

CITIZENS' REVIEW COMMITTEE

P.O. Box 1968

Grand Island, NE 68802-1968

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

Fax: (308) 385-5486

AGENDA

Tuesday, May 21, 2013

7:30 a.m.

Council Chambers

Grand Island City Hall

1. Call to Order Lisa Willman
2. Roll Call..... RaNae Edwards
3. Approval of August 28, 2012 Meeting Minutes Committee
4. Review of LB 840 Application (Case New Holland)..... Marlan Ferguson
5. Review of LB 840 Application (Chief Industries, Inc.) Marlan Ferguson
6. Review of LB 840 Application (Central Community College)..... Marlan Ferguson
7. Presentation of Semi-Annual Report..... Marlan Ferguson
8. New Business..... Committee
9. Adjournment..... Lisa Willman

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

August 28, 2012

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 August 28, 2012. Notice of the meeting was given in *The Grand Island Independent* on August 22, 2012.

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

APPROVAL OF MINUTES. Motion was made by Dehn Renter, second by Mark Stelk to approve the minutes of the April 3, 2012 CRC meeting. Upon roll call vote, all voted aye. Motion adopted.

PRESENTATION OF ANNUAL REPORT. Marlan Ferguson, President of the Grand Island Area Economic Development Corporation (GIAEDC) reported that as required by the Economic Development Program plan, an annual report was to be submitted to the CRC for approval and then forwarded to the City Council for approval.

The annual report was given along with the LB 840 EDC Fund Reconciliation (see attached).

Discussion was held concerning the audit. Mr. Ferguson stated several projects were removed from the list because they had fulfilled their obligation. It was mentioned that CXT had met their obligation but since had closed. Denise McGovern-Gallagher with the EDC office answered questions concerning Medbury Fabrication and their current status.

Motion by Mark Stelk, second by James Phipps to approve the Annual Report. Upon roll call vote, all voted aye. Motion adopted.

REVIEW OF GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION FUNDING APPLICATION. Mr. Ferguson presented an application from EDC for LB-840 funds for fiscal year beginning October 1, 2012 thru September 30, 2013 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).

The following people serve as the 2012 Board of Trustee's:

Ann Martin, Chairman

Tom Gdowski, Secretary/Treasurer

KC Hehnke

Tom Pirnie, Vice Chairman

Roger Bullington

Jay Kaspar

Galen Stehlik

Bill Westering

The following people serve as the 2012 Advisory Board:

Mayor Jay Vavricek
Mary Lou Brown
Dr. Lynn Black
Cindy Johnson
Jim Hartman
Mike Olson

Peg Gilbert
Pam Lancaster
Dr. Rob Winter
Terry Pfeifer
Randy Kissinger

A PowerPoint was given explaining the sole purpose of the EDC was the creation, retention and expansion of jobs in Grand Island. They do this by: recruiting new qualified businesses and creating jobs; helping local businesses expand, training and investing in our community; promoting a well-trained workforce; cooperating with other growth oriented organizations; lobbying for pro-business legislation; and working with community organizations to improve our quality of life.

Mr. Ferguson stated over 1,188 direct jobs were created with LB-840 funds from 2003 thru 2011 with an estimated payroll of \$36,000,000 annually. Over 2,100 indirect jobs were created for a total of over 3,300 total jobs created in the last 8 years with 700 new jobs in 2011.

Mentioned was the job growth plan moving forward was to renew LB 840 for another ten years at the 2003 funding level of \$750,000 per year, improved applicant and financial requirements and to continue to recruit new industries creating jobs and growth in Grand Island.

Presented was the 2013 Forecast for Income and Expenses. Since 1999 and prior to passage of LB 840 (2003) GIAEDC received \$350,000 annually from the City of Grand Island for operations. The following was presented:

Income:

Participation	
City of Grand Island	\$350,000
Membership	125,000
Programs	16,000
Farm Income & misc.	<u>174,000</u>
	\$665,000

Expenses:

Operations	\$340,000
Industrial Park Development	180,000
Community Publicity	<u>145,000</u>
	\$665,000

Mentioned was the 900 acres owned by EDC at the Cornhusker Industrial Park. Discussion was held regarding grant funds. Funds were received by the City under the CDBG grants and paid out for projects.

Mr. Ferguson commented on the campaign for the renewal of the LB 840 program to be held at the General Election on November 6, 2012.

Motion by Dehn Renter, second by Mark Stelk to approve the GIAEDC funding application 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 25, 2012

NEW BUSINESS: None.

ADJOURNMENT: Motion was made by James Phipps, second by Mark Stelk to adjourn at 8:05 a.m. Upon roll call vote, all voted aye. Motion adopted.

RaNae Edwards
City Clerk

DRAFT

Citizens Review Committee Report for LB 840
Presented by Marlan Ferguson, President
Grand Island Area Economic Development Corporation
September 11, 2012
City Hall Council Chambers

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

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

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

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

Case IH #2 - \$50,000 (job creation) – 73 jobs
Hastings Foods - \$23,333.33 (job creation) – 50 jobs
Hornady Mfg. #1 - \$53,333.34 (job creation) final report – 77 jobs
Hornady Mfg. #2 - \$75,000 (expansion)
Hornady Mfg. #2 - \$41,666.66 (job creation) – 50 jobs
Love Signs - \$14,000 (job creation) final report – 20 jobs
Nova-Tech, Inc. - \$20,000 (job creation) – 30 jobs
O'Neill Wood Resources - \$5,000 (job creation) final report – 15 jobs
Rogue Mfg. - \$35,000 (expansion) – 5 jobs
Standard Iron #2 - \$150,000 (expansion) – 25 jobs

A complete recap from Finance Director Jaye Monter has been provided to each of you. The current balance of the fund is \$193,738.93 (report attached).

