

# **CITIZENS' REVIEW COMMITTEE**

**P.O. Box 1968**

**Grand Island, NE 68802-1968**

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

**Fax: (308) 385-5486**

## **AGENDA**

**Tuesday, April 3, 2012**

**7:30 a.m.**

**Council Chambers**

**Grand Island City Hall**

1. Call to Order ..... Lisa Willman
2. Roll Call ..... RaNae Edwards
3. Approval of September 13, 2011 Meeting Minutes ..... Committee
4. Presentation of Semi-Annual Report ..... Marlan Ferguson
5. Review of LB 840 Application (Medbery Fabrication LLC) ..... Marlan Ferguson
6. New Business ..... Committee
7. Adjournment ..... Lisa Willman

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

September 13, 2011

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 September 13, 2011. Notice of the meeting was given in *The Grand Island Independent* on September 8, 2011.

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

APPROVAL OF MINUTES. Motion was made by Bill Thiemann, second by Lisa Willman to approve the minutes of the April 26, 2011 CRC meeting. Motion adopted unanimously.

ELECTION OF CHAIR FOR CITIZENS' REVIEW COMMITTEE: Nominations for Chairman of the Citizens' Review Committee for a two year term were opened. Motion by Dehn Renter, second by Bill Thiemann to elect Lisa Willman. Upon roll call vote to elect Lisa Willman as Chairman, all voted aye. Motion adopted.

Nominations for Vice-Chairman for a two year term of office were opened. Dehn Renter nominated Mark Stelk, second by Bill Thiemann. Upon roll call vote to elect Mark Stelk as Vice-Chairman, all voted aye. Motion adopted.

PRESENTATION OF ANNUAL REPORT AND REVIEW OF GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION FUNDING APPLICATION. Marlan Ferguson, President of the Grand Island Area Economic Development Corporation (GIAEDC) reported that the City of Grand Island Economic Development Program Plan was approved by the citizens in 2003 providing for \$350,000 annually to the GIAEDC for promotion, recruiting, public relations and advertising. An additional \$400,000 was to be used for incentives for business and industries. This was the eighth year of a ten year program. As required by the plan, an annual report was to be submitted to the CRC for approval and then forwarded to the City Council for approval.

Presented was a PowerPoint explaining the process of LB 840 applications, reasons for an LB 840 plan, and those businesses qualifying for those funds.

The following people served as the 2011 Board of Trustee's:

Roger Bullington, Chairman	Ann Martin Vice Chairman
Tom Gdowski, Secretary/Treasurer	Galen Stelik, Trustee
Tom Pirnie, Trustee	Jay Kaspar, Trustee
Bill Westering, Trustee	KC Hehnke, Trustee

The following people served as the 2011 Advisory Board:

- Pam Lancaster, Hall Co. Board of Supervisors
- Mayor Jay Vavricek
- Mary Lou Brown, City Administrator
- Peg Gilbert, Grand Island City Council President
- Dr. Lynn Black, Central Community College
- Lisa Crumrine, Chamber of Commerce Chairman
- Jim Hartman, NorthWestern Energy
- Dr. Rob Winter, G.I. Public Schools
- Randy Kissiner, NE Workforce
- Mike Olson, Hall Co. Airport Authority
- Cindy Johnson, G.I. Area Chamber of Commerce

Mr. Ferguson presented an application from EDC for LB-840 funds for fiscal year beginning October 1, 2011 thru September 30, 2012 in the amount of \$350,000. Mr. Ferguson stated the EDC was funded \$750,000 from the City (\$350,000 for promotion, recruiting, public relations and advertising and \$400,000 for incentives).

Mr. Ferguson stated since the conception of this program, the Review Committee had approved the following 18 applications:

<u>COMPANY</u>	<u>INCENTIVE \$'S</u>	
Standard Iron	\$200,000	(2004)
Heritage Disposal & Storage	\$100,000	(2004)
Love Signs	\$ 42,000	(2005)
CXT	\$200,000	(2005)
J.C. Doyle	\$ 20,000	(2006)
O'Neill Wood Resources	\$ 45,000	(2007)
Case IH (1 <sup>st</sup> Application)	\$325,000	(2007)
Hornady Mfg. (1 <sup>st</sup> Application)	\$154,000	(2007)
Principal Financial	\$ 30,000	(2007)
Hastings Foods	\$ 70,000	(2008)
Nova-Tech, Inc.	\$160,000	(2008)
Ace Machine Shop	\$ 32,500	(2009)
Structured Solutions	\$600,000	(2009)
Hornady Mfg. (2 <sup>nd</sup> Application)	\$200,000	(2010)
GIAEDC – PVIP Infrastructure	\$575,000	(2010)
Rogue Manufacturing, Inc.	\$ 50,000	(2010)
Standard Iron, Inc. (2 <sup>nd</sup> Application)	\$200,000	(2011)
Case IH (2 <sup>nd</sup> Application)	\$219,000	(2011)
 (17 Projects)	 \$3,222,500	

