

CITIZENS' REVIEW COMMITTEE

P.O. Box 1968

Grand Island, NE 68802-1968

Phone: (308) 385-5444, ext. 111

Fax: (308) 385-5486

AGENDA

Tuesday, February 8, 2011

7:30 a.m.

Council Chambers

Grand Island City Hall

- 1. Call to Order Dehn Renter
- 2. Roll Call RaNae Edwards
- 3. Approval of December 7, 2010 Meeting Minutes Committee
- 4. Consideration of LB 840 Application (Standard Iron, Inc.).....Marlan Ferguson
- 5. New Business Committee
- 6. Adjournment..... Dehn Renter

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

December 7, 2010

Pursuant to due call and notice thereof, a Regular Meeting of the Citizens' Review Committee (CRC) of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on December 7, 2010. Notice of the meeting was given in *The Grand Island Independent* on December 1, 2010.

Chairman Mark Stelk called the meeting to order at 7:30 a.m. The following board members were present: Mark Stelk, Dehn Renter, Dan Eakes, Tim White, and Bill Thiemann. Ed Armstrong and Lisa Willman were absent. The following City Officials were present: City Clerk RaNae Edwards, City Attorney Dale Shotkoski and Finance Director Mary Lou Brown.

APPROVAL OF MINUTES. Motion was made by Bill Thiemann, second by Dehn Renter to approve the minutes of the September 14, 2010 CRC meeting. Motion adopted unanimously.

CONSIDERATION OF LB 840 APPLICATION (ROGUE MANUFACTURING, INC. Mr. Ferguson presented an application from Rogue Manufacturing, Inc. for LB-840 funds in the amount of \$35,000 for infrastructure and \$3,000 for five new employees for a total amount of \$50,000. Mr. Ferguson stated Rouge Manufacturing, Inc. was an existing business providing fabrication and assembly work located at the airport.

Recently the company moved from a 5,000 square foot building to a building of over 15,000 square foot. The new location had been updated with new electrical service. To comply with the new EPA regulations, updated exhaust and air control systems needed to be installed. Additional employment of welders and assembly workers needed to be hired. Updating the building would be completed by March 1, 2011 with five new employees to be hired over the next two years.

Rick Lockard introduced Greg Richards, Mike Pipes, and Chuck Costello owners of Rouge Manufacturing, Inc. He explained the history of the company which started in 2009. The owners were all former employees of Chief Automotive. The company supplies full production and shipping of personal fitness trampolines for Needak Rebounders of O'Neill.

Questions were asked by the CRC Board concerning other contracts. Mr. Richards stated they had a lot of contacts in town and were branching out to work with other companies. Most employees to be hired would be welders and assemblers.

Mike Olson representing the Central Nebraska Airport said the Airport had invested approximately \$25,000 towards the hanger where Rogue Manufacturing is located. Mr. Olson stated the Airport Board was in favor of this application.

Motion was made by Bill Thiemann, second by Dan Eakes to approve the Rogue Manufacturing, Inc. application for LB-840 funding in the amount of \$50,000. Upon roll call vote, all voted aye. Motion adopted.

Mark Stelk congratulated the owners of this business and said this was what LB-840 funding was all about.

NEW BUSINESS: None.

ADJOURNMENT: Meeting was adjourned at 7:45 a.m.

RaNae Edwards
City Clerk

DRAFT



PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Standard Iron, Inc.

Address 524 Pine Street, Monticello, MN 55362-8571

Telephone 763-295-8700

Email Address cathi.boerner@std-iron.com

Business Contact Person Cathi Boerner, Controller 763-271-8774

Telephone () Ray Saunders, V.P. & General Manager 308-395-3904

February. We expect construction to be complete by July 2011. The equipment purchases

2. Business Organization: Corporation Partnership
 Proprietor Other

3. Business Type: Startup Existing
 Business Buyout Spec Building
 Other _____

4. Project Location: Within the city limits of Grand Island, Nebraska
 Outside the city limits, but within the 2 mile zoning jurisdiction
 Outside the zoning jurisdiction of Grand Island in (county) _____

5. Product or Services Provided:
Standard Iron's principal business is metal fabrication. The company is a supplier of metal products to be used in the manufacture and final assembly of original equipment manufactured items.

6. Project Description:
Standard Iron currently manufactures in 2 locations in Minnesota and one location in Grand Island. The Grand Island building is ~111,000 sq feet. Standard Iron continues to be a growing company and has a need to expand. Standard Iron has had a good experience with the assistance that it obtained from the City of Grand Island and the St of NE when the company started doing business in NE in ~2004 and has chosen to add another ~53,000 square feet to the Grand Island building rather than expand in MN or another location.

The project includes adding ~53,000 sq feet of manufacturing space to the current building and adding ~25 new employees. We expect the cost of the expansion to be ~\$1.7 million and we plan to invest in ~\$2.0 million in equipment to put into the Grand Island building.

7. Project Timetable:
Standard Iron is currently in the process of selecting the builder for this addition project. We expect to sign a letter of intent by January 17th with construction beginning in February. We expect construction to be complete by July 2011. The equipment purchases will take place over 2011 and 2012.