It should be also noted that the Platte Valley Industrial Park infrastructure project for \$575,000 has begun. The water and sewer along Wildwood is completed and sewer along Schimmer Road is under construction. A change to the grant was approved by the State of Nebraska and City Council to allow Blaine Street to be paved with the remaining funding from the grant. The total project cost is \$2.2 million and is expected to be completed by December 31, 2012.

Continuing the community's jobs growth momentum is the goal of the More Good Jobs for Grand Island campaign urging voters to renew LB 840, the Grand Island Economic Development Program. Announcement of the campaign was on July 18th at Nova-Tech, Inc., in Grand Island's Platte Valley Industrial Park.

The More Good Jobs for Grand Island Committee is comprised of many local residents, including members of the Grand Island Area Economic Development Corporation. The campaign committee is chaired by Bill Marshall, chairman of Five Points Bank. Campaign Treasurer is Steve Kunzman, Senior Vice President of Home Federal Bank. Your support to renew the program on November 6th will be appreciated.

Other communities in the state have watched Grand Island become a leader in economic development and are now trying to catch up with their own incentive programs. Grand Island's LB-840 program has positively impacted Grand Island in many ways:

- 1,188 direct full time jobs were created with the assistance of the program since 2003.
- Over 2,100 indirect jobs were also created, giving Grand Island over 3,300 total new jobs.
- The jobs created by LB-840 recipients have resulted in an estimated payroll of over \$36 million a year!

- Over \$24 million in real estate valuation has been added to Grand Island from 2003 through 2011.

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

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

Thank you for your interest and support.

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

Fund 238-A/C #23811402

DATE	RECEIPTS	PAYMENTS	DETAIL	BALANCE
FISCAL 2004				
10/31/2003	400,000.00		City transfer to EDC Fund	\$400,000.00
11/17/2003	76,305.00		Grant received for paving	\$476,305.00
12/09/2003		(76,305.00)	GIAEDC, for Gold Core Road paving	\$400,000.00
02/11/2004	38,005.00		Grant received for paving	\$438,005.00
06/08/2004		(38,005.00)	GIAEDC, for Gold Core Road paving	\$400,000.00
08/10/2004		(200,000.00)	GIAEDC, for Standard Iron	\$200,000.00
2004	2,403.00		Interest earned	\$202,403.00
2004		(22,500.00)	City administrative fee	\$179,903.00
FISCAL 2005				
10/12/2004		(100,000.00)	GIAEDC, for Heritage Disposal	\$79,903.00
03/01/2005	400,000.00		City transfer to EDC Fund	\$479,903.00
04/12/2005		(42,000.00)	GIAEDC, for Love Signs	\$437,903.00
05/10/2005		(200,000.00)	GIAEDC, for CXT	\$237,903.00
2005	10,434.81		Interest earned	\$248,337.81
2005		(22,500.00)	City administrative fee	\$225,837.81
FISCAL 2006				
10/31/2005	750,000.00		City transfer to EDC Fund	\$975,837.81
10/31/2005		(22,500.00)	City administrative fee	\$953,337.81
11/08/2005		(350,000.00)	GIAEDC Annual Funding Request	\$603,337.81
05/31/2006		(13.16)	Grand Island Independent, Public Notice	\$603,324.65
08/08/2006		(20,000.00)	J.C. Doyle, Inc./LTD	\$583,324.65
9/30/2006	13,992.58		Interest earned	\$597,317.23
FISCAL 2007				
10/1/2006	750,000.00		City transfer to EDC Fund	\$1,347,317.23
10/10/2006		(350,000.00)	GIAEDC Annual Funding Request	\$997,317.23
10/1/2006		(22,500.00)	City administrative fee	\$974,817.23
11/28/2006		(45,000.00)	O'Neill Wood Resources	\$929,817.23
11/28/2006		(325,000.00)	CNH America, LLC expansion	\$604,817.23
05/22/2007		(154,000.00)	Hornady Manufacturing, Inc.	\$450,817.23
05/22/2007		(330,000.00)	Principal Life Insurance Co.	\$120,817.23
9/20/2007	27,259.19		Interest earned YTD	\$148,076.42
FISCAL 2008				
11/30/2007	750,000.00		City transfer to EDC Fund	\$898,076.42
11/13/2007		(350,000.00)	GIAEDC Annual Funding Request	\$548,076.42
11/13/2007		(22,500.00)	City administrative fee	\$525,576.42
3/11/2008		(160,000.00)	Nova Tech, Inc.	\$365,576.42
3/11/2008		(70,000.00)	Hastings Foods, Inc.	\$295,576.42
09/30/2008	19,015.70		Interest earned YTD	\$314,592.12
FISCAL 2009				
10/31/2008	750,000.00		City transfer to EDC Fund	\$1,064,592.12
10/31/2008		(22,500.00)	City administrative fee	\$1,042,092.12
10/31/2008		(350,000.00)	GIAEDC Annual Funding Request	\$692,092.12
12/23/2008	300,000.00		Principal Life Insurance Co.-Paid back loan	\$992,092.12
02/24/2009		(32,500.00)	Ace Machine Shop & Sales	\$959,592.12
09/30/2009	14,854.36		Interest earned YTD	\$974,446.48
09/30/2009	0.41		Adjust to actual cash balance	\$974,446.89
FISCAL 2010				
10/13/2009	750,000.00		City transfer to EDC Fund	\$1,724,446.89

