



City of Grand Island

Tuesday, February 06, 2007

Study Session

Item -1

**Discussion Concerning Request of Energy Grains Development for
Conditional Use Permit for Ethanol Plant Located at 1730
Wildwood Drive**

Staff Contact: Craig Lewis

Council Agenda Memo

From: Craig A. Lewis, Building Department Director

Meeting: February 6, 2007

Subject: Request of Energy Grains Development Group LLC
for a Conditional Use Permit to Operate an Ethanol Plant at
1730 Wildwood Dr, Grand Island, NE

Item #'s: 1

Presenter(s): Craig A. Lewis, Building Department Director

Background

This request was referred from the January 23, 2007, City Council meeting for further discussion and to address questions and concerns from the Council and Public.

Discussion

The conditional use process allows for conditions to be placed on the proposed operation or use as presented at the Council meeting. The following are conditions proposed by City staff:

- 1) On-site wells regulated by the Central Platte Natural Resources District shall also be registered with the City as to location, size, and proposed volume to be pumped.
- 2) Odor generated at the plant is proposed to be mitigated with two thermal oxidizers. As this approach appears to be the most recent technology, the operation shall submit, on a two-year cycle, documentation that the Best Available Control Technology (BACT) has been provided or will be provided to control any odors associated with the process.
- 3) Air quality and emissions are regulated by the State of Nebraska Department of Environmental Quality. Additionally, in regard to air quality, BACT shall be provided and documented to the City of Grand Island on a two-year rotational period.
- 4) Waste discharges from the production are regulated by the State Department of Environmental Quality; additionally, the City of Grand Island Public Works Department shall approve the method and destination of the proposed waste.
- 5) Landscaping on the site is proposed in a tree line adjacent to the north boundary of the property. A landscape plan identifying this proposed planting and additional plantings that comply with the provisions in the zoning regulations shall be presented to and approved by the City of Grand Island prior to construction permits. The landscaping shall be maintained for the life of the facility.
- 6) Exterior lighting for the facility shall be predominately down lighting.
- 7) Construction of the proposed facility shall commence within two years of approval and if, for any reason, production ceases for any continuous two-year period the conditional use permit shall become null and void and require subsequent approvals from the City council.

- 8) An additional item for conditions placed on the proposed use would be a development agreement that identifies the expectations for the development of the tract of land. In the past, subdivision agreements have typically fulfilled this expectation, but, as this property will not need to be subdivided as a requirement for development, an agreement that identifies the responsibilities and expectations is desirable.

Development agreement is a negotiated document between the Developer and the City of Grand Island.

Example Negotiated Development Agreement:

The developer agrees to construct the following improvements to facilitate the development of the proposed property:

- 1) Streets:
- 2) Water:
- 3) Sewer:
- 4) Drainage:
- 5) Flood Plain:

The developer shall engage a qualified engineer and contractor to design, construct, and complete the agreed improvements.

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

It is the intent of City Administration to bring this issue to a future council meeting.

JACOBSEN,
ORR, NELSON,
WRIGHT & LINDSTROM, P.C.
ATTORNEYS AT LAW

A LIMITED LIABILITY
ORGANIZATION

DANIEL L. LINDSTROM
dlindstrom@jonlaw.com



December 28, 2006

Mr. Craig Lewis
Building Director
City of Grand Island
P. O. Box 1968
Grand Island, NE 68802-1968

Re: Conditional Use Permit Application

Dear Mr. Lewis:

Please find enclosed the Application of Energy Grains Development Group, LLC for a conditional use permit for the construction of an ethanol plant, to be located on the north side of Wildwood Drive, immediately north of the City's electrical generating facility. This application is intended to encompass all phases of the plant construction and operation, including rail and boiler infrastructure.

Energy Grains Development Group, LLC has signed on behalf of the owners of the subject property, after consultation with Chad Nabity, since the subject property is under option from the present owners and will be purchased in the event a conditional use permit is granted and the project moves forward.

I hope that the materials attached are self-explanatory. As always, should you or any other city officials have any questions concerning this application, please feel free to contact me directly.

Thanks for your assistance.

Very truly yours,

JACOBSEN, ORR, NELSON,
WRIGHT & LINDSTROM, P.C.
Attorneys at Law

Daniel L. Lindstrom

DLL:rkr

Enc.



Non-Refundable Fee: \$155.00
Return by: _____
Council Action on: _____

Conditional Use Permit Application

pc: Building, Legal, Utilities
Planning, Public Works

1. The specific use/construction requested is: Construction of an ethanol production facility.
2. The owner(s) of the described property is/are: Thomas L. Hartman and Carlotta Y. Hartman, with option to Energy Grains Development Group, LLC.
3. The legal description of the property is: See Exhibit A attached.
4. The address of the property is: 1730 and 1898 Wildwood Drive, Grand Island, NE
5. The zoning classification of the property is: AG2, a change to M2 is pending at the January 9, 2007 city council meeting.
6. Existing improvements on the property is: A farmstead with home and out buildings, to be removed.
7. The duration of the proposed use is: 20 to 30 years.
8. Plans for construction of permanent facility is: Not applicable. This will be a permanent facility.
9. The character of the immediate neighborhood is: Industrial and suburban agricultural.
10. There is hereby **attached** a list of the names and addresses of all property owners within 200' of the property upon which the Conditional Use Permit is requested. See Exhibit B.
11. Explanation of request: See Exhibit C.

I/We do hereby certify that the above statements are true and correct and this application is signed as an acknowledgement of that fact.

ENERGY GRAINS DEVELOPMENT GROUP, LLC

December 27, 2006

Date

By

Paul Kenney
Its President Owners(s)

(308) 234-5579

Phone Number

Aaron Gillespe: 308-293-5366

Paul Kenney: 308-627-7878

P. O. Box 1060

Address

Kearney, NE 68848-1060

City

State

Zip

Please Note: Delays May Occur if Application is Incomplete or Inaccurate.

Conditional Use Permit Application

Exhibit A

Legal Description of Subject Property

A tract of land located in the Southwest Quarter (SW1/4) in Section Four (4), Township Ten (10) North, Range Nine (9) West of the 6th P.M., Hall County, Nebraska, and more particularly described as follows:

Commencing at the Southwest corner of Sec. 4-T10N-R9W, said point also being the point of beginning; thence on an assumed bearing of N01°48'44"W upon and along the West line of said SW ¼ of Sec. 4 a distance of 2592.64 feet to the West ¼ corner; thence N89°25'04"E upon and along the North line of said SW ¼ a distance of 2672.92 feet to the center of said Sec. 4; thence S01°17'35"E upon and along the East line of said SW ¼ a distance of 2615.01 feet to the South ¼ corner of said Sec. 4; thence S89°54'36"W upon and along the South line of said SW ¼ a distance of 2649.81 feet to the point of beginning. Said tract containing 159.046 acres, more or less, of which 7.915 acres is county road right of way.

Exhibit C

EXPLANATION OF REQUEST FOR CONDITIONAL USE PERMIT APPLICATION

Energy Grains Development Group, LLC is a company consisting of five individuals who have prior experience in the development and operation of an ethanol production facility. The company was formed for the purpose of developing an ethanol plant at the proposed site near Grand Island, with the prospect of development of other sites in the future.

The Conditional Use Permit Application is being made with the understanding that both the present zoning, and the anticipated change in zoning, would both permit the construction of an ethanol plant within the zoning classification with a conditional use permit. It is our understanding that the AG2 zone is subject to a pending change in zoning to M2 and that the final hearing on the zoning change is scheduled for January 9, 2007 before the Grand Island City Council.

The property that is the subject of this application ("subject property") is roughly a quarter section of land presently owned by Thomas and Carlotta Hartman, who have granted an option for purchase of the property to Energy Grains Development Group, LLC. It is the intention for Energy Grains Development Group, LLC, or its assignee, to purchase the subject property after issuance of the conditional use permit and successful completion of other steps toward completion of the project. The applicant has formed a separate ownership entity for the ownership of the ethanol production facility and this will give local individuals the opportunity to invest in ownership of the ethanol facility.

The applicant views the subject property as an excellent site for the construction of an ethanol facility, given its proximity to the City of Grand Island and the City of Grand Island electrical generation facility, the availability of coal, rail service, and good road access. The applicant is sensitive to the concerns of neighboring land owners and the members of the public in general concerning the potential impacts of such an ethanol production facility, and believes that the design and location, along with buffering, will resolve and mitigate those concerns, as addressed below.

Attached, please find copies of the following drawings:

- A. Aerial photograph showing the corners of the subject property;

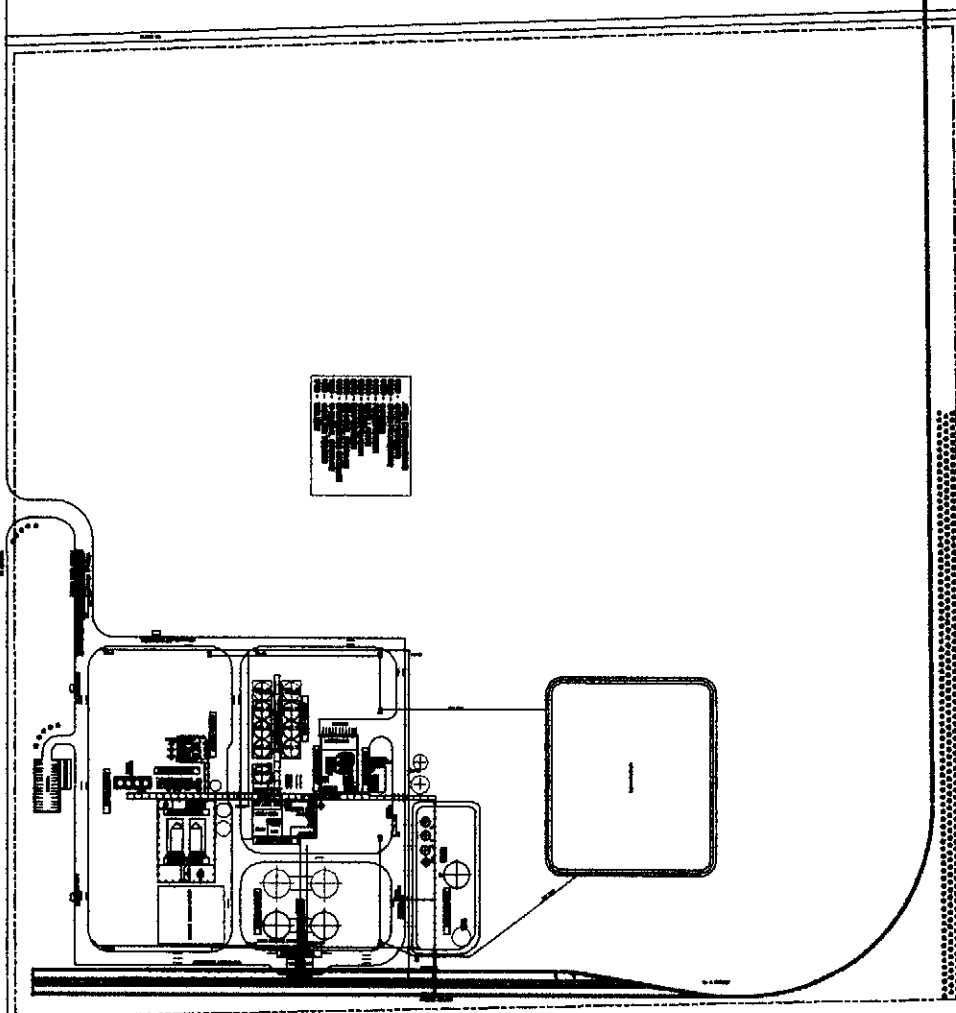
- B. An ethanol facility site plan layout prepared by the contractor; and
- C. Eleven (11) different views of the completed facility from various locations surrounding the subject property. Please note that these drawings are preliminary and may be subject to change.

