

CITIZENS' REVIEW COMMITTEE

**P.O. Box 1968
Grand Island, NE 68802-1968
Phone: (308) 385-5444, ext. 111
Fax: (308) 385-5486**

AGENDA

Tuesday, September 10, 2013

7:30 a.m.

**Council Chambers
Grand Island City Hall**

1. Call to OrderLisa Willman
2. Roll Call.....RaNae Edwards
3. Approval of May 21, 2013 Meeting Minutes Committee
4. Presentation of Annual Report..... Randy Gard
5. Review of GI Area Economic Development Corp. Funding Application..... Randy Gard
6. New Business..... Committee
7. AdjournmentLisa Willman

OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

May 21, 2013

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 May 21, 2013. Notice of the meeting was given in *The Grand Island Independent* on May 15, 2013.

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

APPROVAL OF MINUTES. Motion was made by Bill Thiemann, second by Mark Stelk to approve the minutes of the August 28, 2012 CRC meeting. Upon roll call vote, all voted aye. Motion adopted.

CONSIDERATION OF LB 840 APPLICATION (CNH America, LLC - Case New Holland) Mr. Ferguson, President with the Grand Island Area Economic Development Corporation (GIAEDC) presented an application from Case New Holland for LB 840 funds in the amount of \$500,000 for job creation and training. Mr. Ferguson stated Case New Holland was an existing business which manufactured combines and hay tool equipment.

Due to significant sales of machinery, manufacturing volumes at the plant continued to increase. As a result they would be adding a 30,000 sq. ft. addition to the south side of the existing rack building. The project was \$7.16 million in which a burn box would be purchased and a vestibule would be added to the main building. Case New Holland would be hiring 100 new employees and were requesting a job creation grant of \$4,500 per job for the 100 new positions created by the expansion and \$500 per job for training assistance of the new positions totaling \$500,000.

Discussion was held regarding on the job training. Human Resources Director Greg Jarecke representing Case New Holland explained what a burn box was. Currently Case New Holland manufactures 30 combines and 10 hay tool equipment per day.

Motion was made by Tim White, second by Bill Thiemann to approve the Case New Holland application for LB-840 funding in the amount of \$500,000. Upon roll call vote, all voted aye. Motion adopted.

CONSIDERATION OF LB840 APPLICATION (CHIEF INDUSTRIES, INC.) Mr. Ferguson presented an application from Chief Industries, Inc. for LB 840 funds in the amount of \$305,800 for infrastructure, job creation and training. Mr. Ferguson stated Chief Fabrication, a division of

Chief Industries, Inc. was an existing business which was one of the most diverse metal fabricators in the Midwest.

Chief Fabrication planned to expand its production capabilities at its facility located at 1119 South Adams Street with construction of an addition and procurement of equipment expected to begin in spring of 2013 and completion in approximately 270 days. This property was where the Aurora Coop elevator was which had been bought and demolished by Chief Industries.

The plan was to hire 6 (FTE) employees during the construction/planning state in 2013. An additional 15 FTE's in 2014 and an additional 20 FTE's in 2015. Chief Industries was 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.

Dave Ostdiek, Vice President of Chief Fabrication gave a background of Chief Fabrication which was a metal fabrication business. One of their larger customers was Case New Holland. Discussion was held regarding finding workers and job training.

Motion was made by Tim White, second by Mark Stelk to approve the Chief Industries, Inc. application for LB-840 funding in the amount of \$305,800. Upon roll call vote, all voted aye. Motion adopted.

CONSIDERATION OF LB840 APPLICATION (CENTRAL COMMUNITY COLLEGE.) Mr. Ferguson presented an application from Central Community College (CCC) for LB 840 funds in the amount of \$95,000 for additional equipment in the Industrial Academy.