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

Fund 238-A/C #23811402

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

PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Case New Holland (CNH America, LLC)
- Address 3445 W. Stolley Park Road, Grand Island, NE 68803
- Telephone (308) 384-1010
- Email Address william.baasch@cnh.com
- Business Contact Person Bill Baasch, General Manager
- Telephone (308) 384-1010
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: The Case IH plant manufacturer's combines and
hay tool equipment for Case IH and New Holland brands.

6. Project Description: Due to significant sales of machinery, manufacturing volumes at
the plant continue to increase. As a result of this increase, there will be a 30,000 sq. ft.
addition to the south side of the existing rack building. The project is a \$7.16 million in
which a burn box will be purchased, and a vestibule will be added to the main building.

7. Project Timetable: The plant has its plans finalized. The hiring of the 100 employees
will commence immediately. The entire project will be completed in 1 year.

8. Employment Information:

Current number of employees (full-time equivalent) 1060 (full-time equivalent)

Proposed number of employees 1160 (full-time equivalent)

What is the average hourly wage for all employees? \$20.11

Number of new jobs to be created 100 (full-time equivalent)

What would be the average hourly wage for new jobs? \$16.09

Number of jobs to be retained, if any _____ (full-time equivalent)

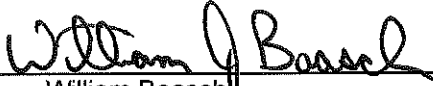
Please describe all benefits which the business provides to employees:

14 Paid Holidays, Accrued Vacation, medical, dental, vision, short term disability, long
term disability, 401-k, retirement savings account.

9. Financing/Incentives Requested: We are requesting a job creation grant of \$4,500/job
for the 100 new positions being created by this expansion or \$450,000. We are also
requestion a \$500/job for training assistance on the new positions. A total incentive package
being requested is \$500,000.00
Case IH is also requesting that the job training dollars be paid all upfront. We further are
requesting that 1/2 of the job creation grant be paid upon approval by City Council and the
final half be paid on or before December 31, 2013.

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: 
William Baasch

Grand Island Plant Manager
Title

Date: 4/15/13

Grand Island Area Economic Development LB-840 Project Application

Project Name: Case IH (CNH America LLC)

Date Referred to Grand Island Area Economic Development Board: 3/5/2013

Approved: x Disapproved: _____ Date: 3/14/2013

Comments: It is again wonderful for the community of Grand Island to see CASE IH expand and create jobs. This expansion is a credit to the work ethic and the commitment of the community.
It also indicates that CASE IH is confident in the community to provide an educated and trained workforce.

Signature of President: *Marlan Ferguson*
Marlan Ferguson

Date Referred to Citizen's Review Committee: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Chairman: _____
Lisa Willman

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Jay Vavricek

In early 2000, the corporate executives for one of Grand Island's major employers, Case IH (formerly New Holland (CNH)), undertook an evaluation, targeting 20% of the company's plants worldwide for sale, consolidation and closure. At that time there was much discussion and concern that the Grand Island plant would be closed and operations moved.

July 8, 2000 was a red-letter day for the employees of Case IH, and City and community leaders as Case IH announced that the company planned to consolidate production of combines at the Grand Island plant, resulting in the retention of over 600 jobs. Case IH is an excellent corporate citizen. We are pleased that Case IH chose to invest in our community and are ecstatic that they currently have 844 well-paying jobs.

Our participation in the financial incentive package, while just a small component, demonstrates our support and commitment to Case IH, but, more importantly, to the employees, supporting companies/vendors, and the community at large. We believe the growth of Case IH will continue to stimulate economic development, increase the local tax base and promote the creation of well paying jobs.

ECONOMIC DEVELOPMENT AGREEMENT

This Agreement made by the City of Grand Island, Nebraska (City), and the Grand Island Area Economic Development Corporation (EDC) with CNH America, LLC (CNH) does hereby set forth the terms and conditions of a forgivable economic development loan requested by CNH and granted by the City and the EDC as follows:

I. INTRODUCTION

1. CNH has filed with the City and EDC a Project Application for Economic Development Programs (Application). In the Application, CNH stated it planned to construct a thirty thousand (30,000) square foot addition to the South side of its existing rack building located in Grand Island. CNH also stated in its Application it planned to hire an additional one hundred (100) employees as part of its planned expansion to its operations in Grand Island. CNH also stated in its Application it planned to complete its expansion project and hire its additional employees within one (1) year of the parties' execution of this Agreement.

2. The City and the EDC find CNH is a qualifying business under the City's Economic Development Program, the CNH project qualifies for economic incentives under the Program, the project will be of substantial economic benefit to the people of Grand Island and its surrounding area, and the forgivable economic development loan set forth below constitute a fulfillment of the major objective of the City's Economic Development Plan.

