

City of Grand Island Economic Development Plan Administration Agreement 2024-2025

This Administration Agreement (“Agreement”) is made and entered into as of September 24th, 2024 by and between the City of Grand Island (“City”) and the Grand Island Area Economic Development Corporation (“GIAEDC”). This plan will encompass an Agreement to administer the City’s Economic Development Plan during the 2024-2025 fiscal year.

Recitals:

The City and GIAEDC desire to cooperate with each other in order to deliver the Economic Development Program (“Program”) authorized by Chapter 38 of the Grand Island City Code, the State by and through the Local Option Municipal Economic Development Act (Neb. Rev. Stat. 18-2701 et seq), and the electorate of the City of Grand Island through approval of the City’s Economic Development Plan (“Plan”) during the 2022 election as codified in Ordinance Number 9903.

The Plan, as adopted, incorporates the assistance of GIAEDC in administering the City’s LB840 Economic Development Activities (“Program”) on behalf of the City. The Plan places certain Program Administration requirements with the City, by and through the City Administrator including fiscal management of the Economic Development Fund (“Fund”) and oversight of the Revolving Loan Fund (“Loan Fund”). The Plan also places significant Program Administration responsibilities on GIAEDC.

Because the Plan, and applicable law, places requirements on the City prior to making distributions from the Fund, an agreement is necessary to set forth a framework by which the City can distribute portions of the appropriated Fund to GIAEDC for administrative overhead necessary to administer the program, as well as setting forth agreements for reimbursement of non-administrative expenses during the 2024-2025 fiscal year.

For purposes of this agreement, any references to “Eligible Activities” or “Eligible Businesses” incorporate by reference the definitions contained in the Local Option Municipal Economic Development Act (Neb. Rev. Stat. 18-2701 et seq) (“the Act”), Grand Island City Code Ch. 38 (“Code”), and the Plan.

The parties will develop and approve a comprehensive program management agreement for Fiscal Year 2025-26 and beyond with guidance from applicable audits and the input and recommendations of the Tax Oversight Review Committee (“TORC”).

For purposes of this agreement, the Fiscal Year shall be October 1, 2024 through September 30, 2025 and shall be referenced as the “2024-2025 Fiscal Year.”

General Provisions Defined or Restricted by the Plan:

The Plan defines Eligible Activities for which voters have approved use of the Fund. These activities include the following summarized provisions applicable to this agreement:

- The maintenance and distribution of a Revolving Loan Fund;
- Certain Public Works improvements;
- Purchasing of fixed assets including land grants or real estate options with restrictions;
- Provision of technical assistance to businesses;
- The issuance of bonds;
- Grants or agreements for job training;
- Interest buy down agreements or loan guarantees;
- Other direct incentives to stimulate economic growth;
- Commercial & Industrial recruitment and promotional activities;
- Payment of salaries and support for city staff to implement the Program, or the contracting of an outside entity to implement any part of the Program.
- Tourism related activities
- Real estate property tax reduction activities
- Direct loans and grants to qualifying businesses for certain expenses
- Grants or loans for construction or rehabilitation of workforce housing in support of the City's workforce housing plan.
- Grants, loans, or funds for early childhood infrastructure development.

The Plan sets forth specific definitions of Eligible Businesses and business activities. These definitions may be amended by the City Council upon recommendation from the TORC. Key restrictions limit Plan support to: Certain types of businesses and activities; Businesses within the City or its planning and zoning jurisdiction; To not include political subdivisions, state agencies, or other governmental entities; and includes additional restrictions on businesses which conduct operations in more than one city in Nebraska.

The Plan sets forth the Loan Fund and detailed provisions for application and distribution of the Loan Fund. Responsibilities for the Loan Fund are divided, throughout the plan, between GIAEDC, the City Administrator, the City Finance Director, GIAEDC's Board of Trustees, the TORC, and the City Council.

The Plan incorporates key funding methods and limitations and sets forth limited rules and procedures for distribution of the Fund.

For purposes of this Agreement the Plan authorizes:

- That the allocated Fund be divided into Incentive and Administrative/promotion authorized expense levels.
- That the portion allocated to administrative/promotion be paid in four quarterly payments to GIAEDC for its program administration.
- The remainder of the Fund be available for use for Incentives to be distributed for eligible activities or the Revolving Loan Fund ("Loan Fund") established in the Plan.
- That the Fund "...will be expended primarily for providing direct financial assistance..."

Time Period for Agreement

This Agreement shall be considered effective upon signing by the City and the duly authorized representative of GIAEDC and will serve to govern the 2024-25 Fiscal Year.

This Agreement shall terminate the earlier of September 30, 2025, or when superseded by amendment or by any other duly authorized Agreement.

This Agreement shall terminate by operation of law in the event that GIAEDC ceases to operate or the Program is terminated as authorized by law. Should that occur, any paid, but unearned administrative appropriations, or any other distributed Funds appropriated herein and held by GIAEDC shall be returned to the City.