As indicated on these drawings, the proposed ethanol plant site is located immediately north of the electrical generation facility and immediately east of the industrial development park and land proposed for expansion of the industrial development area. Rail infrastructure already exists in the area, and the applicant is currently negotiating with the City of Grand Island concerning the use of existing and proposed coal handling facilities to provide for the energy needs of the ethanol production facility. The City of Grand Island has existing water and other infrastructure in close proximity to the area and the future land use map would indicate that the City has planned for such industrial development to incur in this area. In addition to the fact that this type of development would appear to be appropriate for this area from a planning standpoint, the applicant would also note that it has considered the following factors in siting and design of the plant:

1. Visual Impact: Concentrations of residential development are located north and northwest of the proposed site, varying in distance from approximately one-half mile to one mile from the proposed site. The site is located as far south as possible and it will visually blend in with the electrical general facility. In addition, the applicant proposes that trees be planted along the north border of the subject property as a visual buffer as shown on drawing nos. 1, 2, 6, 9 and 11.
2. Odor and Noise: The proposed ethanol production facility is to be a Katzen process design. The Katzen design utilizes technology that differs from existing ethanol plants in the south central Nebraska region in that it employs two thermal oxidizers. The oxidizers are devices that remove byproducts from the fermentation and processing of alcohol that could otherwise result in odors associated with some ethanol plant designs. Generally, the odors generated from most ethanol plants are not offensive and are minimal in nature, in any event. Similarly, ethanol production facilities generally do not produce much additional noise. The fermentation and distillation process is nearly silent, with the only noise generated resulting from the handling of grain, ethanol and other co-products by truck and rail transport. The applicant does not anticipate noise being an issue.

3. Traffic: The subject property is a large enough site that it permits the applicant to construct extensions of the existing rail spur onto the property with minimal impact upon surrounding properties. It is anticipated that much of the corn used by the processing facility will be delivered by truck and that some of the distillers grain co-product will be removed from the area by truck, resulting in some increase in truck traffic on Wildwood Drive. However, the applicant has designed the site in such a manner so as to move truck traffic off of Wildwood Drive and on to the site with minimal stacking or turning issues and is willing to work with city and county officials to ensure that the design is appropriate. Given the proximity of the site to South Locust Street, the applicant believes that most truck traffic will access the site from the east on Wildwood Drive.

Generally, the applicant is open to discussion about reasonable conditions or issuance of the proposed conditional use permit, including landscaping and other site improvement.



SEARCHED BY: MA
CHECKED: FAF
DATE: 11-01-08
PROG. NO.:
CND FILE:
CIRC. NO.

Form _____

GRAND ISLAND, NE

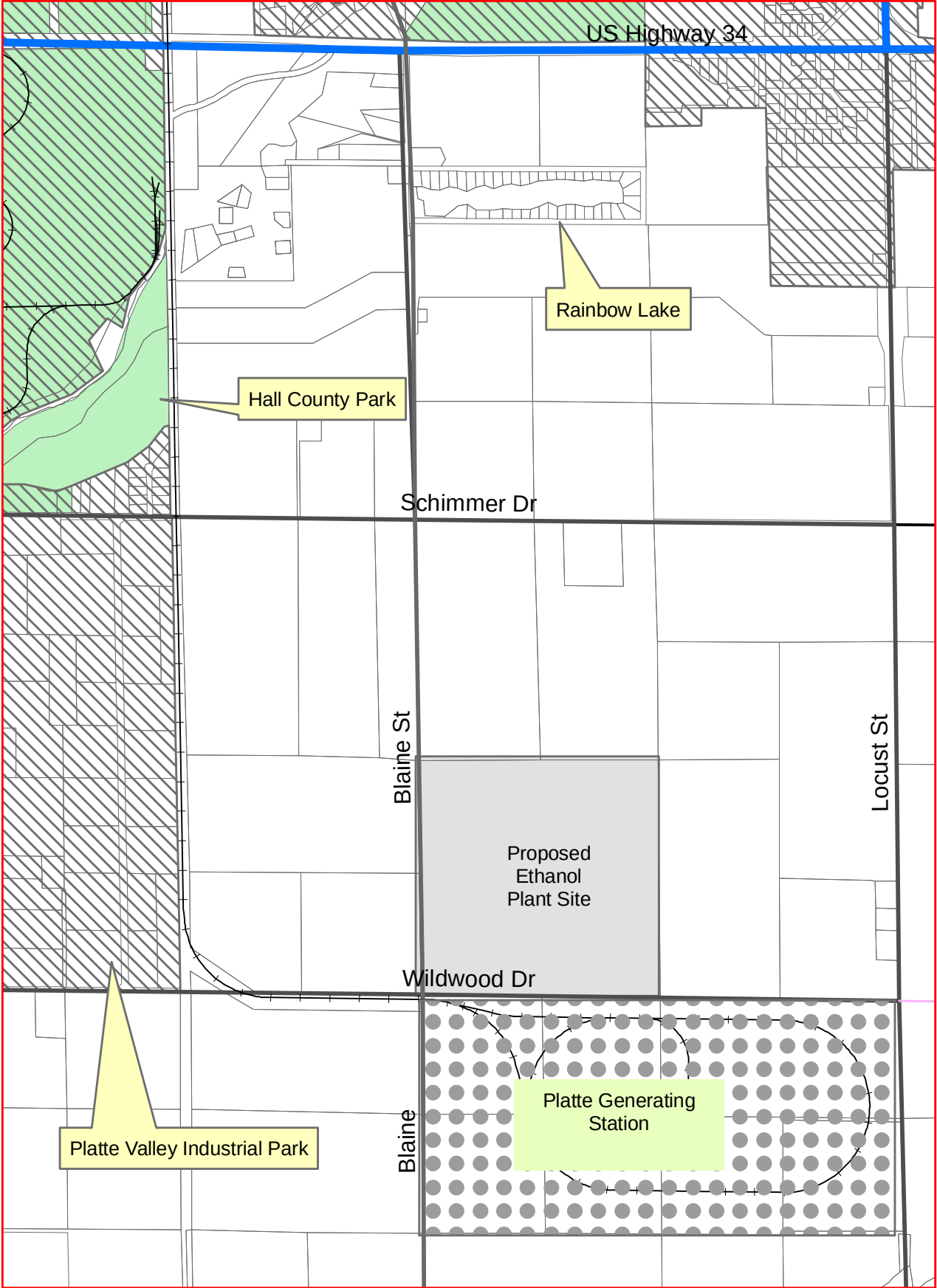


Dilling

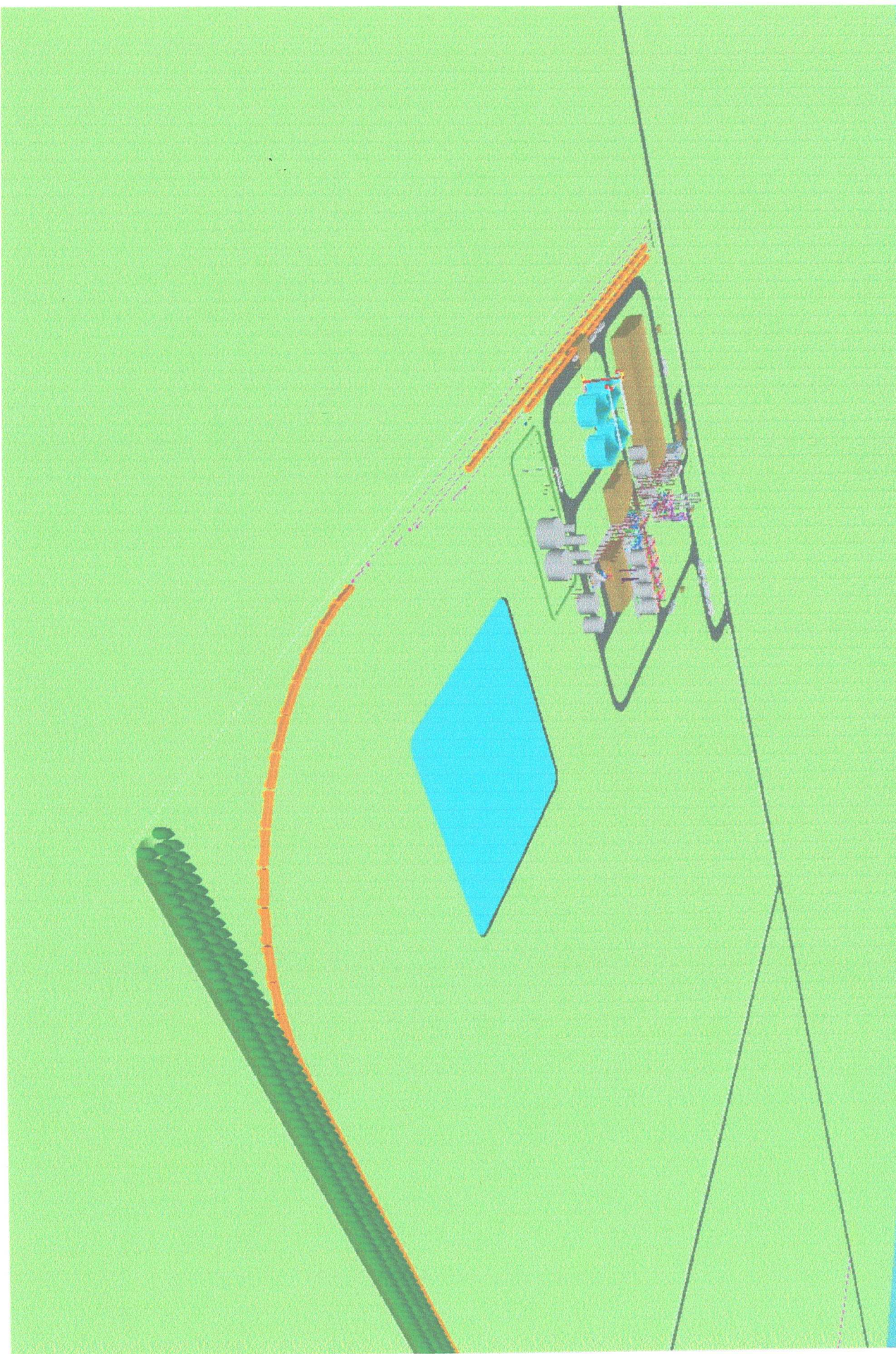
2011 Parker Dr.
Fort Wayne, IN 46804
317-434-3454