II. DEFINITIONS

As used in this Agreement the following words and phrases shall be defined as follows:

1. Full Time Equivalents (FTEs) - Shall be persons employed by CNH and working at its facilities located in Grand Island on the date of the Measuring Benchmark. The total number of FTEs shall be determined by dividing the total number of hours CNH employees worked at its facilities located in Grand Island by two thousand and eighty (2,080).

2. Additional Full Time Equivalents (AFTEs) - Shall be persons hired by CNH as part of its expansion of operations in Grand Island as detailed in paragraph I 1 of this Agreement.

The total number of AFTEs shall be determined by dividing the total number of hours the AFTEs worked at CNH's facilities in Grand Island by two thousand and eighty (2,080).

3. Average Hourly Rate - Shall be at least Sixteen Dollars and Nine Cents (\$16.09) per hour for each AFTE hired as part of CNH's expansion of its operations in Grand Island. The average hourly rate shall be determined by dividing the total wages and salaries paid to all AFTEs by two thousand and eighty (2,080).

4. Employment Certificate - A document for a defined period containing the sworn statement of a duly authorized representative of CNH specifically setting forth what terms of this Agreement CNH is and is not in compliance. The Employment Certificate shall contain the following information and adhere to the following terms:

A. The total number of hours which AFTEs worked and received compensation at CNH's facilities in Grand Island;

B. The average hourly rate for all AFTEs calculated using the formula set forth in paragraph II 3 of this Agreement.

C. CNH agrees upon written notice pursuant to paragraph VII of this Agreement to allow the City Administrator or his or her designee to personally inspect CNH's employment records as confirmation of the statements contained in the Employment Certificate.

5. Measuring Benchmark - The measuring benchmark shall be the first day of the month following the one (1) year anniversary of this Agreement being approved by the Grand Island City Council (Council).

III. EMPLOYMENT REQUIREMENTS

CNH shall meet each of the following employment requirements:

1. CNH shall have a minimum of one thousand, one hundred and sixty (1,160) FTEs at its facilities in Grand Island on the date of the Measuring Benchmark as defined in paragraph II 5 of this Agreement.

2. CNH shall have a minimum of one hundred (100) AFTEs being compensated at a minimum of the average hourly rate as defined in paragraph II 3 of this Agreement working at its

facilities in Grand Island on the date of the Measuring Benchmark as defined in paragraph II 5 of this Agreement.

IV. FORGIVABLE ECONOMIC LOAN DISBURSEMENTS

Disbursements of the Forgivable Economic Development Loan shall be paid to CNH by the City according to the following schedule:

1. TRAINING - Disbursements related to training shall be paid to CNH by the City as follows:

A. A disbursement for training AFTEs in the total amount of Fifty Thousand Dollars (\$50,000.00), representing Five Hundred Dollars (\$500.00) for each AFTE, shall be paid to CNH by the City upon approval of this Agreement by the Council.

B. The maximum amount the City shall disburse to CNH for training shall be Fifty Thousand Dollars (\$50,000.00).

2. JOB CREATION - Disbursements related to job creation in the amount of Four Thousand, Five Hundred Dollars (\$4,500.00) for each AFTE shall be paid to CNH by the City as follows:

A. A disbursement of Two Hundred and Twenty-Five Thousand Dollars (\$225,000.00) shall be paid to CNH by the City upon approval of this Agreement by the Council.

B. A disbursement of Two Hundred and Twenty-Five Thousand Dollars (\$225,000.00) shall be paid to CNH by the City on or before December 31, 2013.

C. The maximum amount the City shall disburse to CNH for job creation shall be Four Hundred and Fifty Thousand Dollars (\$450,000.00).

3. TOTAL DISBURSEMENTS - The maximum amount the City shall disburse to CNH pursuant to this Agreement shall be Five Hundred Thousand Dollars (\$500,000.00).

V. ECONOMIC DEVELOPMENT LOAN FORGIVENESS

The City shall forgive the entire amount of the economic development loan disbursed to CNH, representing Five Hundred Thousand Dollars (\$500,000.00), on the date of the Measuring Benchmark as defined in paragraph II 5 of this Agreement or

sooner once and if CNH meets all the terms set forth in paragraph III of this Agreement.

VI. BREACH OF AGREEMENT

1. In the event CNH fails to comply with any of the terms as set forth in this Agreement the City and/or the EDC may declare it to be in breach. Any such declaration shall be in writing, signed by a person authorized to make such a declaration, and delivered by Certified U.S. Mail, Return Receipt Requested to CNH at its last known address.

2. In the event the City and/or the EDC declares CNH to be in breach, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph V of this Agreement shall become immediately due and owing by CNH to the City.

3. In the event the City and/or the EDC declares CNH to be in breach, any monies disbursed by the City, not forgiven pursuant to the terms of paragraph V of this Agreement, and unpaid shall accrue interest at the rate of eight percent (8%) per annum.

VII. COMMUNICATION

1. CNH agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or the EDC related to CNH's compliance with the terms of this Agreement. All responses to such inquiries shall be in writing and provided to the City and the EDC at the following addresses:

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

B. Grand Island Area Economic Development Corp.
308 North Locust St., Suite 400
P.O. Box 1151
Grand Island, NE 68802-1151

2. CNH agrees to inform the City and the EDC of any changes in its address, telephone number, or email address within three (3) business days of such changes.