Mr. Ferguson stated welders and machinists were in critical short supply in Grand Island. CCC was continuing to improve their existing career and technical education program by expanding and improving the Industrial Academy. With local industries having a hard time finding and keeping machinists, welders, assemblers, and operators the additional equipment would provide the necessary tools to educate Grand Island future and existing workforce. With the LB 840 funds CCC would be in a position to train 25 traditional students, 20 high school students, and 30 additional students in their night lab.

Discussion was held on the demand for welders and available jobs in the area. Bob Niemann, Associate Dean of Skilled & Technical Sciences/Training stated the demand for welders in the area was very high. Proposed was for CCC to buy 10 welding stations. Mr. Niemann explained the recruiting process. If this application was approved CCC would buy three different kinds of equipment.

Comments were made regarding LB 840 Section IV regarding this application and whether CCC fits under this law. City Attorney Robert Sivick commented on the law and stated in his opinion this application would fit within the law under job training. Comments were made that the students would not have to stay in Grand Island after their training.

Mike Calvert, President of CCC commented on the Career Pathways Institute with Grand Island Senior High and how this application fit in with the LB 840 funding. Larry Glazier, CCC College of Business Officer stated CCC had made significant contributions toward the LB 840 program.

Comments by the CRC Board were concerns of this being a double tax and if it fit the LB 840 spirit of the law. The board felt this would open the door for other taxing entities to apply for LB 840 funds. Mr. Sivick answered the question that if the CRC Board did not approve this application, the City Council could override the decision. This was just a recommendation of the CRC Board to the City Council.

It was requested that the e-mail from Dehn Renter be entered onto the record since he could not attend this meeting. (See attached below.)

Motion was made by James Phipps, second by Bill Thiemann to deny the Central Community College application for LB-840 funding in the amount of \$95,000. Upon roll call vote, all voted aye. Motion adopted.

The CRC Board thanked Marlan Ferguson for the years of service as President of GIAEDC.

PRESENTATION OF SEMI-ANNUAL REPORT. Marlan Ferguson, President of GIAEDC thanked the CRC Board for their support on the 19 projects approved over the last ten years of the program and the future of the program for the next ten years.

Over the past ten years, the EDC had been instrumental in creating over 1, 188 direct jobs from the LB-840 plan with an economic impact of over \$36.6 million in payroll. The EDC continued to recruit new businesses that fit well with this community.

Mentioned were the development of the Platte Valley Industrial Park East and the approval of \$925,000 Community Development Block Grant funds along with matching funds from LB-840 used for construction of water, sewer and paving along Blaine Street.

EDC was also involved in various community projects and state legislation such as the sewer extension to Interstate 80, Career Pathways Institute, revitalization of Downtown, and Legislation focusing on allowing redevelopment for former military bases located outside of the City Limits. EDC's top priority this year was to insure that our Veterans have a wonderful new home right here in Grand Island.

Challenges were the Medbery Fabrication, LLC application approved but were unable to fulfill the hiring requirements. Mr. Medbery had repaid the City the full amount given to him and was under no further obligations.

Nova-Tech had fulfilled their job creation obligations and the total amount of their grant had been forgiven. Standard Iron had retained the 123 employees and the first of three forgiveness years had been satisfied with \$75,000 being forgiven. Rogue Mfg. continued to meet the terms of their agreement. Hastings Foods continue to expand their operations and increase their FTE's.

On September 27, 2013 EDC would host over 500 UNL and UNO Engineering students to allow industries a chance to showcase their business and allow students to experience our community.

Motion by Tim White, second by James Phipps to approve the semi-annual report. Upon roll call vote, all voted aye. Motion adopted.

This item would be forwarded to the City Council for their approval on May 28, 2013.

Mr. Ferguson thanked Tracy Overstreet, reporter with The Grand Island Independent for the support the paper had shown towards the Grand Island Economic Development and presented her with flowers.

NEW BUSINESS: None.

ADJOURNMENT: Motion was made by Bill Thiemann, second by Tim White to adjourn at 8:35 a.m. Upon roll call vote, all voted aye. Motion adopted.

