		Interest earned	\$578,146.92
<b>FISCAL 2011</b>				
10/01/2010	750,000.00		City transfer to EDC Fund	\$1,328,146.92
10/01/2010		(22,500.00)	City administrative fee	\$1,305,646.92
10/13/2010		(350,000.00)	GIAEDC Annual Funding Request	\$955,646.92
10/22/2010	20.86		Interest earned	\$955,667.78
12/29/2010		(50,000.00)	Rogue Manufacturing	\$905,667.78
01/31/2011	916.75		Interest earned Nov-Jan 2011	\$906,584.53
05/25/2011		(225,000.00)	Standard Iron	\$681,584.53
05/25/2011		(100,000.00)	CNH America, LLC expansion	\$581,584.53
06/30/2011	1,807.57		Interest earned Feb-June 2011	\$583,392.10
08/31/2011	1,626.77		Interest earned July-Aug 2011	\$585,018.87
09/30/2011	193.86		Interest earned Sept 2011	\$585,212.73
<b>FISCAL 2012</b>				
10/01/2011	750,000.00		City transfer to EDC Fund	\$1,335,212.73
10/12/2011		(350,000.00)	GIAEDC Annual Funding Request	\$985,212.73
10/12/2011		(22,500.00)	City administrative fee	\$962,712.73
10/12/2011		(119,000.00)	CNH America, LLC	\$843,712.73
10/31/2011	29.43		Interest earned Oct 2011	\$843,742.16
11/30/2011	513.12		Interest earned Nov 2011	\$844,255.28
12/31/2011	228.08		Interest earned Dec 2011	\$844,483.36
01/31/2012	6.58		Interest earned Jan 2012	\$844,489.94
02/28/2012	160.79		Interest earned Feb 2012	\$844,650.73
03/31/2012	88.20		Interest earned Mar 2012	\$844,738.93
04/25/2012		(55,000.00)	Medberry Fabrication	\$789,738.93
04/25/2012		21,000.00*	Allocation to Medberry for future job creatic	\$768,738.93
04/30/2012		(575,000.00)	Transfer to City-Platte Valley Industrial Par	\$193,738.93