VIII. LEGAL EFFECT

Notwithstanding the other provisions of this Agreement, CNH specifically agrees to the following:

1. If CNH is purchased, absorbed, or merged with any other person or entity the terms of this Agreement shall continue to be in force on any such purchaser or successor entity.

2. If CNH ceases operations in Grand Island at any time while this Agreement is in force, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph V of this Agreement shall become immediately due and owing to the City, and any monies owed shall accrue interest at the rate of eight percent (8%) per annum until paid in full.

3. If any provision of this Agreement is declared void or illegal by a Court of law, all other unaffected provisions shall remain in full force and effect.


4. This document constitutes the entirety of the terms and conditions of this Agreement. This Agreement shall not be altered or modified in any way unless agreed to by all parties thereto, memorialized in writing, and executed by the parties.

Dated this _____ day of _____, 2013.

GRAND ISLAND AREA ECONOMIC
DEVELOPMENT CORPORATION

CNH AMERICA, LLC

By Marlan Ferguson
Marlan Ferguson, President

By 
Richard P. Korvath
GENERAL COUNSEL

THE CITY OF GRAND ISLAND

By _____
Jay Vavricek, Mayor



PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Chief Industries, Inc. - Chief Fabrication Division
- Address 3942 West Old Highway 30
- Telephone (308) 389-7200
- Business Contact Person David Ostdiek
- E-Mail Address David.Ostdiek@Chiefind.com
- Telephone (308) 389-7246
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: Chief Fabrication, a division of Chief Industries, Inc., is one of the most diverse metal fabricators in the Midwest. This division offers a large staff, multiple shift operation and state-of-the-art fabrication technologies including programmable CNC equipment. Established in 1954 and located in Grand Island, Nebraska Chief Fabrication services an ever-widening range of manufacturer of agricultural, recreational, and construction equipment, and a variety of industrial accounts from coast to coast. The type of work offered ranged from simple, single level components and complicated elements, to complete, contract manufactured products, ready to be marketed.

6. Project Description: Chief Fabrication plans to expand its production capabilities at its facility located at 1119 South Adams Street, Grand Island, Nebraska

7. Project Timetable: Chief expects to begin construction of the addition and procurement of equipment in spring of 2013 and completion will be in approx 270 days.

8. Employment Information:

Current number of employees	<u>208</u>	(full-time equivalent)
Proposed number of employees	<u>249</u>	(full-time equivalent)
What is the average hourly wage for all employees?		<u>\$15.26</u>
Number of new jobs to be created	<u>41</u>	(full-time equivalent)
What would be the average hourly wage for new jobs?		<u>\$14.44</u>
Number of jobs to be retained, if any	<u></u>	(full-time equivalent)

Please describe all benefits which the business provides to employees:
Accidental Death and Dismemberment Insurance, Business Travel Accident Coverage, Dependent Life Insurance, Educational Assistance, Employee Assistance Program, Funeral Leave, Group Life Insurance, Holidays - 8 paid days annually, Jury Duty Pay, Military Leave Pay, Personal Time Off, Premium Pay for Shift Work, Short Term & Long Term Disability, Vacation, 401K Retirement Thrift Plan, Health & Dental Insurance.

9. Financing/Incentives Requested: It is Chief Fabrication's intention to commence hiring
right-a-way. The plan is to hire 6 (FTE's) employees during the construction/planning state
in 2013. We will hire 15 additional FTE's in 2014, and an additional 20 FTE's in 2015.
In order for this project to move forward, Chief Industries is asking for \$88,100 for
infrastructure, \$45,500 earmarked for job training of the employees, and \$4,200 per FTE or
\$172,200 for job creation, for a total LB-840 request of \$305,800.00.

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: David Gadeik
Name

Vice President / CFO
Title

Date: 1/28/2013

Grand Island Area Economic Development LB-840 Project Application

Project Name: Chief Industries/Chief Fabrication

Date Referred to Grand Island Area Economic Development Board: _____ 28-Jan-13

Approved: X Disapproved: _____ Date: _____ 14-Feb-13

Comments: Chief Industries is one of Grand Island's premier business started from the vision of
one man. Chief Fabrication is one division that continues to expand and create jobs
for this community. The new jobs and the building expansion will have a significant impact
for years to come.

Signature of President: *Marlan Ferguson*
Marlan Ferguson

Date Referred to Citizen's Review Committee: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Chairman: _____
Lisa Willman

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Jay Vavricek

ECONOMIC DEVELOPMENT AGREEMENT

This Agreement made by the City of Grand Island, Nebraska (the City), and the Grand Island Area Economic Development Corporation (the Development Corporation) with Chief Fabrication, a division of Chief Industries, Inc. (Chief) does hereby set forth the terms and conditions of a forgivable economic development loan requested by Chief and granted by the City and the Development Corporation as follows:

I. INTRODUCTION

1. Chief has filed with the Development Corporation a Project Application for Economic Development Programs. In the Application, Chief states it intends to expand its manufacturing plant located at 1119 South Adams Street in Grand Island. About thirty-three thousand (33,000) square feet of space will be added to the plant and its employment is anticipated to increase by forty-one (41) full time equivalent employees (FTEs) to two hundred and forty-nine (249) FTEs. Chief intends that the addition to its plant will be completed by July 1, 2014 and that production will begin soon after that date.