RaNae Edwards
City Clerk

From: Dehn Renter [<mailto:DRenter@capc.com>]
Sent: Saturday, May 18, 2013 6:56 PM
To: Lisa Willman; mark@generalcollection.com; timw@heartlandag.com; deakes@eakes.com; thiemann@charter.net; oscarpepper@charter.net
Subject: RE: Central Community College grant

I am not able to be at Tuesday's Citizen's Review Committee meeting. However, I would like to go on record as being against the \$95,000 grant to Central Community College for 10 pieces of welding equipment for the following reasons:

1. I think the intent of law is about job creation and economic development of taxable for profit businesses that in turn pays property taxes, sales taxes and income taxes.
2. Central Community College has their own Board of Governors which establishes their own budgets for a multi campus environment. They are charged with the responsibility of determining what is needed for each campus within the funding limits that they have. By approving this grant you will be circumventing their authority. No place in the application does it even mention that they know about this.
3. With virtually every other contract we have approved, the applicant agrees to repay the City if the benchmarks are not achieved. Mr. Calvert does not have the authority to sign a debt contract. Only the Board of Governors can approve debt instruments. Mr. Calvert's application states "This equates to 75 individuals being trained **daily** for jobs in Grand Island." I do not think this rate will continue for long. Even if it happens for a short while, it does not produce jobs and cannot be used for a debt benchmark.
4. CCC charges for their classes. If economic development funds pay for the equipment, why isn't the equipment repaid from course fees?
5. Using economic development funds to fund tax supported entities seems to me to be never ending road. Next will you fund Grand Island, Northwest and Central Catholic on their job training efforts?

I would be interested in knowing how many welding jobs there are in Grand Island. I am not against the welding training. I would encourage EDC to determine how many welding jobs are within the 141 jobs pledged by the other two application and incorporate it into the \$500 training allowance like CNH is requesting rather than funding a tax exempt, tax supported entity.

Please consider my points in your decision. I wish you a spirited discussion and I will be anxious to see the results.

Dehn Renter
615 W. 1st, P.O. Box 700
Grand Island, NE 68802-0700
Phone 308-382-5720
Fax 308-382-5945

Grand Island Area Economic Development Corporation

“GIAEDC”

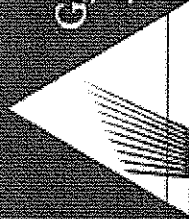


The Landscape has Changed

In the arena of global economic competition no country, state, city, or business has a safe haven.

Likewise, organizations that are focused on growth and make themselves competitive have a much better chance at opportunities than ones who do not.

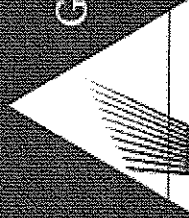
We collectively must adapt to external changes!



GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

What Makes a City Competitive?

- **Economic Strength** (positive growth rates)
- **Financial Maturity** (capital accessibility)
- **Physical Capital** (infrastructure, telecom)
- **Institutional Effectiveness** (govt, taxation, law)
- **Environmental and Natural Hazards** (risk of disaster)
- **Social and Cultural Character** (safety, human rights, openness)
- **Human Capital** (population growth, education, healthcare)
- **Global Appeal** (air travel, higher education, incentives)



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Competitive Assessment

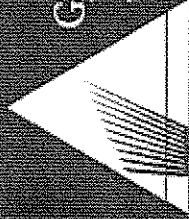
Grand Island "Advantages"

- Workforce Quality (Grand Island work ethic)
- Business Climate (aggressive, creative)
- Central Location (from anywhere to here)
- Quality of Life (schools, activities, retail)
- Customer Base (centralized in the U.S.)