Mr. Ferguson reported 3,103 new jobs were created in 7-1/2 year with 1,166 direct jobs with an estimated payroll of \$36,048,313 per year. New real estate taxes from 2003-2008 was

\$2,738,385 with a real estate valuation as of 2008 of \$21,954,086. Assessed valuation per capita in 2003/2004 was \$1,746,978 vs. \$2,351,144 in 2010/2011. New construction permits since 2004 were \$642,608,646. Taxable real estate in 2004 was \$1,883,272,257 vs. \$2,395,497,486 in 2010 a \$512,225,229 increase which equates to \$10,357,194 in additional real estate tax revenue.

Reviewed were the Platte Valley Industrial Park and Cornhusker Industrial Park improvements.

Mr. Ferguson answered questions concerning the LB 840 program which would expire in 2013. Meetings had been held with the Mayor and City Administrator. The intent was to move forward with the program. Discussion was held concerning funds from the City for the EDC budget and what cuts would do to the program.

Motion was made by Dehn Renter, second by Bill Thiemann to approve the annual report and EDC application for funding in the amount of \$350,000. Upon roll call vote, all voted aye. Motion adopted.

The annual report would be submitted to the City Council on September 27, 2011.

NEW BUSINESS: None.

ADJOURNMENT: Meeting was adjourned at 8:00 a.m.

RaNae Edwards  
City Clerk



GRAND ISLAND AREA  
ECONOMIC  
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • [www.grandisland.org](http://www.grandisland.org)

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

2012 Mid-year LB-840 Report  
Prepared by: Marlan Ferguson, President

Look around Grand Island today. Through past leadership, visioning, listening, hard work, and planning Grand Island has and will continue to grow. Strong leadership is the secret to our success. Grand Island is very fortunate to have a large manufacturing sector of jobs. Almost 20% of all jobs in our community are manufacturing. With the rest of the nation experiencing a depressed economy, the number of firms outside of Grand Island area looking to locate here is very limited. Thus, the best opportunities for growth lie within our existing community. In 2011 there were over 700 new jobs created. We saw major expansion from Case IH, Standard Iron, Hornady Manufacturing, Global Industries, and of course Chief Industries. We also are experiencing additional growth in the secondary job market with the expansion of Olive Garden, Buffalo Wings, Panera Bread, Freddy's, Road House, Napoli's and Fed-X, just to name a few. It is encouraging to see this positive growth continue.

It is no secret that thousands of new jobs have been created as a result of performance-based incentives, tax increment financing, job training funds, and other programs. These new and growing businesses have led to increased construction, new buildings, and more employees who are investing in homes, buying cars, and supporting local retailers. This strong business activity means more money coming into our community, broadening our tax base – which means there are more businesses and residents to help share the tax load. This is why the LB-840 economic development program is so important to everyone living in Grand Island.

In fact, our top 2012 goal for the EDC is to make sure voters again approve the passage of LB-840. The basic idea behind the current economic development program was for our community to grow, we need new businesses in the area and we need existing businesses to expand. There have been over 3,300 new jobs created in Grand Island since 2003. These jobs have an estimated payroll of more than \$36 million every year. Over \$3.9 million in total real estate taxes from 2003 to 2011 alone; and over \$26 million in real estate valuation during that same time.

In almost every way, Grand Island is definitely on a roll! We've become a major destination city with the Nebraska State Fair and the Heartland Event Center. Our status as a regional trade center is underscored by our quality health care, excellent educational opportunities, and the recent growth of new retail establishments, restaurants and hotel facilities.

As we approach the final year of the current program, many of our LB-840 projects have fulfilled some or all of their contractual obligations. During the past six (6) months seven (7) companies were notified of their compliance: Ace Machine Shop, Standard Iron, Case IH #1, Heritage Disposal and Storage, Love Signs, O'Neill Wood Resources, and Rouge Mfg.