8. Employment Information:

| | | |
|---|------------|------------------------|
| Current number of employees | <u>98</u> | (full-time equivalent) |
| Proposed number of employees | <u>123</u> | (full-time equivalent) |
| What is the average hourly wage for all employees? | | <u>\$16.62</u> |
| Number of new jobs to be created | <u>25</u> | (full-time equivalent) |
| What would be the average hourly wage for new jobs? | | <u>\$13.00</u> |
| Number of jobs to be retained, if any | <u>25</u> | (full-time equivalent) |

Please describe all benefits which the business provides to employees:

Standard Iron offers a full compensation and benefit package to all full time employees, including: health, dental, life, and short-term disability insurance, 401k plan with employer match, vacation and holiday pay, educational reimbursement, etc.

9. Financing/Incentives Requested: _____

Standard Iron is requesting a \$150,000 Infrastructure Grant that would be 'forgiven'
upon completion of the building addition in 2011. In addition, we are requesting
\$75,000 in a forgivable loan. This is based on \$3,000 per new FTE added for 25 new
employees. The total employment would increase from the current 98 employees to
123 employees by December 31, 2012.

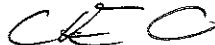
NOTE: Additional Information may be required and made part of this application by attachment.

To the best of my knowledge, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporation (GIAEDC).

equipment purchases



Name



Title

Date:

1-6-11

Grand Island Area Economic Development LB-840 Project Application

Project Name: _____

Date Referred to Grand Island Area Economic Development Board: January 13, 2011

Approved: X Disapproved: _____ Date: 1-13-2011

Comments: _____

Signature of President: Marian Ferguson
Marian Ferguson

Date Referred to Citizen's Review Committee: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Chairman: _____
Mark Stelk

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Jay Vavricek

ECONOMIC DEVELOPMENT AGREEMENT
WITH
STANDARD IRON, INC.
524 Pine Street
Monticello, MN 55362-8571
763-295-8700

This Agreement is made by the City of Grand Island, Nebraska (The City), and the Grand Island Area Economic Development Corporation (The Development Corporation) with Standard Iron, Inc. (Standard) as follows:

ARTICLE I

BUSINESS AND INCENTIVE PLANS

Standard operates two (2) plants in Minnesota and one (1) in Grand Island at 4160 Gold Core Drive. Its primary business is metal fabrication producing metal products which are used by original equipment manufacturers in producing and assembling their products.

Standard came to Grand Island in 2004 and built a 111,000 square foot plant which now employs ninety-eight (98) fulltime equivalent employees. In 2004 Standard received an incentive payment of Two Hundred Thousand and No/100 Dollars (\$200,000.00) under Grand Island's Economic Development Program and fully satisfied the requirement of that Incentive Agreement.

Due to its success in Grand Island Standard has now outgrown the Grand Island plant and intends to expand it by fifty-three thousand (53,000) square feet. The building expansion has an estimated cost of 1.7 million dollars and the cost of equipping that expansion is estimated to be 2 million dollars.

Standard proposes to expand its Grand Island employment from ninety-eight (98) to one hundred twenty-three (123) fulltime equivalent workers at an average of Thirteen and No/100 Dollars (\$13.00) per hour plus a full benefit program which includes health, dental, life and short term disability insurance, a 401(k) program with matching funds as well as vacation and holiday pay and educational reimbursement.

Standard hopes to begin construction of the addition in February 2011 and estimates completion can be accomplished in the summer of 2011. The equipment purchases and the hiring of the new personnel will take place in 2011 and 2012.

Standard has applied for incentive assistance under the Grand Island Economic Development Program and the terms of the incentives are set forth in this Economic Development Agreement.

The City and The Development Corporation agree that Standard is qualified to receive incentives under the Grand Island Economic Development Plan, that Standard's expansion plan qualifies under the Program and that Standard's expansion will be a great benefit to the people of Grand Island and the surrounding area. The City and The Development Corporation also agree that the infrastructure and job creation incentives set forth in this Economic Development Agreement contribute to the fulfillment of the major objectives of the Development Plan.

ARTICLE II

INFRASTRUCTURE INCENTIVE

To assist Standard in its expansion and renovation of its Grand Island manufacturing plant as is described in its Application, The City will advance One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) to Standard. This amount will be paid within thirty (30) days after the payment is formally approved under The City's Economic Development Program.

This advance will be automatically forgiven when The City issues an occupancy permit to Standard after it completes the plant expansion described in its Application and Standard will then have no obligation to repay the grant. However, if that occupancy permit is not issued by November 1, 2011, on that date the grant will be repayable in full by Standard to The City.

ARTICLE III

JOB CREATION INCENTIVES

Part 1

Definitions

As used in this Economic Development Agreement the following words and phrases shall mean the following:

1. Employees means the number of fulltime equivalent persons employed by Standard at its manufacturing plant in Grand Island, Nebraska, as of the end of the Measuring Year and determined as follows: divide (i) the total number of regular time hours that Standard paid Employees to work during the

Measuring Year [including forty (40) hours per week for each week worked by each fulltime salaried Employee] by (ii) 2080.