Battelle

The Business of Innovation

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Competitive Assessment

Grand Island

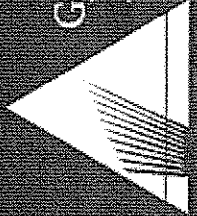
"Disadvantages"

- Workforce Availability (difficult at best)
- Rural (perception)
- Taxes (individual)
- Weather (winter)
- Telecom Infrastructure (slow, gaps)

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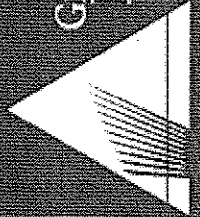
Current Local Business Climate

(What we say about ourselves)

- Central Community College
- Career Pathways Institute
- Space (Lots of it but mix needs adjusted)
- Central Nebraska Regional Airport
- Very little venture capital (out here)
- Connection to Department of Economic Development

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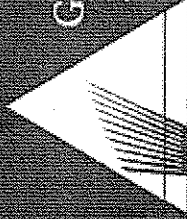
Top 8 Growth Segments (clusters)

- Manufacturing
- Agriculture, Food Processing, Agricultural Machinery
- Business Management, Administration, Financial, Software, Computer Services
- Transportation, Warehousing, Distribution/Logistics
- Biosciences (fertilizer, medical products, medical)
- Health Services
- Hospitality/Tourism
- Renewable Energy (fuels, hydro, solar, wind)

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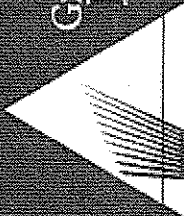
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Employment Projections



• Manufacturing	+1.13%	+0.00%
• Software/Comp. Sciences	+0.00%	+3.80%
• R&D Services	+1.50%	+2.00%
• Health Service	+1.00%	+1.60%
• Business Management	+2.50%	+1.40%
• Transportation	+1.90%	+1.60%
• Warehousing	+1.90%	+1.60%
• Distribution/Logistics	+1.90%	+1.60%
• Waste Management	+1.87%	N/A
• Financial Services	+0.83%	+1.3%
• Bio Fuels		2X to \$112 billion
• Wind Power		2X to \$114 billion

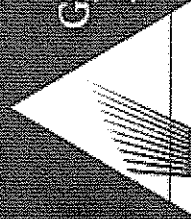


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Innovation Based Economy

- Talent
- Entrepreneurial Activity
- Risk Capital
- Research & Development
- Intellectual Property Generation and Technology Transfer

We need to develop/maximize the ways and means to expand these areas to improve our competitive advantage



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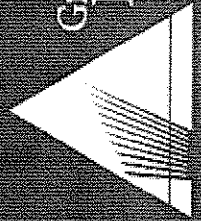
The Business of Innovation

Our Vision

GIAEDC

MUST

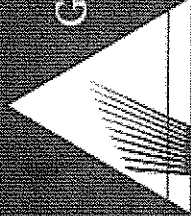
***Become a State and Regional
Leader in Economic Development***



**GRAND ISLAND AREA
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Value Proposition

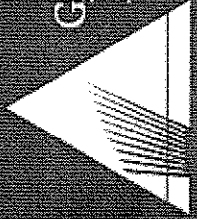
- We have a vast portfolio of available locations for growth.
- Aggressive incentives to help drive current and new business expansion. (*LB-840, Tax Increment Financing*)
- Educational pipeline to support human resource requirements.
- Strong collaboration between local organizations to aid businesses achieve their goals.
- Transportation services that make it possible to get here from anywhere.



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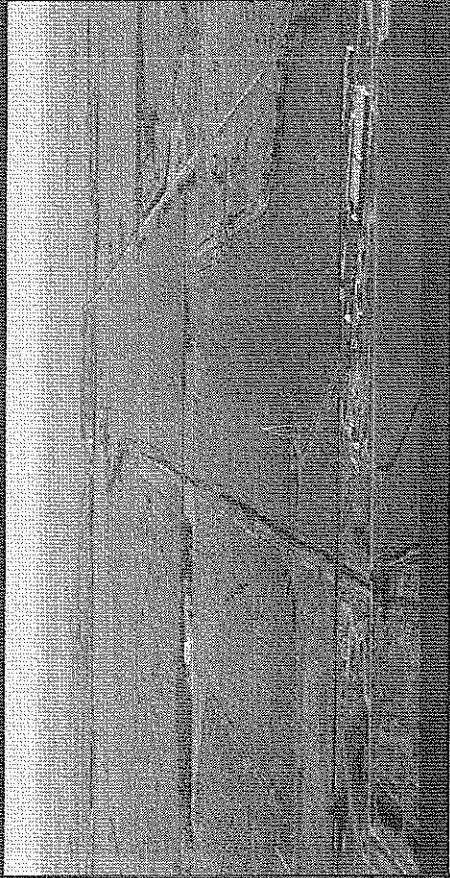
Top Priorities