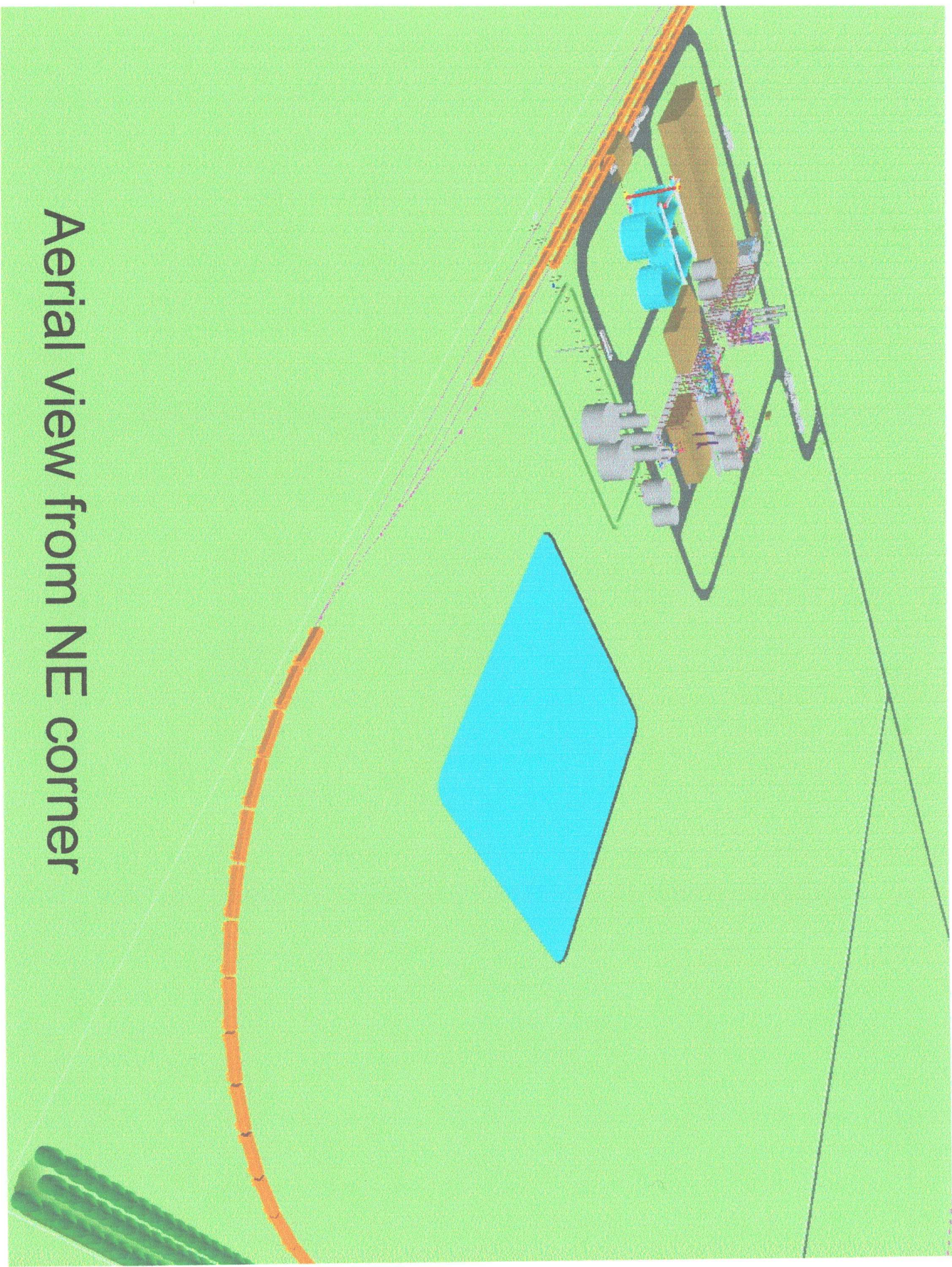
800 High Street
P.O. Box 47
Lawrenceville, IN 46047
317-253-2000