GIAEDC Responsibilities

- **Administration & Administrative Expenses**

GIAEDC will be the primary agency responsible for administering the Program and Plan on behalf of the City. They will provide all administrative support including promotion of the Plan, Eligible Activities for distributions from the Fund, the promotion to Eligible Businesses of the Loan Fund, application assistance for distributions from the Fund and Loan Fund, and will provide the Board of Trustees to serve as the Application Committee as defined in the Plan.

This administrative support will include technical expertise of staff, sufficient and adequate staff time and resources, office space and technical support, and the maintenance of marketing and promotional materials such as a website and general outreach materials.

Because GIAEDC engages in other Economic Development activities which may not be eligible for payment from the Fund, the City and GIAEDC have agreed to a funding formula for administrative expenses to govern the 2024-2025 fiscal year. This agreement provides partial funding of these expenses incurred by GIAEDC in lieu of detailed accounting of staff time and segregation of duties.

This Administrative Overhead payment shall be paid quarterly, as set forth in the Plan, to GIAEDC and will serve as complete payment for the administrative activities listed below. GIAEDC expenses which may be reimbursed, in addition to the Administrative Overhead payment, are set forth in detail in the Reimbursable Expenses section of this Agreement.

GIAEDC will make all payments necessary to its staff, contractors, and vendors necessary to fulfil their obligations including payment of salaries, taxes, occupancy expenses, and prompt vendor payments. GIAEDC will make no representations of joint employment or joint enterprise with the City and will indemnify and hold harmless the City for any claims made against it as a result of GIAEDC's administration of this Agreement.

As obligated in the Plan, GIAEDC will provide administrative support for the following activities:

- General promotion and marketing of LB840 resources including Eligible Activities, the availability of direct financial support, and the Loan Fund.

- Staff time and expertise related to all Eligible Activities
- Determinations of eligibility under the Plan
- Screening of applications for direct and indirect assistance under the Plan.
- Assistance to eligible applicants in completion of any applications for assistance
- Presentation of Fund and Loan Fund applications to GIAEDC's Board of Trustees, City Administration and/or City Council.
- Monitoring and auditing of all Fund and Loan Fund recipients for compliance with the terms of any approved project.
- Technical assistance as set forth in the Plan
- Reporting to the Mayor, City Council, TORC, and any applicable auditing bodies no less than semi-annually about the status of all activities in the Program.
- Staff time for promotion and marketing of the Plan and community education and outreach about the Plan and Program.
- Necessary infrastructure for administration of the plan to include adequate office space, necessary furniture, utilities, information technology resources and software.
- Maintenance of a website which includes substantial promotion of the Plan and Program.
- Provision of accounting services necessary to ensure proper administration of the Plan and Program.
- Completion of an annual independent financial audit, with the results to be provided to the City, TORC, and the City's independent auditor.
- Forwarding of requests by Eligible Businesses for reimbursement or direct support for Eligible Activities including development of supporting documentation establishing eligibility for Fund distribution.
- Implementation and enforcement of Conflict of Interest policies sufficient to ensure conflict-free application review by the Board of Trustees.
- Providing regular updates to the City and TORC about conflicts of interests which exist or may arise with GIAEDC, its Board of Trustees, or other designees.
- Implementation and enforcement of confidentiality procedures and protections sufficient to insure against inappropriate disclosure of confidential information as required by law.
- Services of the Board of Trustees in reviewing applications for assistance as set forth in the Plan.
- Development of standardized legal documents related to Workforce Housing Loans, standard Fund agreements, and standardized Loan Fund agreements by GIAEDC retained or contracted counsel.
- Expenses related to securing legal advice related to diverse funding sources which may compliment the use of LB840 funds or may assist in securing other funding sources so that appropriated funds under the Plan may be used on other projects.

GIAEDC will also maintain active membership in state and regional economic development organizations which generate resources or other funding sources which may benefit or supplement the Program.

In exchange for payment of these memberships as part of the Administrative Overhead payments made by the Fund through this agreement GIAEDC will make efforts to leverage these memberships to locate other sources of funding for eligible activities and eligible businesses and will, when practical, attempt to use these leveraged funds prior to utilization of the Fund or Loan Fund.

- **Non-Administration Expenses**

While the Administrative Overhead Payment shall be made, in advance, and shall encompass all activities related to general administration, the City and GIAEDC recognize certain expenses which may be irregular in their occurrence which cannot be adequately captured or accounted for in quarterly payment. As such, these expenses will be separately reimbursable from the Fund.

To be eligible for reimbursement these expenses must be submitted for reimbursement from the Fund within sixty (60) days of being incurred. All expenses must be itemized and are subject to the maximum reimbursement set forth below. Each expense must include an attestation that the expense was incurred exclusively for an Eligible Activity in exclusive support of an Eligible Business or for promotion of a property within City Limits or its two-mile planning jurisdiction owned by the City or GIAEDC for purposes of the Program. These reimbursements specifically exclude joint ventures with other resources or programs and do not contemplate the reimbursement of salaries, insurance, office overhead, or generalized activities contemplated as part of the Administrative Overhead Payment. Expenses will not be reimbursed for GIAEDC's Board of Trustees. Payments may be reimbursed for authorized third-party contractors so long as the contractors have not been beneficiaries of the Fund or Loan Fund within the last five (5) fiscal years and do not have active or anticipated applications for the Fund or Loan Fund within the upcoming fiscal year except with explicit advanced authorization by the TORC and City Council.