- #1 *Conversion to a global electronic footprint*
- #2 *Realign our portfolio offerings to become more competitive*
- #3 *Work with educators to drive the pipeline of talent*
- #4 *Develop a pool of available funds to aid growth*
- #5 *Quantify our competitive advantage and foster it's growth*
- #6 *Connection to the top 25 site consulting companies*
- #7 *Must give equal attention to internal and external opportunities*
- #8 *Must be easy to do business with*



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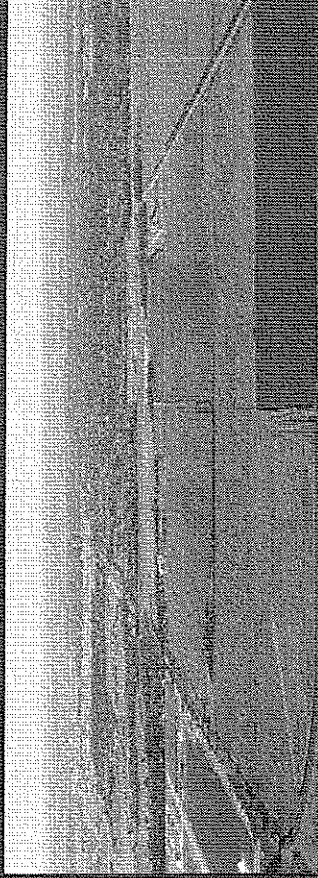
Cornhusker Industrial Park