4400 West 80th St.
Carmel, IN 46032
317-834-8000



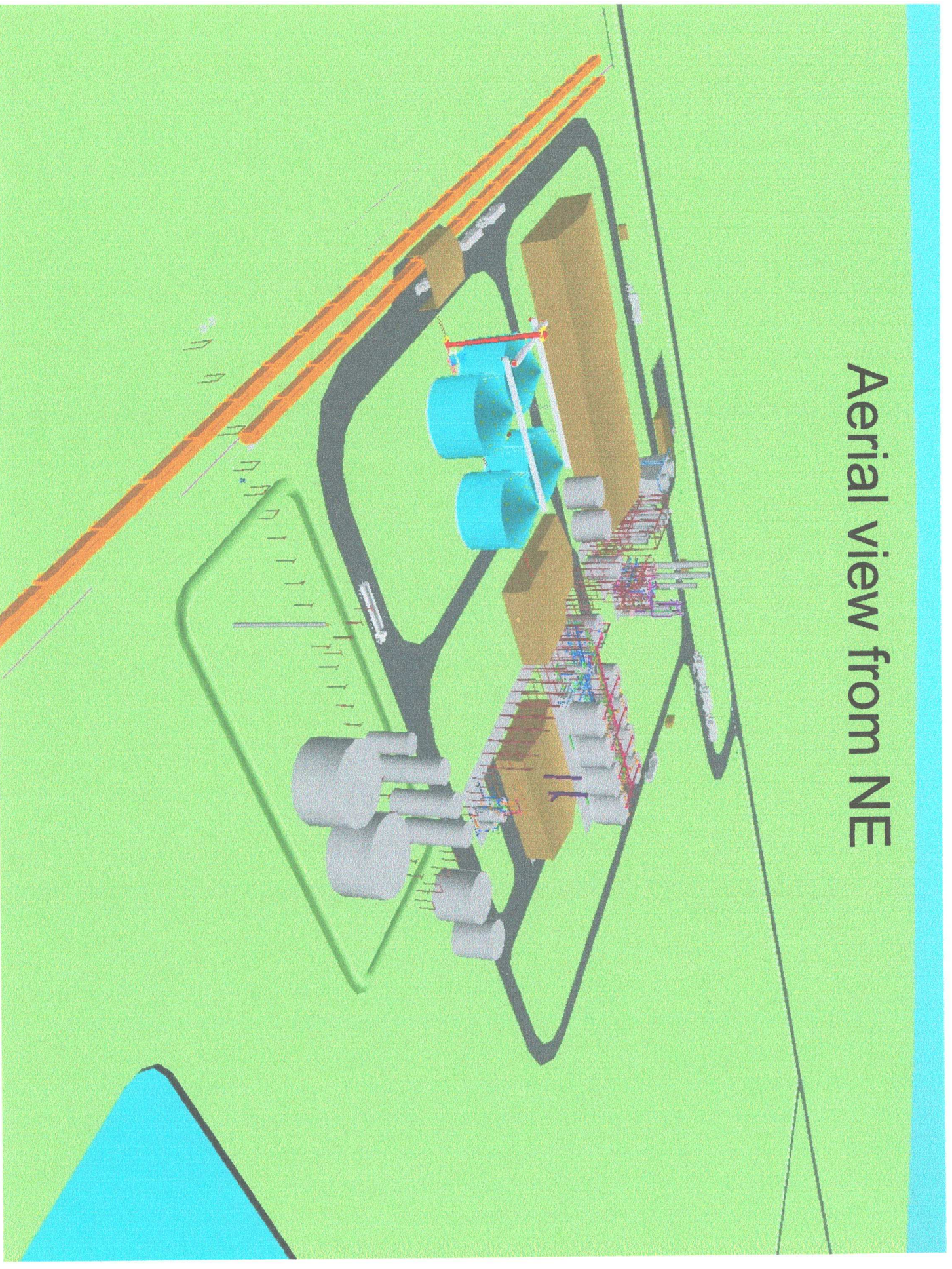
Aerial view from NE corner



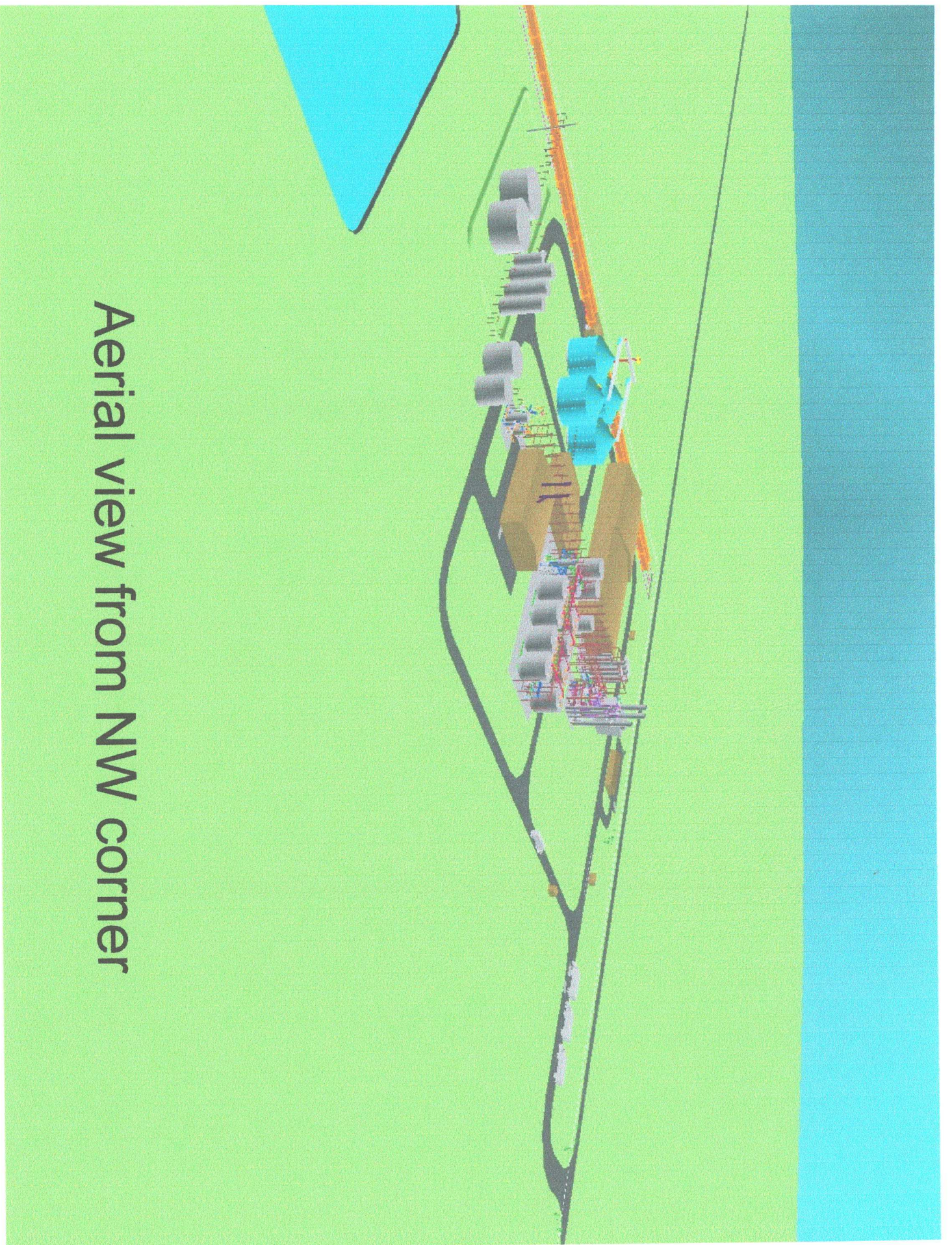


Aerial view from NE corner

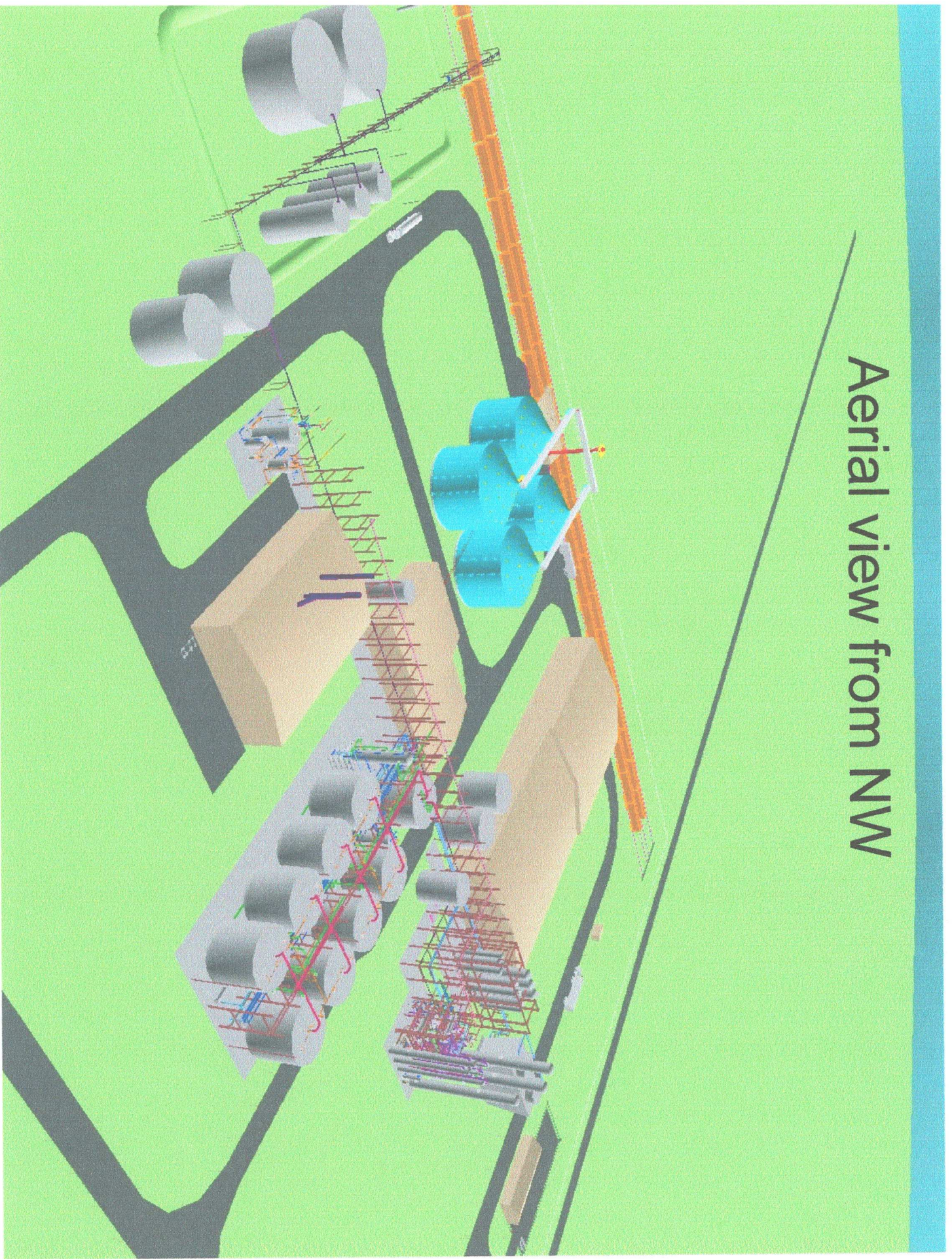
Aerial view from NE

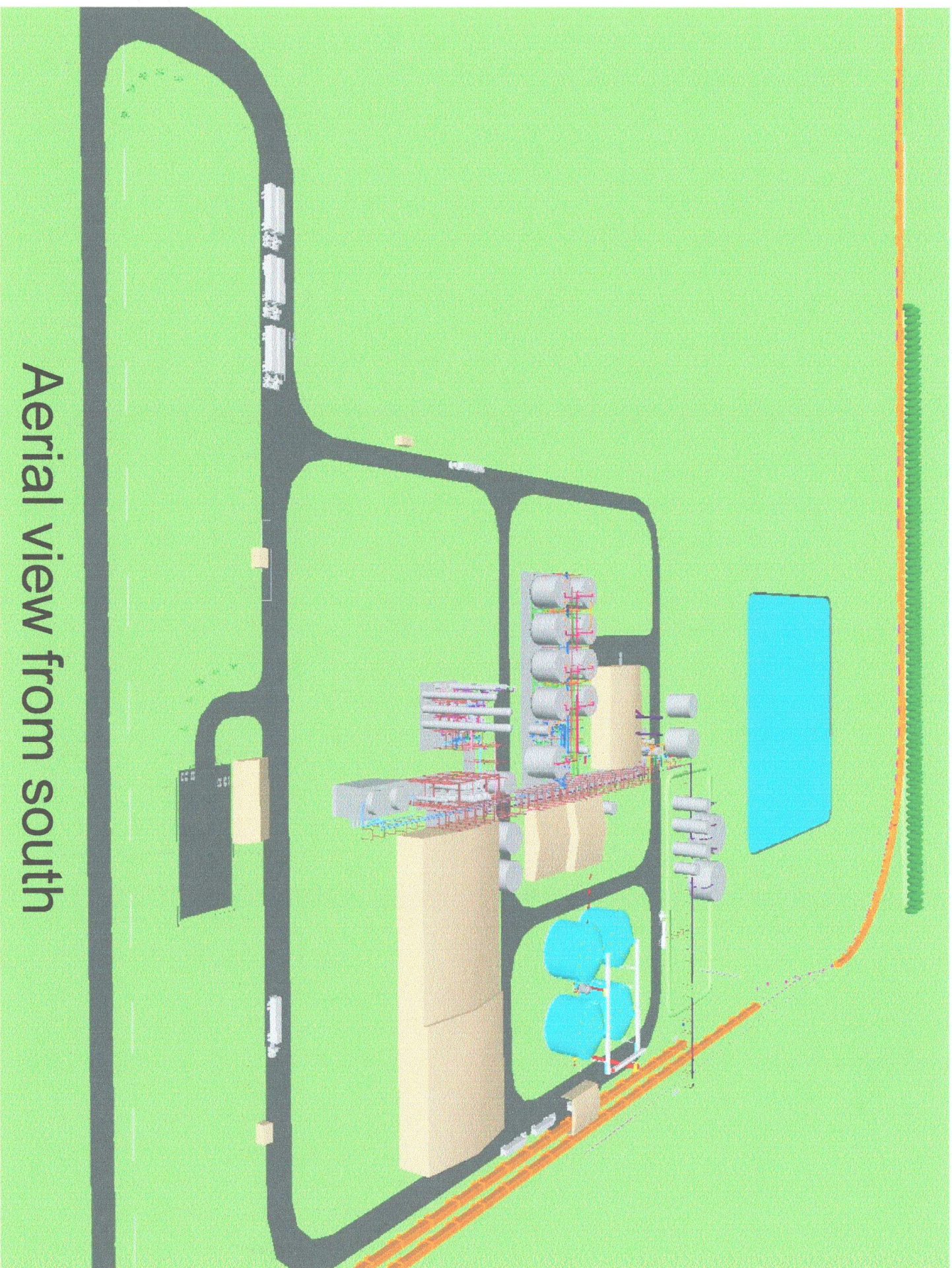


Aerial view from NW corner

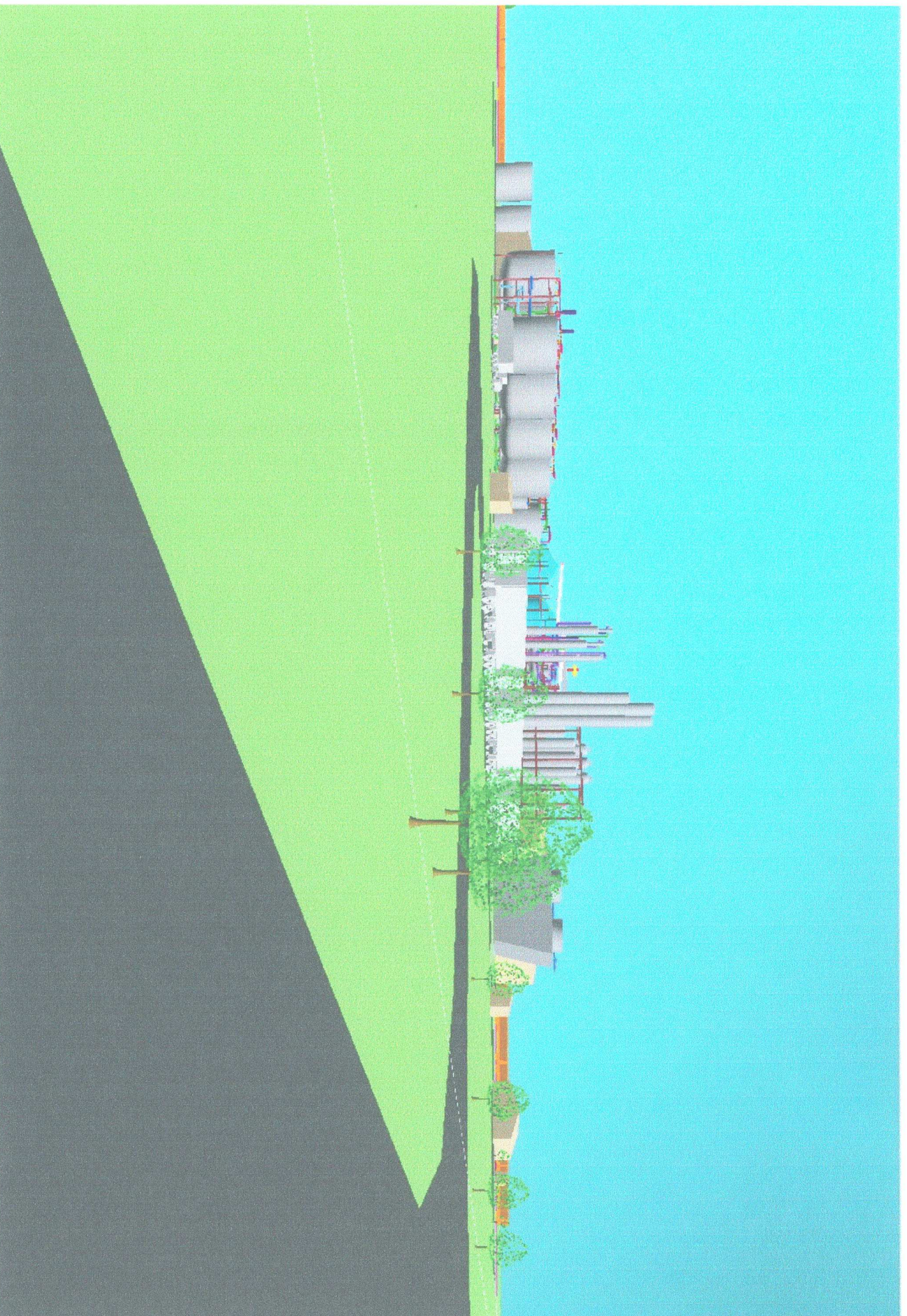


Aerial view from NW

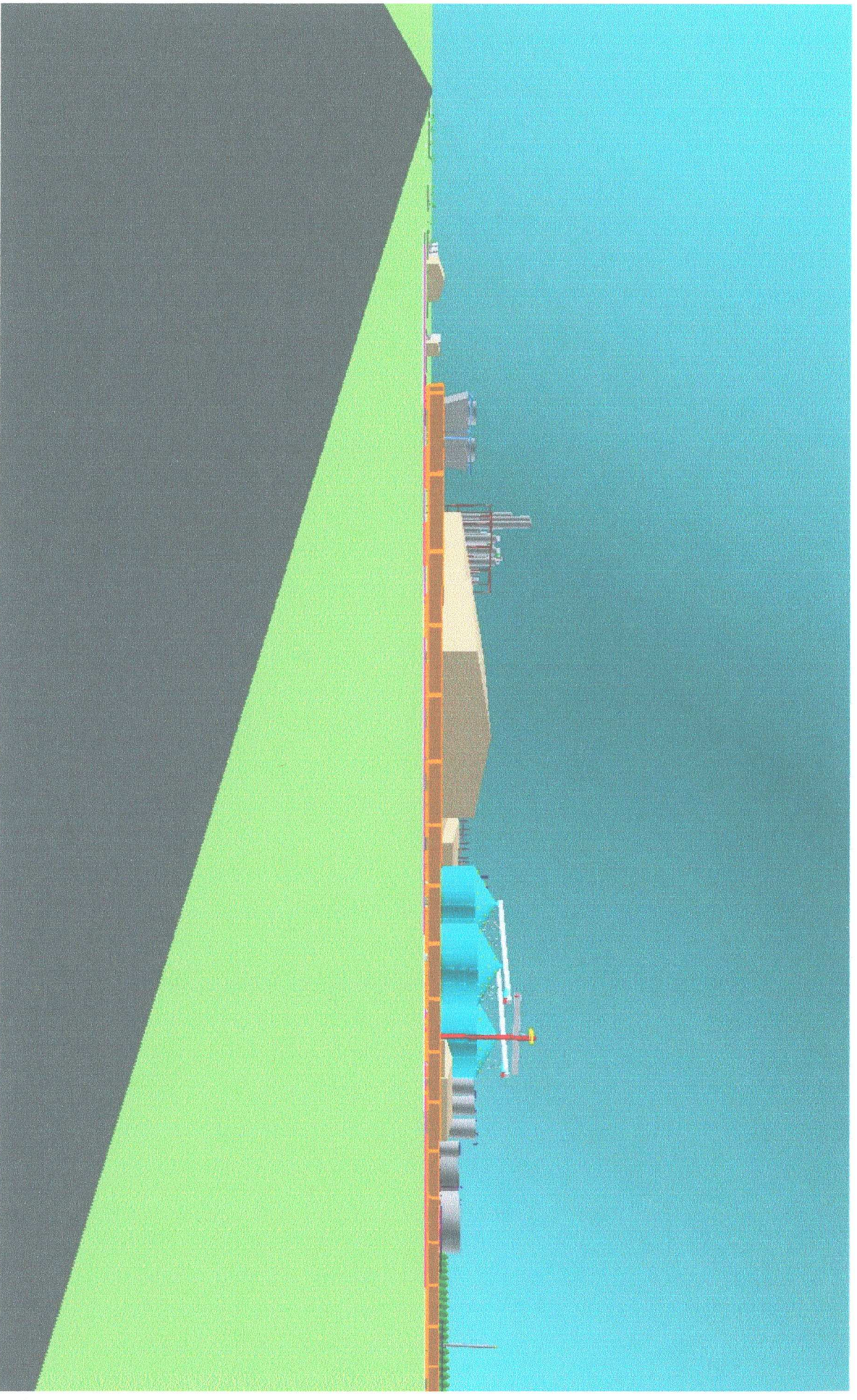




Aerial view from south



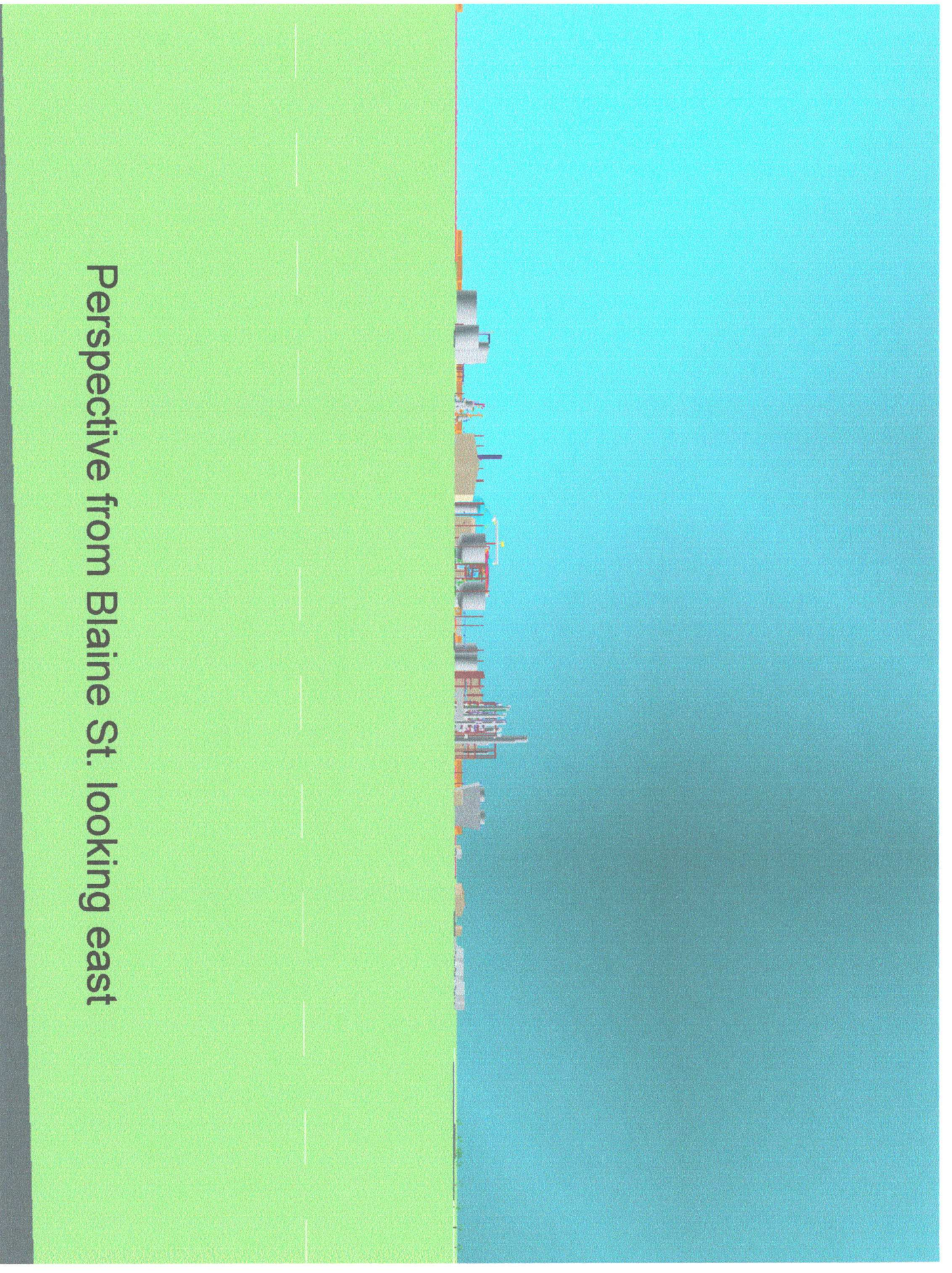
Perspective from Wildwood Dr looking NE



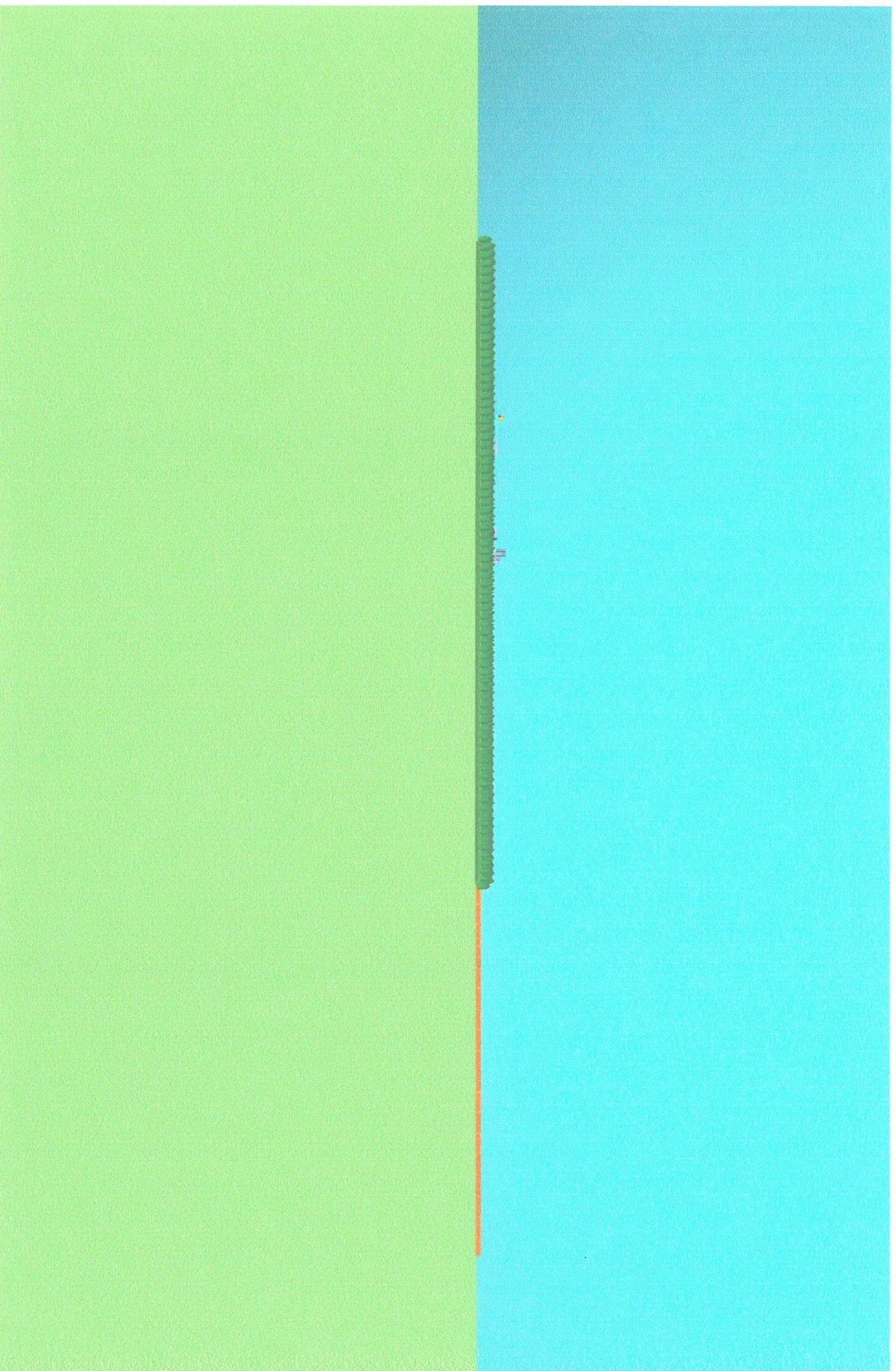
Perspective from Wildwood Dr looking NW



Perspective standing at north end of
property looking south



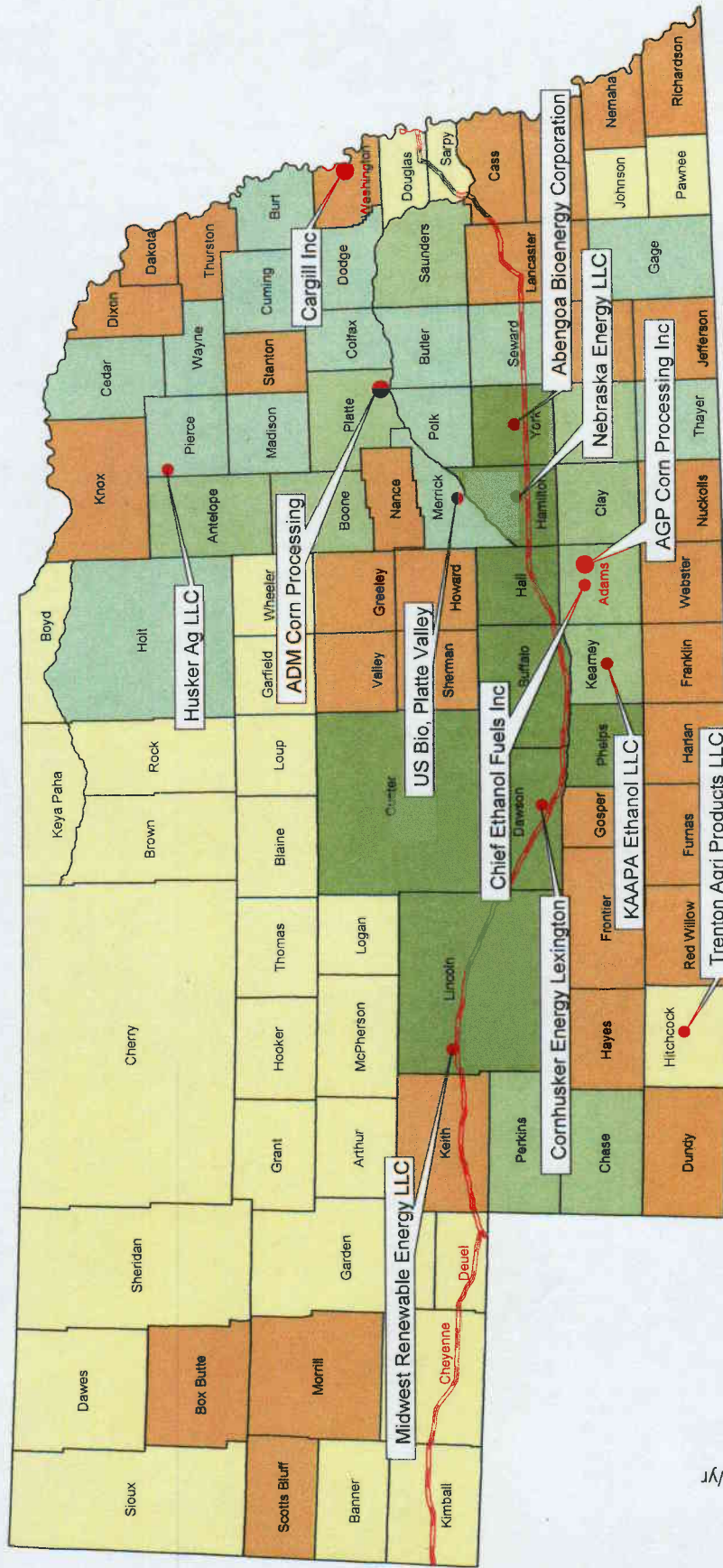
Perspective from Blaine St. looking east



Perspective from Schimmer Dr. looking south

Existing/Operating Ethanol Plants in Nebraska

As of November 2006



● <100 Mgal/yr
● 100-199 Mgal/yr
● >199 Mgal/yr



Existing/Operating Ethanol Plants

Nebraska Corn Production
(per thousand bushels)



Source: Nebraska Agricultural Statistics Service,