2012 is an important year for Grand Island Area Economic Development Corporation and our community. You can be assured that our board and staff will be rolling up our sleeves to guarantee the renewal of LB-840 and with your help, we'll continue to add good full time jobs to our community. Working together we can help take Grand Island to the next level!

## **2012 Board of Trustees**

Ann Martin, Chairman  
*Idea Bank Marketing*

Tom Pirnie, Vice Chairman  
*G.I. Express*

Tom Gdowski, Secretary/Treasurer  
*Equitable Bank*

Roger Bullington  
*Chief Buildings*

KC Hehnke  
*Jerry's Sheetmetal, Inc.*

Jay Kaspar  
*INSUR, Inc.*

Galen Stehlik  
*Lauritsen, Brownell, Brostrom & Stehlik*

William "Bill" Westering  
*Westering Enterprises*

## **Advisory Board Members**

Mayor Jay Vavricek

Peg Gilbert

Mary Lou Brown

Pam Lancaster

Dr. Lynn Black

Dr. Rob Winter

City Johnson

Terry Pfeifer

Jim Hartman

Randy Kissinger

Mike Olson



## PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Medbery Fabrication LLC
- Address 136 North Carey
- Telephone ( 308 ) 383-9393
- Email Address grpamedbery@hotmail.com
- Business Contact Person Ed Medbery
- Telephone ( ) Same
2. Business Organization:  Corporation  Partnership  Other  
 Proprietor  LLC
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: Repair and maintain returnable containers which  
Case IH vendors use for shipping parts and materials to the plant.

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6. Project Description: moveable carts and racks that Case IH employees use to  
transport parts and materials throughout the plant to where they are needed along the  
assembly line.

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7. Project Timetable: Medbery Fabrication LLC is a new company, but the owner has  
been a subcontractor for Case IH since 2007 working out of his home. Due to increased  
orders, employees and projects, expansion of its facilities is a necessity.

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8. Employment Information:

Current number of employees	<u>4</u>	(full-time equivalent)
Proposed number of employees	<u>18</u>	(full-time equivalent)
What is the average hourly wage for all employees?		<u>\$15.50</u>
Number of new jobs to be created	<u>14</u>	(full-time equivalent)
What would be the average hourly wage for new jobs?		<u>\$13.50</u>
Number of jobs to be retained, if any	<u></u>	(full-time equivalent)

Please describe all benefits which the business provides to employees:  
limited vacation time, health insurance, bonus

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9. Financing/Incentives Requested: The company has outgrown both its current location  
and its workforce. In order to assume additional contracts, 14 additional employees will be  
hired over the next three years. New equipment consisting of (3) Miller welders, an Ellis  
Band Saw, and Ellis Drill Press, (2) plasma cutters, a Scotchman Ironworker, JIB Pals host, will  
and a used Big plasma table machine will be purchased. This new equipment will assist  
the new employees and assist the company in its continued growth. We are requesting a  
grant of \$ 34,000 for new equipment and a forgivable loan of \$3,000/employee or \$42,000.  
A total grant request of \$76,000 would be appreciated.

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).

By: Edwin D. Medley Sr.  
Name

President  
Title

Date: 3/19/12

**Grand Island Area Economic Development LB-840 Project Application**

Project Name: Medbury Fabrication LLC

Date Referred to Grand Island Area Economic Development Board: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: 3-19-12

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of President: Marlan Ferguson  
Marlan Ferguson

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Date Referred to Citizen's Review Committee: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Chairman: \_\_\_\_\_  
Lisa Willman

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Date Referred to City Council: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Mayor: \_\_\_\_\_  
Jay Vavricek

## ECONOMIC DEVELOPMENT AGREEMENT

This agreement between the City of Grand Island (City), the Grand Island Area Economic Development Corporation (EDC) and Medbery Fabrication, L.L.C. (Employer) sets forth the terms and conditions of a forgivable economic development loan requested by the Employer and granted by the City and EDC as follows:

### I. DEFINITIONS

The following definitions of terms used in this agreement will be controlling.

A. Full Time Equivalent (FTEs) - Shall be persons employed by the Employer and working at the Grand Island location at the end of the Measuring Year and determined by dividing the total number of hours that Employer paid employees working at the Grand Island location by two thousand and eighty (2,080).

B. Average Hourly Rate – Shall be determined by the total wages and salaries paid to all employees of the Employer and dividing such number by the total number of annual hours worked by all full time employees of the Employer.