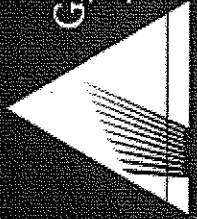
Site Portfolio



Platte Valley Industrial Park

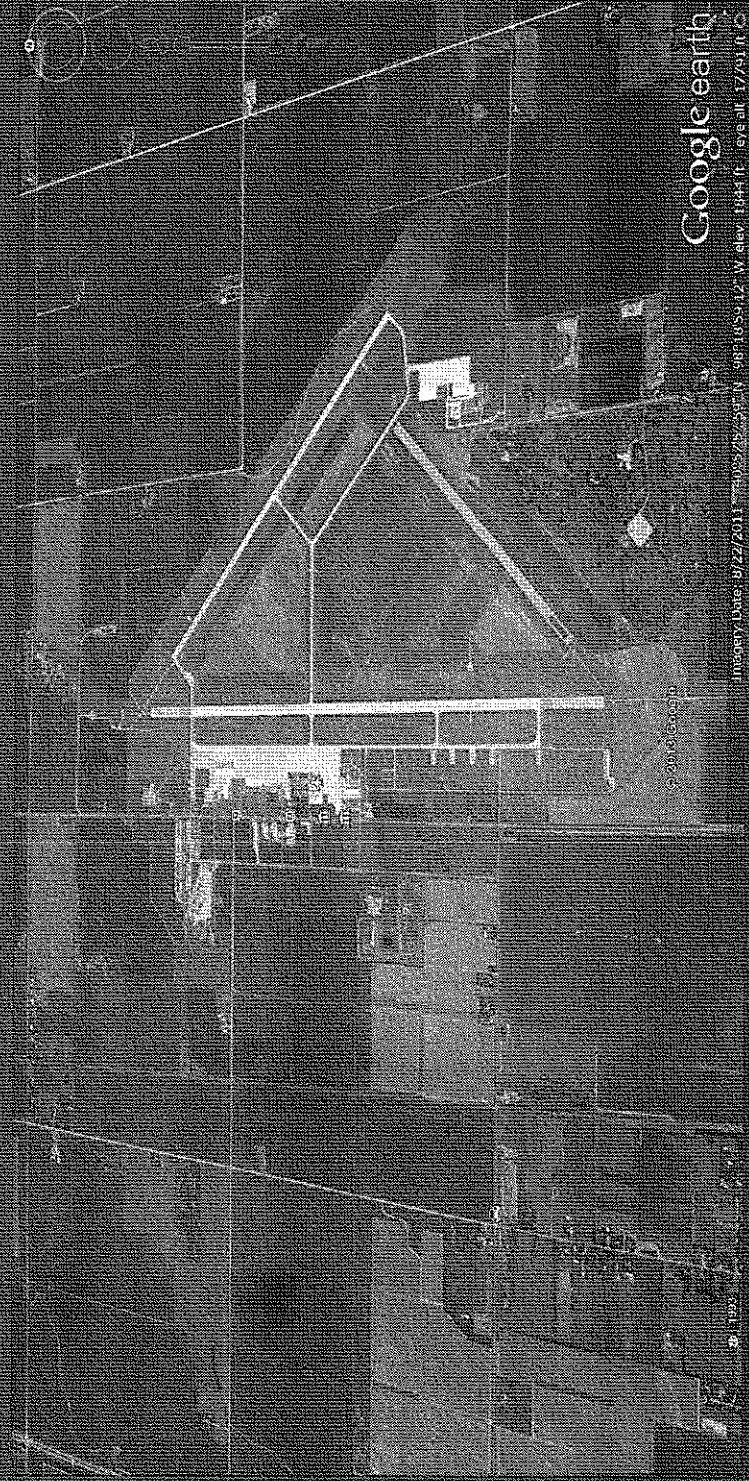


Platte Valley Industrial Park East



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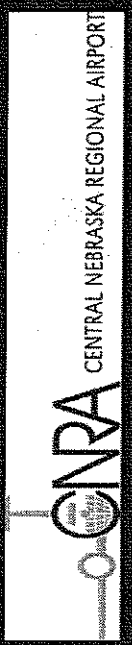
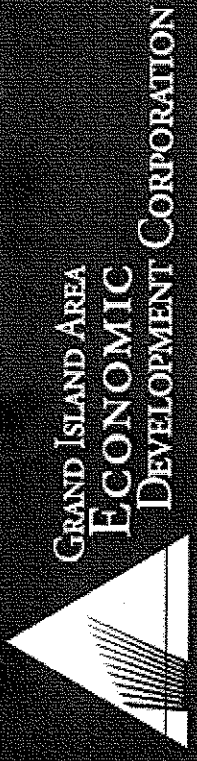
Proprietor Sites



Google earth

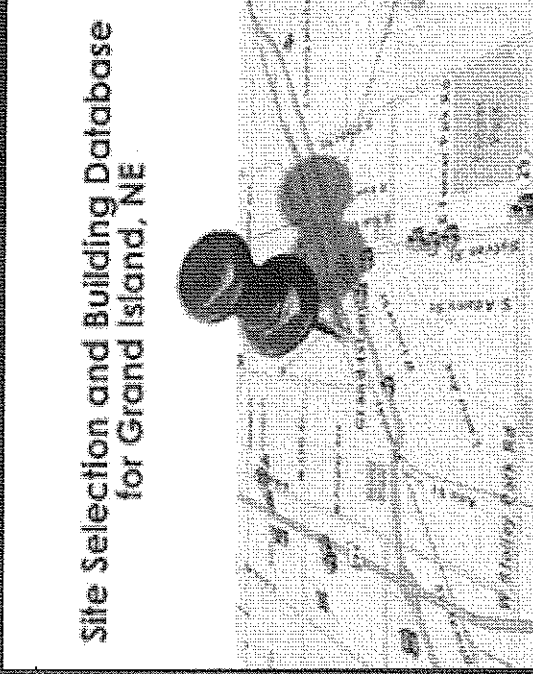
Imagery Date: 8/22/2011 98°16'59.12" W elev 1444 ft - eye alt 17791 ft