2. Year means the twelve (12) consecutive month period ending on December 31 each year during the term of this Agreement.

3. Employment Certificate means a written statement reporting the employment for the year at the Grand Island manufacturing plant certified to be true and correct by the Comptroller and attested by the President of the company. For the year ending December 31, 2010, it shall be delivered to The Development Corporation within thirty (30) days after the execution of this Agreement by all three (3) parties and, not later than February 1 in each of the years 2012, 2013, 2014 and 2015, Certificates shall be delivered to The Development Corporation for the preceding year. It shall state (i) the total number of regular time hours for which Standard paid hourly employees for working at the manufacturing plant in Grand Island, (ii) the number of fulltime salaried employees and the number of weeks each were employed by Standard at Grand Island, Nebraska, during the applicable year, (iii) the number of employees as of the last day of the year, and (iv) the total of the gross wages paid that year to those employees who are included in the items (i) and (ii) of this paragraph. The Certificate shall also state that all of the Employee benefit programs referred to in Article I of this Economic Development Agreement continue to be in full force and effect.

Part 2

Employment, Pay and Benefits Requirements

Standard shall meet each of the following employment requirements:

1. For the years ending on December 31, 2010, and December 31, 2011, Standard must have employed not less than ninety-eight (98) Employees.

2. For each of the years ending on December 31, 2012, 2013, 2014 and 2015 Standard must employ at least one hundred twenty-three (123) Employees.

3. For each year ending 2012 through 2015, inclusive, the average hourly rate of pay for the regular time hours worked by the Employees must be not less than Fifteen and 89/100 Dollars (\$15.89) per hour. The average rate of pay shall be determined each year by dividing the gross regular time wages paid (not

including overtime or bonuses) during the reporting year by the number of fulltime equivalent persons employed that year.

4. During each of the years 2011 through 2015 Standard shall continue all of employee benefit plans described in Article I of this Economic Development Agreement.

Part 3

Monetary Provisions

1. Not later than thirty days (30) after The Development Corporation receives from Standard the Employment Certificate for the year ending December 31, 2010, required by paragraph 3 of Part 1 of Article III of this Agreement and funds are approved under The City's Economic Development Program, The City will advance Standard Seventy-five Thousand and No/100 Dollars (\$75,000.00) to assist in the development of the proposed twenty-five (25) new jobs.

2. If as of December 31 in each of the years ending in 2013 through 2015, inclusive (The Forgiveness Years), Standard has met each of the employment, pay and benefit requirements for that year and every prior year beginning with 2011, then within thirty (30) days after The Development Corporation receives the Employment Certificate required for that Forgiveness Year, The City will give Standard formal notice that Twenty-five Thousand and No/100 Dollars (\$25,000.00) of the original advance of Seventy-five Thousand and No/100 Dollars (\$75,000.00) is then forgiven and Standard shall have no further obligation with regard to any forgiven amount.

3. If Standard fails to meet all of the employment, pay and benefit requirements set out in Part 2 of this Article III for the year ending December 31, 2011 or any subsequent year then the total amounts, if any, theretofore forgiven under the provisions of this Part 3 of Article III for each prior year's performance shall be deducted from the advance of Seventy-five Thousand and No/100 Dollars (\$75,000.00) and Standard shall repay the balance to The City. The balance shall become due on the last day of the first year in which the employment, the pay or benefit requirement was not attained or became unattainable and shall be paid with interest on the unpaid balance at the rate of six percent (6%) per annum from the date of the advance until paid in full.

4. If at any time prior to December 31, 2015, Standard transfers ownership or operation of its Grand Island manufacturing plant to any entity of which Standard does not

have and maintain at least eighty percent (80%) of the corporate stock if it is a corporation or eighty percent (80%) of the voting and management rights if it is not a corporation, then at or before the effective date of the transfer Standard shall repay to The City that portion of the Seventy-five Thousand and No/100 Dollars (\$75,000.00) advance which has not theretofore been forgiven. The payment shall be due upon the effective date of the transfer and shall be paid with interest computed at the rate of six percent (6%) per annum from that date until the entire balance of principal and interest is paid in full.

ARTICLE IV

LEGAL EFFECT

1. Upon request Standard shall furnish The Development Corporation and The City such additional documentation and information as either may reasonably request to satisfy the requirements of The City's Economic Development Program and to evidence Standard's performance of the requirements of this Agreement.

2. This Economic Development Agreement contains all of the agreements and understandings between The Development Corporation, The City and Standard relative to the provisions hereof and supersedes any and all prior agreements and understandings whether written or oral concerning economic development grants or incentives. No additions or changes to this Agreement shall be effective until they are reduced to a writing signed by all three (3) parties to this Agreement.

3. The provisions of this Agreement are fully binding upon The Development Corporation, The City and Standard, and their respective successors.

Dated this ____ day of _____, 2011.

GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION

By Marlan Ferguson
Marlan Ferguson, President

THE CITY OF GRAND ISLAND

By _____
Jay Vavricek, Mayor

STANDARD IRON, INC.

By Cathi Boerner
Printed Name: Cathi Boerner
Title: Controller