C. Employment Certificate - A document for a defined period containing the sworn statement of a duly authorized representative of the Employer setting forth the names of all hourly and salaried employees, the total hours worked or compensation received by each employee, and the rate of pay or salary received by each employee. In addition, the employment certificate shall include tax or payroll records as demanded by the City and/or EDC.

D. Measuring Year - The first measuring year shall begin on the first day of the month following the Employer's receipt of any portion of the forgivable economic development loan. The first measuring year will end exactly one year later. Subsequent measuring years will begin on the date the preceding measuring year ended and end exactly one year later.

### II. FORGIVABLE ECONOMIC DEVELOPMENT LOAN

The Employer has requested and the City and EDC have agreed to provide the Employer a forgivable economic development loan in the total amount of Seventy-Six Thousand Dollars (\$76,000.00). This loan is divided into two (2) parts as follows:

A. The first part of the loan is in the amount of Thirty-Four Thousand Dollars (\$34,000.00) to be used by the Employer for the purchase of the following equipment:

1. Three (3) Miller Welders;
2. One (1) Ellis Band Saw;
3. One (1) Ellis Drill Press;
4. Two (2) Plasma Cutters;
5. One (1) Scotchman Ironworker;
6. One (1) Jib Pole Hoist; and
7. One (1) used large Plasma Table Machine.

B. The second part of the loan is in the amount of Forty-Two Thousand Dollars (\$42,000.00) to be used by the Employer to increase the number of its employees from four (4) presently to no less than eighteen (18).

### III. EQUIPMENT PURCHASE REQUIREMENTS

The Employer agrees to meet the following terms regarding the purchase of equipment as set forth in paragraph IIA of this agreement.

A. The employer shall purchase the equipment listed in paragraph IIA no later than six (6) months after receiving that portion of the forgivable economic development loan set forth in said paragraph.

B. The employer may not alter the list of equipment to be purchased as listed in paragraph IIA without the written consent of the City and EDC.

C. That within ten (10) days of purchasing any or all of the equipment listed in paragraph IIA, the Employer will provide the City and the EDC copies of all documentation related to the purchase of the equipment including but not limited to receipts, warranties, and/or rebates. That within ten (10) days of purchasing any or all of the equipment listed in paragraph IIA, the Employer will execute any necessary documents for the City to take a security interest in the equipment pursuant to Article 9 of the Nebraska Uniform Commercial Code.

D. That if the total purchase price of the equipment listed in paragraph IIA is less than Thirty-Four Thousand Dollars (\$34,000.00), the difference shall be returned to the City and EDC. If the total purchase price of the equipment listed in paragraph IIA is more than Thirty-Four Thousand Dollars (\$34,000.00) the Employer will pay the additional costs out of its own funds and may not use other proceeds of the forgivable economic development for such purchase without the written consent of the City and EDC.

E. That the Employer will not sell or dispose of the equipment listed in paragraph IIA in any fashion without the written consent of the City and EDC. That immediately upon purchase, the Employer will obtain insurance for the fair market value of all equipment listed in paragraph IIA naming the City as loss payee and provide the City and EDC proof of such insurance within ten (10) days of said equipment purchase. That in the event any or all the equipment listed in paragraph IIA is stolen, destroyed, or becomes inoperable beyond repair, the Employer will provide written notice of such to the City and EDC within ten (10) days of such occurrence.

### IV. FORGIVABLE ECONOMIC DEVELOPMENT LOAN DISBURSEMENTS

The City and EDC will disburse monies from the forgivable economic development loan to the Employer pursuant to the following schedule conditioned on the Employer's compliance with all the terms of this agreement. Prior to the second and third disbursements, the Employer will provide an Employment Certificate to the City and EDC as a prior condition of those disbursements being made.

A. Initial Disbursement - The initial disbursement to the Employer will be in the total amount of Fifty-Five Thousand Dollars (\$55,000.00) and will be the sum of Thirty-Four

Thousand Dollars (\$34,000.00) for equipment pursuant to paragraph IIA and Twenty-One Thousand Dollars (\$21,000.00) for increasing the number of employees pursuant to paragraph IIB. That the initial disbursement will occur no later than thirty (30) days after the agreement is approved and executed by the City, EDC, and the Employer.

B. Second Disbursement - The second disbursement to the Employer will occur no later than six (6) months after the first disbursement and will be in the amount of Nine Thousand Dollars (\$9,000.00) pursuant to paragraph IIB.

C. Third Disbursement - The third disbursement to the Employer will occur no later than one (1) year after the second disbursement and will be in the amount of Twelve Thousand Dollars (\$12,000.00) pursuant to paragraph IIB.