2. The City and the Development Corporation find Chief is a qualifying business under the City's Economic Development Program, the Chief project qualifies under the Program, the Project will be of substantial economic benefit to the people of the surrounding area as well as the people of Grand Island, and the economic incentive grants set forth below constitute a fulfillment of the major objective of the City's Economic Development Plan to create new jobs.

II. DEFINITIONS

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

1. Full time Equivalents (FTEs) - Shall be persons employed by Chief and working at the Chief Fabrication Division facility located in Grand Island at the occurrence of each measuring benchmark. The total number of FTEs shall be determined by dividing the total number of hours that Chief employees worked at the Chief Fabrication Division facility in Grand Island by two thousand and eighty (2,080).

2. Average Hourly Rate - Shall be at least Fourteen Dollars and Forty-Four Cents (\$14.44) per hour for each FTE. The average hourly rate shall be determined by the total wages and salaries paid to all employees working at the Chief Fabrication Division facility in Grand Island and dividing said number by the total number of annual hours worked by those employees. The average hourly rate shall be calculated on the date each measuring benchmark occurs.

3. Employment Certificate - A document for a defined period containing the sworn statement of a duly authorized representative of Chief specifically setting forth what terms of this Agreement Chief is and is not in compliance. The Employment Certificate shall contain the following information:

A. The total number of hours which hourly employees working at the Chief Fabrication Division facility in Grand Island received compensation;

B. The total number of salaried employees and the total number of weeks each was employed at the Chief Fabrication Division facility in Grand Island; and

C. The average hourly rate for all hourly and salaried employees for compensation received for working at the Chief Fabrication Division facility in Grand Island. This average hourly rate is to be calculated using the formula set forth in paragraph II 2 of this Agreement.

Chief agrees upon written notice pursuant to paragraph VII of this Agreement to allow the City Administrator or his or her designee to personally inspect Chief's employment records as confirmation of the allegations contained in the Employment Certificate.

4. Measuring Benchmark - The first measuring benchmark shall occur on May 1, 2013. The second measuring benchmark shall occur on May 1, 2014. The third measuring benchmark shall occur on May 1, 2015. The fourth measuring benchmark shall occur on May 1, 2016.

III. EMPLOYMENT REQUIREMENTS

Chief shall meet each of the following employment requirements:

1. Chief shall have a minimum of two hundred and eight (208) FTEs being compensated at a minimum of the average hourly rate working at its Fabrication Division facility in Grand Island on May 1, 2013.

2. Chief shall have a minimum of two hundred and fourteen (214) FTEs being compensated at a minimum of the average hourly rate working at its Fabrication Division facility in Grand Island from May 1, 2014 through May 1, 2015.

3. Chief shall have a minimum of two hundred and twenty-nine (229) FTEs being compensated at a minimum of the average hourly rate working at its Fabrication Division facility in Grand Island from May 1, 2015 through May 1, 2016.

4. Chief shall have a minimum of two hundred and forty-nine (249) FTEs being compensated at a minimum of the average hourly rate working at its Fabrication Division facility in Grand Island from May 1, 2016 through May 1, 2017.

IV. LOAN DISBURSEMENTS

1. If Chief is in compliance with the employment requirements as stated in paragraph III of this Agreement, disbursements related to employment shall be made by the City as follows:

A. For each FTE above two hundred and eight (208) the City shall make a onetime disbursement of Four Thousand and Two Hundred Dollars (\$4,200.00).

B. Disbursements related to employment shall be made within thirty (30) days of the City receiving an Employment Certificate containing the information as listed in paragraph II 3 of this Agreement.

C. The maximum amount the City shall disburse related to increases in employment shall be One Hundred, Seventy-Two Thousand and Two Hundred Dollars (\$172,200.00).

2. If Chief is in compliance with the employment requirements as stated in paragraph III of this Agreement, disbursements related to construction shall be made by the City as follows:

A. Within thirty (30) days of Chief executing a construction contract for the South Adams Street facility in

Grand Island and providing proof of such to the City and the Development Corporation, the City shall disburse Forty-Four Thousand and Fifty Dollars (\$44,050.00) to Chief.

B. Within thirty (30) days of the completion of construction of the South Adams Street facility and Chief providing documentation of such acceptable to the City and the Development Corporation, the City shall disburse Forty-Four Thousand and Fifty Dollars (\$44,050.00) to Chief.

3. If Chief is in compliance with the employment requirements as stated in paragraph III of this Agreement, disbursements related to training shall be made by the City as follows:

A. Within thirty (30) days of the City's approval of this agreement, the City shall disburse Twenty-Two Thousand, Seven Hundred and Fifty Dollars (\$22,750.00) to Chief.

B. Within thirty (30) days of May 1, 2014, the City shall disburse Twenty-Two Thousand, Seven Hundred and Fifty Dollars (\$22,750.00) to Chief.

V. LOAN FORGIVENESS

The City shall forgive Three Hundred, Five Thousand and Eight Hundred Dollars (\$305,800.00), representing the entire amount disbursed pursuant to the terms of the forgivable economic development loan, upon the earlier occurrence of Chief fully meeting either of the following conditions:

1. If Chief is in compliance with the employment requirements as stated in paragraph III of this Agreement and on May 1, 2016 has a minimum of two hundred and forty-nine (249) FTEs being compensated at the average hourly rate working continuously at its Fabrication Division facility in Grand Island for a minimum of one (1) year prior to May 1, 2016 and Chief is in compliance with construction requirements as stated in paragraph IV 2 of this Agreement; or

2. On any date prior to May 1, 2017 if Chief is in compliance with the employment requirements as stated in paragraph III of this Agreement and has a minimum of two hundred and forty-nine (249) FTEs being compensated at the average hourly rate continuously working at its Fabrication Division facility in Grand Island for a minimum of one (1) year and if

Chief is in compliance with construction requirements as stated in paragraph IV 2 of this Agreement.