Nebraska Agricultural Statistics 2001-2002,
Updated August 2002

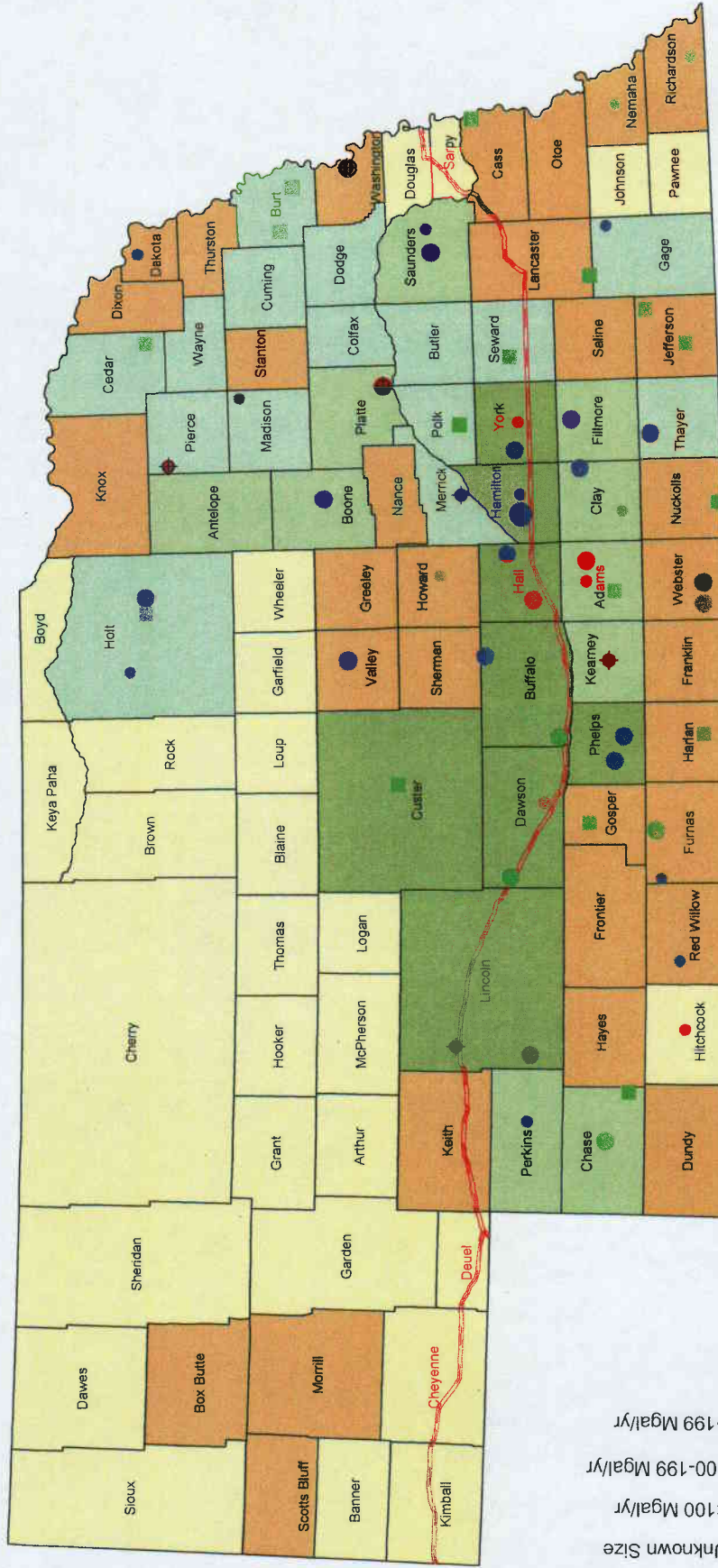


The map is intended for informational purposes only.
The NDEQ does not guarantee its accuracy or completeness.

November 2006

Planned, Proposed, and Operating Ethanol Plants in Nebraska

As of November 2006



Unknown Size
<100 Mgal/yr
100-199 Mgal/yr
>199 Mgal/yr

Planned Ethanol Plants

Ethanol Plants Under Construction and/or being Permitted (Proposed)

Existing/Operating Ethanol Plants

(♦ - Indicates Expansion of Operating Plant)

Interstate

Nebraska Corn Production
(per thousand bushels)

0 - 7000
7000 - 14000
14000 - 21000
21000 - 28000
28000 - 35000

Information regarding "Planned" ethanol plants is obtained by the NDEQ through discussions with prospective sources and media accounts.

Receipt of an application or issuance of a permit for a "Proposed" ethanol plant does not necessarily mean an ethanol plant will actually be built at the site.

The map is intended for informational purposes only.

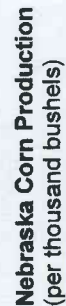
The NDEQ does not guarantee its accuracy or completeness.

Source: Nebraska Agricultural Statistics Service, Nebraska Agricultural Statistics 2001-2002, Updated August 2002



November 2006

As of November 2006



0 - 7000
7000 - 14000
14000 - 21000
21000 - 28000
28000 - 35000

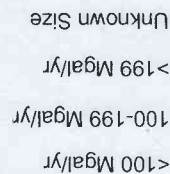
Source: Nebraska Agricultural Statistics Service,
Nebraska Agricultural Statistics 2001-2002,
Updated August 2002

Receipt of an application or issuance of a permit for a "Proposed" ethanol plant does not necessarily mean an ethanol plant will actually be built at the site.

The map is intended for informational purposes only.

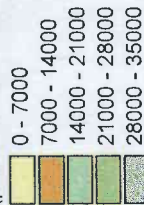
The NDEQ does not guarantee its accuracy or completeness.

As of November 2006



Interstate

Nebraska Corn Production
(per thousand bushels)



Source: Nebraska Agricultural Statistics Service,
Nebraska Agricultural Statistics 2001-2002,
Updated August 2002

Information regarding "Planned" ethanol plants is obtained by the NDEQ through discussions with prospective sources and media accounts.