#### V. EMPLOYMENT INCENTIVES

The Employer agrees to meet the following goals regarding incentives related to increasing the number of its employees.

A. First Measuring Year - At the end of the first measuring year the Employer will employ a total of not less than eleven (11) FTEs at an average hourly rate of Thirteen Dollars and Fifty Cents (\$13.50).

B. Second Measuring Year - At the end of the second measuring year the Employer will employ a total of not less than fourteen (14) FTEs at an average hourly rate of Thirteen Dollars and Fifty Cents (\$13.50).

C. Third, Fourth, and Fifth Measuring Years - At the end of the third, fourth, and fifth measuring years the Employer will employ a total of not less than eighteen (18) FTEs at an average hourly rate of Thirteen Dollars and Fifty Cents (\$13.50).

#### VI. COMMUNICATION

A. The Employer agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or EDC related to the Employer's compliance with the terms of this agreement. All responses to information requests by the City and/or EDC shall be in writing and mailed to the following addresses:

Grand Island City Administrator  
100 E. First St.  
P.O. Box 1968  
Grand Island, NE 68802-1968

Grand Island Area Economic Development Corp.  
308 N. Locust St., STE 400  
P.O. Box 1151  
Grand Island, NE 68802-1151

B. The Employer agrees to inform the City and the EDC of its current address, telephone number, and email address and inform the City and the EDC of any changes within three working (3) days.

#### VII. DOCUMENTATION

The Employer agrees to provide the City and the EDC copies of its annual profit/loss balance sheet and cash flow statement within forty-five (45) days after the conclusion of its fiscal year. The Employer also agrees to provide the City and the EDC of a copy of its income tax returns within ten (10) days of their timely filing.

#### VIII. CONFIDENTIALITY

The City and the EDC agree to maintain confidential information pursuant to Article VIII of the Grand Island Economic Development Plan and Grand Island City Code §38-10.

#### IX. LOAN FORGIVENESS

If at the end of the fifth measuring year, if the Employer has complied with all the terms of this Agreement, the total amount of the economic development loan shall be forgiven and the City shall release any security interests it may have in property or equipment held by the Employer.

#### X. EFFECT OF BREACH

If the Employer fails to comply with any of the terms set forth in this agreement the City and/or EDC may declare it to be in breach. Such declaration shall be in writing, shall set forth the reasons for the breach, and be delivered or mailed to the Employer at its last known address. In the event the Employer is declared to be in breach all such monies received as a forgivable economic development loan will become immediately due and owing. In addition, in the event it is declared to be in breach, the Employer will surrender to the City possession of the equipment purchased as listed in paragraph IIA. Upon receiving the equipment as listed in paragraph IIA, the City will dispose of it as soon as possible at auction. Any monies received from the sale of the equipment listed in paragraph IIA will be deducted from the total owed by the Employer to the City. If the amount received from the sale of the equipment listed in paragraph IIA exceeds the total amount owed by the Employer to the City, the City will refund the difference to the Employer. If the Employer repays the forgivable economic development loan in full before the City takes possession of or sells the equipment listed in paragraph IIA, said equipment will remain in or be returned to the possession of the Employer.

#### XI. LEGAL EFFECT

Notwithstanding the other provisions of this agreement, the Employer agrees to the following:

A. If the Employer is purchased, absorbed, or merged into any other person or entity, the terms and conditions of this agreement shall continue to be in force and binding on any purchaser or successor organization.

B. If the Employer discontinues its operations in Grand Island prior to the completion of the entire agreement, all such monies received as a forgivable economic development loan will become immediately due and owing as outline in paragraph X.

C. If any provision of this agreement is declared void or illegal by a Court of law then all other unaffected provisions will continue to be in effect.

D. This document constitutes the entirety of the terms and conditions of this agreement. This agreement may not be altered or modified in any way unless consented to by all the parties and evidenced in writing.

Witness our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

GRAND ISLAND AREA ECONOMIC  
DEVELOPMENT CORPORATION

THE CITY OF GRAND ISLAND

By Marlan Ferguson  
Marlan Ferguson, President

By \_\_\_\_\_  
Jay Vavricek, Mayor

#### ACCEPTANCE

Medbery Fabrication, L.L.C., acting through its sole Member/Manager, accepts and agrees to all provisions of this Economic Development Agreement.

MEDBERY FABRICATION, L.L.C.,  
Employer

By Edwin D. Medbery Sr.  
Edwin D. Medbery, Sr.,  
Member/Manager