VI. BREACH OF AGREEMENT

1. In the event Chief fails to comply with any of the terms as set forth in this Agreement the City and/or the Development Corporation may declare it to be in breach. Any such declaration shall be in writing, signed by a person authorized to make such a declaration, and delivered by Certified U.S. Mail, Return Receipt Requested to Chief at its last known address.

2. In the event the City and/or the Development Corporation declares Chief to be in breach, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph V of this Agreement shall become immediately due and owing to the City.

3. In the event the City and/or the Development Corporation declares Chief to be in breach, any monies disbursed by the City, not forgiven pursuant to the terms of paragraph V of this Agreement, and unpaid shall accrue interest at the rate of eight percent (8%) per annum.

VII. COMMUNICATION

1. Chief agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or the Development Corporation related to Chief's compliance with the terms of this Agreement. All responses to such inquiries shall be in writing and provided to the City and the Development Corporation at the following addresses:

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

B. Grand Island Area Economic Development Corp.
308 North Locust St., Suite 400
P.O. Box 1151
Grand Island, NE 68802-1151

2. Chief agrees to inform the City and the Development Corporation of any changes in its address, telephone

number, or email address within three (3) business days of such changes.

VIII. LEGAL EFFECT

Notwithstanding the other provisions of this Agreement, Chief specifically agrees to the following:

1. If Chief is purchased, absorbed, or merged with any other person or entity the terms of this Agreement shall continue to be in force on any such purchaser or successor entity.

2. If the Chief Fabrication Division ceases operations in Grand Island at any time while this Agreement is in force, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph V of this Agreement shall become immediately due and owing to the City, and accrue interest at the rate of eight percent (8%) per annum until paid in full.

3. If any provision of this Agreement is declared, void or illegal by a Court of law, all other unaffected provisions shall remain in full force and effect.

4. This document constitutes the entirety of the terms and conditions of this Agreement. This Agreement shall not be altered or modified in any way unless agreed to by all parties thereto and memorialized in writing.

Dated this 16th day of April, 2013.

GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION

By Marlan Ferguson
Marlan Ferguson, President

CHIEF INDUSTRIES, INC.

By David Ostdiek
David Ostdiek
Vice President/CFO

THE CITY OF GRAND ISLAND

By _____
Jay Vavricek, Mayor



PROJECT APPLICATION FOR ECONOMIC DEVELOPMENT PROGRAMS

1. Applicant Business Name Central Community College

Address 3134 West Highway 34, Grand Island NE 68801

Telephone (308) 398-7406

Email Address mcalvert@cccneb.edu

Business Contact Person Dr. Michael Calvert

Telephone (308) 398-7400

2. Business Organization: Corporation Partnership
 Proprietor Other Job Training

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: Welders and machinists are in critical short supply in Grand Island. Central Community College is continuing to improve their existing career and technical education program by expanding and improving the Industrial Academy. Our local industries have a hard time finding and keeping machinists, welders, assemblers, and operators. The additional equipment will provide the necessary tools to educate Grand Island future and existing workforce.

6. Project Description: Central Community College Industrial Academy assists the development of Grand Island's workforce. With approval of this application, the college will be in a position to train 25 traditional students, 20 high school students, and 30 additional students in their night lab. This equates to 75 individuals being trained daily for jobs in Grand Island.

7. Project Timetable: The new "Turn Key" welding stations need to be operational by August 1, 2013.

8. Employment Information: **NOT APPLICABLE**

Current number of employees _____ (full-time equivalent)

Proposed number of employees _____ (full-time equivalent)

What is the average hourly wage for all employees? _____

Number of new jobs to be created _____ (full-time equivalent)

What would be the average hourly wage for new jobs? _____


Number of jobs to be retained, if any _____ (full-time equivalent)

Please describe all benefits which the business provides to employees:

9. Financing/Incentives Requested: Central Community College is requesting a \$95,000
grant for additional equipment in the Industrial Academy. The new equipment will help
stimulate the economic growth in the Grand Island area. The grant will help train 75 students,
on a daily basis, for years to come.

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: 
Name
Campus President, CCC
Title
Date: 4-23-13

Grand Island Area Economic Development LB-840 Project Application

Project Name: _____

Date Referred to Grand Island Area Economic Development Board: _____ 11-Apr-13

Approved: X Disapproved: _____ Date: _____ 18-Apr-13

Comments: According to Ordinance 8832, enacted by City Council on August 12, 2003, this
application does qualify under Section III B, Eligible Activities, number 5 & 7, as it allows
grants for job training and incentives to stimulate the economic growth of Grand Island.