The map is intended for informational purposes only.

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OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL REGULAR MEETING

January 23, 2007

Pursuant to due call and notice thereof, a Regular Meeting 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 January 23, 2007. Notice of the meeting was given in *The Grand Island Independent* on January 17, 2007.

Mayor Margaret Hornady called the meeting to order at 7:00 p.m. The following City Council members were present: Councilmember's Pielstick, Walker, Nickerson, Gericke, Brown, Gilbert, Whitesides, Haase, and Meyer. Councilmember Cornelius was absent. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, Public Works Director Steve Riehle, and City Attorney Dale Shotkoski.

INVOCATION was given by Pastor Scott Friesen, Berean Bible Church, 4116 West Capital Avenue followed by the PLEDGE OF ALLEGIANCE.

MAYOR COMMUNICATION: Mayor Hornady acknowledged Community Youth Council members Ashley Chalupa and Amanda Calhoon along with Adrian Valez, Board Member. Mentioned were the upcoming Youth Council events - Chili Cook Off and Talent Show.

PRESENTATIONS AND PROCLAMATIONS:

Recognition of Milt Loeb, Senior Engineering Technician with the Public Works Department for 35 Years of Service with the City. Mayor Hornady and City Council recognized Milt Loeb, Senior Engineering Technician with the Public Works Department for 35 years of service with the City. Milt Loeb was present for the presentation.

ADJOURN TO BOARD OF EQUALIZATION: Motion by Pielstick, second by Whitesides, carried unanimously to adjourn to the Board of Equalization.

#2007-BE-1 – Consideration of Determining Benefits for Sidewalk District No. 1, 2006. Steve Riehle, Public Works Director reported that work had been completed on Sidewalk District No. 1, 2006. The total cost of construction was \$924.00.

#2007-BE-2 – Consideration of Determining Benefits for Street Improvement District No. 1258; Extending Faidley Avenue West of Diers Avenue an Additional Six Hundred Fifty Feet (650 Feet). Steve Riehle, Public Works Director reported that work had been completed on Street Improvement District No. 1258. The total cost of the project was \$197,147.92

Motion by Pielstick, second by Meyer to approve Resolutions #2007-BE-1 and #2007-BE-2. Upon roll call vote, all voted ayes. Motion adopted.

RETURN TO REGULAR SESSION: Motion by Whitesides, second by Gilbert, carried unanimously to return to Regular Session.

PUBLIC HEARINGS:

Public Hearing on Request of Hoch, Inc. dba H & H Distributing, 4221 Juergen Road for a Class "X" Liquor License. RaNae Edwards, City Clerk reported that an application had been received from Hoch, Inc. dba H & H Distributing, 4221 Juergen Road for a Class "X" Liquor License. Ms. Edwards presented the following exhibits for the record: application submitted to the Liquor Control Commission and received by the City on December 27, 2006; notice to the general public of date, time, and place of hearing published on January 13, 2007; notice to the applicant of date, time, and place of hearing mailed on December 27, 2006; along with Chapter 4 of the City Code. Staff recommended approval. Harry Hoch, 2417 Cottonwood Road spoke in support. No further public testimony was heard.

Public Hearing on Request from Energy Grains Development Group LLC for a Conditional Use Permit for Construction of an Ethanol Production Facility Located at 1730 and 1898 Wildwood Drive. Craig Lewis, Building Department Director reported that Paul Kenney had requested a conditional use permit on behalf of Energy Grains Development Group LLC located at 1730 and 1898 Wildwood Drive for an ethanol production facility. Mr. Lewis presented the following unknowns for this project: 1) amount and source of water for manufacturing process, 2) Odor, 3) air quality due to ethanol process, 4) sewer and process discharges, 5) landscape buffering, 6) location, and time frame for construction. Staff recommendation was either to approve with stipulations or table for further review.

The following people spoke in support:

Marlan Ferguson, President of EDC, 2808 Apache Road
Dan Lindstrom, Attorney for Energy Grains Development, Kearney, NE
Kevin Prior, representative of Olsson Associates
Paul Kenney, President of Energy Grains Development, Kearney, NE
Stew Jobes, 1818 South Garland Street, Finance Specialist with the Nebraska Department of Economic Development
Richard Sanne, Nebraska Department of Agriculture
Casey Macken, 2603 Riverview Drive
Ken Gnadt, 1610 Gretchen Avenue
Nadine Oakley, 1381 West Schimmer Drive
Kay Robbins, 404 Wyandotte Street
Bill Westering, 2015 West John Street

The following people spoke in opposition:

Tom Haney, 3604 South Blaine Street #6
Dan Lind, 2111 Bass Road
Dr. Casey Iverson, 3604 South Blaine Street
Laura Fox, 1916 Rainbow Road
Joel Joe Luetkenhaus, 1710 Rainbow Road
David Bush, 2508 Stagecoach Road
Lewis Kent, 624 East Meves Road

The following people spoke in a neutral position:

Mike Morledge, 1425 Stagecoach Road

Tom O'Neill, 2017 Barbara Avenue

No further public testimony was heard.

Public Hearing on Change of Zoning for Grand Island Industrial Park West Subdivision Located North and East of Indianhead Golf Course and West of North Road from M1 Light Manufacturing, M2 Heavy Manufacturing and R1 Suburban Density Residential to RD Residential Development. Chad Nabity, Regional Planning Director reported that the Evangelical Lutheran Good Samaritan Society of Sioux Falls, South Dakota had submitted an application to rezone approximately 33 acres of land north and east of the Indianhead Golf Course from M1 Light Manufacturing, M2 Heavy Manufacturing and R1 Suburban Density Residential to RD Residential Development.

The following people spoke in support:

Harold Rosenkotter, 3115 Goldenrod Drive
Rod Hooker, 4525 West Capital Avenue
Kim Johansen, Executive Director of Good Samaritan facilities
Marlan Ferguson, President of EDC, 2808 Apache Road
Jack Henry, 4840 Baker Avenue
Jason Gunther, Good Samaritan Design Consultant for the State of Nebraska
Tom Haney, 3604 South Blaine Street

No further public testimony was heard.

Public Hearing on Acquisition of Utility Easement Located Northeast of 914 Bauman Drive (Hall County Housing Authority and Mid-Plains Center for Behavioral Healthcare Services, Inc.) Gary Mader, Utilities Director reported that acquisition of a utility easement located northeast of 914 Bauman Drive was needed in order to have access to install, upgrade, maintain, and repair power appurtenances, including lines and transformers. This easement would be used to relocate underground power cables and a pad-mounted transformer for the expanded building of Mid-Plains Center. No public testimony was heard.

The council took a recess at 8:55 p.m. and returned to session at 9:05 p.m.

ORDINANCES:

Councilmember Pielstick moved "that the statutory rules requiring ordinances to be read by title on three different days be suspended and that ordinances numbered:

- #9101 – Consideration of Assessments for Sidewalk District No. 1, 2006
- #9102 – Consideration of Assessments for Street Improvement District No. 1258; Extending Faidley Avenue West of Diers Avenue an Additional Six Hundred Fifty Feet (650 Feet)
- #9103 – Consideration of Vacating the West 900 Feet of Enterprise Avenue and Fortune Street between Trust Street and Enterprise Avenue in Grand Island Industrial park West Subdivision
- #9104 – Consideration of Vacating 16' Utility Easements in Grand Island Industrial Park West Subdivision (The Evangelical Lutheran Good Samaritan Society)

#9105 – Consideration of Change of Zoning for Grand Island Industrial Park West Subdivision Located North and East of Indianhead Golf Course and West of North Road from M1 Light Manufacturing, M2 Heavy Manufacturing, and R1 Suburban Density Residential to RD Residential Development

#9106 – Consideration of Amendments to Chapter 34 of the Grand Island City Code Relative to Telecommunications Occupation Tax

be considered for passage on the same day upon reading by number only and that the City Clerk be permitted to call out the number of this ordinance on first reading and then upon final passage and call for a roll call vote on each reading and then upon final passage.” Councilmember Nickerson seconded the motion. Upon roll call vote, all voted aye. Motion adopted.

Steve Riehle, Public Works Director reported Ordinances #9101 and #9102 related to the aforementioned Board of Equalization hearing. Ordinance #9103 was a request by the developer to vacate 900 feet of Enterprise Avenue and Fortune Street between Trust Street and Enterprise Avenue for the purpose of a private street. Ordinance #9104 was a request by the developer to facilitate development in the Grand Island Industrial Park West Subdivision.

Motion by Gilbert, second by Pielstick to approve Ordinances #9101, #9102, #9103, and #9104.

City Clerk: Ordinances #9101, #9102, #9103, and #9104 on first reading. All those in favor of the passage of these ordinances on first reading, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

City Clerk: Ordinances #9101, #9102, #9103, and #9104 on final passage. All those in favor of the passage of these ordinances on final passage, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

Mayor Hornady: By reason of the roll call votes on first reading and then upon final passage, Ordinances #9101, #9102, #9103, and #9104 are declared to be lawfully adopted upon publication as required by law.

#9105 – Consideration of Change of Zoning for Grand Island Industrial Park West Subdivision Located North and East of Indianhead Golf Course and West of North Road from M1 Light Manufacturing, M2 Heavy Manufacturing, and R1 Suburban Density Residential to RD Residential Development

Chad Nabity, Regional Planning Director reported Ordinance #9105 related to the aforementioned Public Hearing. Discussion was held regarding the proposed plan for 26’ private streets.

Motion by Whitesides, second by Gilbert to approve Ordinance #9105.

City Clerk: Ordinance #9105 on first reading. All those in favor of the passage of this ordinance on first reading, answer roll call vote. Upon roll call vote, Councilmember’s Pielstick, Walker, Nickerson, Gericke, Brown, Gilbert, Whitesides, and Haase voted aye. Councilmember Meyer voted no. Motion adopted.

City Clerk: Ordinance #9105 on final passage. All those in favor of the passage of this ordinance on final passage, answer roll call vote. Upon roll call vote, Councilmember's Pielstick, Walker, Nickerson, Gericke, Brown, Gilbert, Whitesides, and Haase voted aye. Councilmember Meyer voted no. Motion adopted.

Mayor Hornady: By reason of the roll call votes on first reading and then upon final passage, Ordinance #9105 is declared to be lawfully adopted upon publication as required by law.

#9106 – Consideration of Amendments to Chapter 34 of the Grand Island City Code Relative to Telecommunications Occupation Tax

Paul Briseno, Assistant to the City Administrator reported Ordinance #9106 was discussed at the January 16, 2007 City Council Study Session. This would be a change to Chapter 23 of the Grand Island City Code allowing a 3% occupational tax on mobile phones.

Discussion was held regarding the use and/or restrictions of these monies. City Administrator Gary Greer stated the money would go into the general fund and council would have final authority on how to spend these monies through the budget process.

Lewis Kent, 624 East Meves Street spoke in opposition. Mr. Greer explained the reasons for the additional tax and who would be affected by it.

Motion by Pielstick, second by Gilbert to approve Ordinance #9106.