Grants for assistance from the Fund or Loan Fund should be directed, when practically possible, for direct assistance to the eligible business. When that is not practical or economically prudent due to the small size of the direct assistance, GIAEDC may provide limited Community Support Grants or payments for targeted marketing and promotional events subject to reimbursement from the Fund. Examples of historical targeted marketing and promotional events contemplated for reimbursement, include awards and expenses related to the Future Builder's Challenge, Move to Grand Island initiatives, and the RAILSIDE Development Tour. If GIAEDC incurs other expenses related to prospect development such as third party economic impact studies, site selectors and expenses associated with hosting prospects during site visits, the Fund may reimburse up to \$70,240 in expenses incurred exclusively for prospect development of eligible businesses seeking to locate new operations or relocate out of city operations to a site within city limits.

City Responsibilities

- **Administration**

The City will provide ongoing maintenance, investment, and distribution of the Fund and Loan Fund. The City will provide the services of its Finance Director, or designee in administration of the Fund. The City will assist in facilitating the sharing of information between GIAEDC, the City, and each agencies respective auditors.

The Mayor will seek qualified and conflict-free nominees for service on the TORC and will present nominees to the City Council for appointment to serve on the TORC.

The City will provide the services of the City Administrator, or designee, in performance of its program administration obligations for the Loan Fund.

The City will provide the services of the City Attorney for review of materials as set forth in the Plan.

The City will provide the services of the City Clerk in convening and supporting the TORC in performance of their duties. The City Clerk will additionally assist GIAEDC in scheduling all necessary appearances before the TORC and/or City Council.

The City will arrange for and implement the independent program audit as required by law.

The City will implement and enforce, under penalty of law, confidentiality procedures and protections sufficient to insure against inappropriate disclosure of confidential information as set forth in the Plan, Code, and the Act.

The City will host and facilitate TORC meetings and Council meetings necessary for distribution of the Fund and Loan Fund.

The City will work with GIAEDC in ongoing program review and will keep GIAEDC informed of changes to the Program as recommended by the TORC.

- **Expenses**

As set forth in the Plan the City may retain 3% of appropriated funds as an administrative fee related to the maintenance and accounting of the Fund.

The City may also seek as reimbursement from the Fund actual costs incurred while convening meetings of the TORC or special meetings of Council.

The City may pay, directly from the Fund, the cost of an external audit as required by law and Code.

Administrative Overhead Payment

As consideration for the Administrative services performed herein, GIAEDC will be paid an annual fee of \$355,960 to encompass all expenses which will constitute full and complete consideration for all services not specifically delineated in the Reimbursable Expenses provisions contained herein.

The payments will be made quarterly. Quarterly payments will be paid as advanced payments on the first business day of each calendar quarter.

GIAEDC shall be responsible for making all payments to its employees and other obligors and will indemnify the city in the event any third-party seeks to garnish, restrict, or lien against the Fund for unpaid debts of GIAEDC.

Default

In the event GIAEDC ceases operations, Program and Plan responsibilities revert to the City. GIAEDC will promptly return any advanced Administrative Overhead payments. In the event GIAEDC ceases operations mid-quarter, the advanced Administrative Overhead payment shall be reduced to a pro-rated daily figure

for purposes of determining the amount to be returned to the Fund. No unprocessed expense reimbursements will be made in the event of default.

Notice of Claims

In the event GIAEDC becomes aware of any claims made against it involving activities related to the Plan or Program, businesses being actively recruited under the Program, or properties owned by the City or GIAEDC and marketed under this plan, they shall notify the City in writing within 48 hours of becoming aware of said claims. Failure to provide notice will not limit GIAEDC's obligations to indemnify the City for its activities under the Program, Plan, and/or Agreement.

Insurance Obligations

GIAEDC will be required to maintain Liability Insurance coverage on all employees and their Board of Trustees during the terms of this Agreement.

Other Provisions


Neither party can assign their interest in this agreement to any other person or entity unless specifically authorized to do so.

Nothing herein will be deemed to establish any rights of third parties against the City or GIAEDC nor to entitle any individual or entity to benefit of the Program, Plan, Fund, or Loan Fund.

This agreement is governed by the laws of the State of Nebraska and, to the extent any portion of this agreement, the Program, or the Plan, are incompatible with the laws of the State or Federal Government, or are impacted by future legislation, the intention of this agreement is that all portions of this Agreement which can remain in force and effect will do so. The parties are fully committed to working with each other so as to avoid or minimize disputes or disagreements and will attempt to resolve such disputes or disagreements through discussions between designated representatives of GIAEDC and the City Administrator.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date set forth above.

City of Grand Island, a Municipal Corporation
and Political Subdivision of the State of Nebraska

By: 
Roger G. Steele, Mayor

Attest:

Jill Granere
Jill Granere, City Clerk

Grand Island Area Economic Development Corporation,

By: [Signature]
President of the Board of Trustees

Approved as to form:

[Signature]
Karl Fisk, City Attorney