Signature of President: *Marlan Ferguson*
Marlan Ferguson

Date Referred to Citizen's Review Committee: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Chairman: _____
Lisa Willman

Date Referred to City Council: _____

Approved: _____ Disapproved: _____ Date: _____

Comments: _____

Signature of Mayor: _____
Jay Vavricek

ECONOMIC DEVELOPMENT AGREEMENT

This Agreement made by the City of Grand Island, Nebraska (City) and the Grand Island Area Economic Development Corporation (EDC) with Central Community College (CCC) does hereby set forth the terms and conditions of a forgivable economic development loan requested by CCC and granted by the City and the EDC as follows:

I. INTRODUCTION

A. CCC has filed with the City and EDC a Project Application for Economic Development Programs (Application). In the Application, CCC stated it needed to purchase a sufficient number of welding stations to increase its capacity for training welders by an additional seventy-five (75) students. Grand Island area manufacturers are facing a critical shortage of welders to carry out necessary work. This shortage not only affects the economic prospects and growth of those manufacturers but the entire Grand Island area economy.

B. The City and the EDC find CCC is a qualifying business under the City's Economic Development Program, the CCC project qualifies for economic incentives under the Program, the project will be of substantial economic benefit to the people of Grand Island and its surrounding area, and the forgivable economic development loan set forth below constitutes a fulfillment of the major objective of the City's Economic Development Plan.

II. FORGIVABLE ECONOMIC LOAN CONDITIONS AND DISBURSEMENT

The disbursement of the Forgivable Economic Development Loan in an amount not to exceed Ninety-Five Thousand Dollars (\$95,000.00) shall be paid to CCC by the City upon approval of this Agreement by the Grand Island City Council (Council) and CCC meeting the following conditions:

A. That after this Agreement is approved by the Council but no later than August 1, 2013, CCC shall purchase welding stations to be used for training students enrolled at the CCC Grand Island campus.

B. Any welding stations purchased with funds from the forgivable economic development loan will be located at the CCC Grand Island campus and may not be sold, leased, lent, gifted,

or relocated prior to August 1, 2018 without the prior written permission of the City.

C. CCC agrees to inform the City and EDC within three (3) business days of any of the welding stations purchased pursuant to this Agreement being lost, stolen, destroyed, or damaged beyond repair along with all pertinent information related to any such event occurring on or before August 1, 2018.

D. Within thirty (30) days of making purchases of welding stations pursuant to the conditions set forth in paragraphs II A and B of this Agreement but no later than September 1, 2013, CCC shall provide proof of said purchases to the City and EDC.

E. Upon CCC meeting the conditions set forth in paragraphs II A, B, and C of this Agreement, the City shall reimburse CCC for the amount used to purchase welding stations up to a maximum amount of Ninety-Five Thousand Dollars (\$95,000.00).

III. ECONOMIC DEVELOPMENT LOAN FORGIVENESS

The City shall forgive the entire amount of the economic development loan disbursed to CCC if CCC complies with the conditions set forth in paragraph II of this Agreement.

IV. BREACH OF AGREEMENT

A. In the event CCC fails to comply with any of the terms as set forth in this Agreement, the City and/or the EDC may declare it to be in breach. Any such declaration shall be in writing, signed by a person authorized to make such a declaration, and delivered by Certified U.S. Mail, Return Receipt Requested to CCC at its last known address.

B. In the event the City and/or the EDC declares CCC to be in breach, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph III of this Agreement shall become immediately due and owing by CCC to the City.

C. In the event the City and/or the EDC declares CCC to be in breach, any monies disbursed by the City, not forgiven pursuant to the terms of paragraph III of this Agreement, and unpaid shall accrue interest at the rate of eight percent (8%) per annum.

V. COMMUNICATION

A. CCC agrees to fully respond within fifteen (15) calendar days to any request for information from the City and/or the EDC related to CCC's compliance with the terms of this Agreement. All responses to such inquiries shall be in writing and provided to the City and the EDC at the following addresses:

1. Grand Island City Administrator
100 East First St.
P.O. Box 1968
Grand Island, NE 68802-1968
2. Grand Island Area Economic Development Corp.
308 North Locust St., Suite 400
P.O. Box 1151
Grand Island, NE 68802-1151

B. CCC agrees to inform the City and the EDC of any changes in its address, telephone number, or email address within three (3) business days of such changes.

VI. LEGAL EFFECT

Notwithstanding the other provisions of this Agreement, CCC specifically agrees to the following:

A. If CCC is acquired, absorbed, or merged with any other person or entity, the terms of this Agreement shall continue to be in force on any such successor entity.

B. If CCC ceases operations in Grand Island at any time while this Agreement is in force, any monies disbursed by the City and not forgiven pursuant to the terms of paragraph III of this Agreement shall become immediately due and owing to the City, and any monies owed shall accrue interest at the rate of eight percent (8%) per annum until paid in full.

C. If any provision of this Agreement is declared void or illegal by a Court of law, all other unaffected provisions shall remain in full force and effect.

D. This document constitutes the entirety of the terms and conditions of this Agreement. This Agreement shall not be altered or modified in any way unless agreed to by all parties thereto, memorialized in writing, and executed by the parties.

Dated this _____ day of _____, 2013.

GRAND ISLAND AREA ECONOMIC
DEVELOPMENT CORPORATION

CENTRAL COMMUNITY COLLEGE

By Marlan Ferguson
Marlan Ferguson, President

By Larry C. Glazier
Larry C. Glazier
College Business Officer

THE CITY OF GRAND ISLAND

By _____
Jay Vavricek, Mayor