City Clerk: Ordinance #9106 on first reading. All those in favor of the passage of this ordinance on first reading, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

City Clerk: Ordinance #9106 on final passage. All those in favor of the passage of this ordinance on final passage, answer roll call vote. Upon roll call vote, all voted aye. Motion adopted.

Mayor Hornady: By reason of the roll call votes on first reading and then upon final passage, Ordinance #9106 is declared to be lawfully adopted upon publication as required by law.

CONSENT AGENDA: Consent Agenda item G-11 was pulled for further discussion. Motion by Gilbert, second by Meyer to approve the Consent Agenda excluding item G-11. Upon roll call vote, all voted aye. Motion adopted.

Approving Minutes of January 9, 2007 City Council Regular Meeting.

Approving Minutes of January 16, 2007 City Council Study Session.

Approving Re-Appointment of Kurt Haecker to the City/County Efficiency Effectiveness Committee.

Approving Re-Appointments of Craig Hand, Dean Peg, K.C. Hehnke, Mark Stelk, and Tom Ziller to the Business Improvement District No. 5 Board.

Approving Preliminary Plat for Good Samaritan Subdivision.

#2007-14 – Approving Final Plat and Subdivision Agreement for Good Samaritan Subdivision.
It was noted that The Evangelical Lutheran Good Samaritan Society, owner had submitted a Final Plat for Good Samaritan Subdivision located on a tract of land in Lots 5-10, Lots 26-29, Lots 42-59 and a part of the SW ¼ of the NE ¼ of Section 26-11-10 consisting of approximately 32.06 acres for the purpose of creating 31 lots and 1 outlot.

#2007-15 – Approving Acquisition of Utility Easement Located Northeast of 914 Bauman Drive. (Hall County Housing Authority and Mid-Plains Center for Behavioral Healthcare Services, Inc.)
Councilmember Meyer abstained.

#2007-16 – Approving Bid Award for Platte River Well Field Well Enclosures for Wells #5, #9, and #12 with Steel Crafters, Inc. of Grand Island, Nebraska in an Amount of \$67,536.00.

#2007-17 – Approving Bid Award for Front End Loader for the Platte Generating Station with Nebraska Machinery Co., of Grand Island, Nebraska in an Amount of \$48,000.00.

#2007-18 – Approving Bid Award for Fork Lift with Torsen, Inc. of Henderson, Nebraska in an Amount of \$20,877.00.

#2007-20 – Approving Bid Award for 47,000 GVW Dump Truck for Public Works Streets Division with Wick's Sterling Trucks of Omaha, Nebraska in an Amount of \$75,489.50.

#2007-21 – Approving Certificate of Substantial and Final Completion for the Ultra Violet Disinfection System Project 2004-WWTP-1 with Starostka Group Unlimited, Inc. of Grand Island, Nebraska.

#2007-22 – Approving Deferral of Assessments for Agricultural Property Located within the Boundaries of Street Improvement District No. 1258 (T & E Cattle Company).

#2007-23 – Approving Maintenance Agreement No. 12 Renewal with the Nebraska Department of Roads.

#2007-24 – Approving Household Hazardous Waste Construction Grant Application to the Department of Environmental Quality (DEQ).

#2007-25 – Approving Bid Award for Hand Held Meter Reading System with Northrop Grumman of San Diego, California in an Amount of 428,450.00.

#2007-26 – Approving Annexation Plan for Property Located Between the East Side of the Platte Valley Industrial Park and South Locust Street and Between Wildwood Drive and Schimmer Drive and Scheduling Public Hearing.

#2007-27 – Approving Paul Briseno, Assistant to the City Administrator as Authorized Representative for Federal/State Financial Assistance under the President's Disaster Relief Fund for the Ice Storms of December 19, 2006 and January 1, 2007.

#2006-19 – Approving Continuation of Water Main District No. 455 – Park-View Area. Gary Mader, Utilities Department Director reported that Water Main District No. 455 was created at the request of area residents within the Park-View Subdivision. Protests were received representing 49.68% of the front footage of the district so this item was the continuation of that district.

The following people spoke in support:

- Trudi Henke, 2429 Commerce Avenue
- Jody Nelson, 2521 Commerce Avenue
- Keith Pirnie, 2425 Commerce Avenue

Discussion was held regarding other residents in the area hooking up to this water main. Mr. Mader stated they would have to for a district which would hook into this district.

Motion by Pielstick, second by Gilbert to approve Resolution #2007-19. Upon roll call vote, all voted aye. Motion adopted.

REQUESTS AND REFERRALS:

Approving Referral of the One & Six Year Street Improvement Program to the Regional Planning Commission. Steve Riehle, Public Works Director reported on the process of having the Regional Planning Commission act on the One & Six Year Street Improvement Program and then bring their recommendations to the City Council. The City Council will act on this at their February 13, 2007 Regular meeting.

Motion by Gilbert, second by Pielstick to approve referral of the One & Six Year Street Improvement Program to the Regional Planning Commission. Upon roll call vote, all voted aye. Motion adopted.

Consideration of Request from Energy Grains Development Group LLC for a Conditional Use Permit for Construction of an Ethanol Production Facility Located at 1730 and 1898 Wildwood Drive. Craig Lewis, Building Department Director reported this item related to the aforementioned Public Hearing.

Motion by Whitesides, second by Meyer to approve the request from Energy Grains Development Group LLC for a conditional Use Permit for an Ethanol Production Facility located at 1730 and 1898 Wildwood Drive.

Discussion was held regarding trains, the comprehensive plan, and how an ethanol plant at this location would impact the power plant. Mr. Mader stated the power plant would be able to handle this facility. Further discussion was held regarding the location and other questions raised during the public hearing.

Motion by Gilbert, second by Gericke to lay this matter on the table in order to get questions answered and bring it back to a Study Session on February 6, 2007. Upon roll call vote, Councilmember's Pielstick, Walker, Gericke, Brown, Gilbert, and Haase voted aye. Councilmember's Nickerson, Whitesides, and Meyer voted no. Motion adopted.

Consideration of Request from Roxy Clark dba Bronx Pawn, 386 North Pine Street for Pawnbroker's Permit. RaNae Edwards, City Clerk reported an application, fee, and bond had been received as required by Chapter 25 of the Grand Island City Code from Roxy Clark dba Bronx Pawn, 386 North Pine Street for a Pawnbroker's Permit. Staff recommended approval.

Motion by Pielstick, second by Walker to approve the request of Roxy Clark dba Bronx Pawn, 386 North Pine Street for a Pawnbroker's Permit. Upon roll call vote, all voted aye. Motion adopted.

RESOLUTIONS:

#2007-28 – Consideration of Request of Hoch, Inc. dba H & H Distributing, 4221 Juergen Road for a Class "X" Liquor License and Liquor Manager Designation for Harry A. Hock, Jr., 2417 Cottonwood Road. RaNae Edwards, City Clerk reported this item related to the aforementioned Public Hearing. Also included was the request from Harry A. Hock, Jr., 2417 Cottonwood Road for a liquor manager designation.

Motion by Pielstick, second by Gericke to approve Resolution #2007-28 contingent upon Harry A. Hoch, Jr. completing a state approved alcohol server/seller training program. Upon roll call vote, all voted aye. Motion adopted.

PAYMENT OF CLAIMS:

Motion by Whitesides, second by Haase to approve the Claims for the period of January 10, 2006 through January 23, 2007, for a total amount of \$2,453,908.93. Motion adopted unanimously. Councilmember Pielstick abstained from voting on claim #146610.

Motion by Whitesides, second by Haase to approve the following Claims for the Library Expansion for the period of January 10, 2007 through January 23, 2007:

#50 \$2,740.00

Motion adopted unanimously.

ADJOURNMENT: The meeting was adjourned at 10:10 p.m.

RaNae Edwards
City Clerk

MEMORANDUM

To: Members of Grand Island City Council

Date: February 1, 2007

**From: Dan Lindstrom,
Energy Grains Development Group**

In preparation for the Study Session scheduled for February 6, 2007, I asked the Council to provide specific questions relating to the pending Conditional Use Permit application. We received one question, from Ms. Gilbert, asking for technical information concerning odor control utilizing thermal oxidizers. There is a good deal of technical literature on the topic of the destruction of volatile organic compounds ("VOCs") by thermal oxidizers, because these compounds are regulated by air-quality rules that are enforced by the U.S. Environmental Protection Agency and Nebraska Department of Environmental Quality. These agencies do not directly measure or regulate odor itself. However, since the literature from the regulators ignores the relationship between volatile organic compounds and odor, we thought it appropriate to ask an expert with expertise in thermal oxidizers to address the question relative to odor.

Below is the question, as well as the response to the question from Steven A. Jaasund, P.E., who is experienced as a supplier of engineered environmental and energy conservation systems that provide emission control.

If you would like to see additional information or literature, please let us know. I hope that you find this information useful in your deliberations.

Question:

...Could you provide me the science behind your belief that the thermal oxidizers will provide the odor control that is needed with this plant's proximity to our community?

Answer:

...All thermal oxidizers destroy VOCs (Volatile Organic Compounds) by oxidizing the VOCs at high temperature. This means raising the temperature of the gas stream containing the VOCs to a temperature that is high enough to allow the VOC to react with the oxygen present. Once that chemical reaction occurs, the resultant reaction products are typically carbon dioxide and water vapor. Most thermal oxidizers operate at a temperature of between 1500 and 1600 degrees Fahrenheit which is a high enough temperature to completely oxidize the types of VOCs that are present in the gases from the dryer or the CO2 scrubber.

Odors are nothing more than a special category of VOC that are easily detected by the human olfactory sense. While many gaseous compounds have some odor, the ones that are of typical concern are: 1) reduced sulfur compounds such as hydrogen sulfide (rotten eggs) and mercaptans (natural gas odorant) and 2) aldehydes and ketones. In the context of an ethanol plant it is safe to say that reduced sulfur compounds will not be present. However, there is a possibility of the emission of some aldehydes from either the dryer or

the CO2 scrubber because aldehydes, specifically, acetaldehyde, is a degradation product of ethanol. (It is noteworthy that ethanol itself is not particularly odorous.)

Fortunately, aldehydes and ketones are as easily oxidized as the other VOC compounds that a thermal oxidizer would be designed to treat. As an example I have listed the autoignition temperatures for some typical aldehydes and ketones below. Also show, for reference, is ethanol.

- formaldehyde - 806 degrees F
- acetaldehyde - 365 degrees F
- acetone - 869 degrees F
- methylethyl ketone - 960 degrees F
- methylnisobutyl ketone - 860 degrees F
- ethanol - 689 degrees F

Clearly, given an operating temperature of over 1500 degrees Fahrenheit, these compounds should be completely destroyed in a thermal oxidizer.

Thus, we believe that it is safe to say that the destruction efficiency for the odor causing compounds should be the same as for the VOCs. In other words, if the thermal oxidizer, whether it is a RTO or any other type, is designed for 98% VOC destruction efficiency then the destruction efficiency for odor causing compounds should also be 98%.

(Excerpt from email from Steven A. Jaasund, P.E. *GEOENERGY* DIVISION OF A.H. LUNDBERG ASSOCIATES, INC.)