Hall County Airport Authority

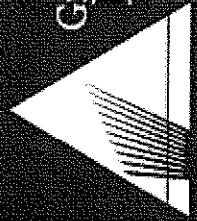


Commercial/Retail/Business

- Retail Locations
- Office/Business Location
- Commercial Locations



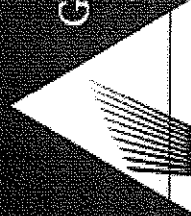
Cooperation with the
Grand Island Chamber of Commerce
utilizing Swiftsite



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Your Continued Investment Will Help Us...

- Understand our emerging market and job opportunities
- Drive job creation utilizing GIAEDC
- Expand the connection to Nebraska Department of Economic Development in Lincoln
- Focus on creating value for existing businesses as well as external opportunities
- Convert to a “*direct benefit*” business model



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EDC Utilization of \$350,000

Community Marketing
\$154,000

- Community Support \$30,000
- Prospect Development \$70,000
- Website Development \$20,000
- Printing \$2,000
- Travel \$12,000
- Professional Fees \$20,000

Office
\$8,000

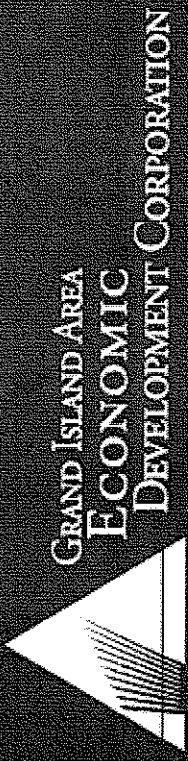
- Office Equipment/Repairs \$3,000
- Supplies/Software \$3,000
- Postage \$2,000
- Land Debt \$0.00
- Property Taxes \$0.00

Occupancy
\$28,000

- Rent \$16,000
- Utilities \$3,000
- Telecommunications \$4,000
- Insurance \$4,000
- Janitorial \$1,000

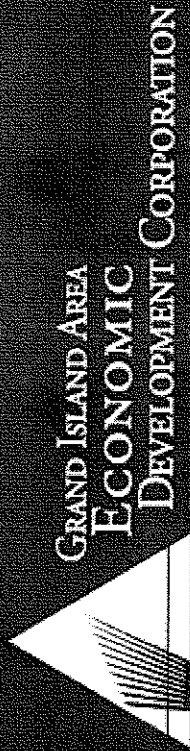
Administration
\$160,000

- Salaries \$110,000
- Insurance/Retirement \$38,000
- Conference Fees \$2,000
- Employment Taxes \$10,000



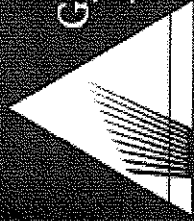
Proposed Funding

- Funding is a critical component to the execution of the plan
- Now is the time to become even more competitive on a local, regional, national, and global basis
- EDC's mission is clear...



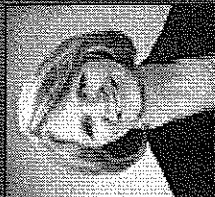
Our Mission

**The sole purpose of the EDC
is the creation, retention and
expansion of primary jobs in
the Grand Island area**

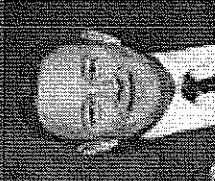


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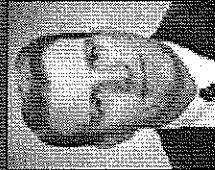
2013 Board of Trustees



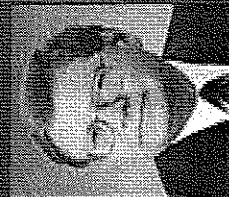
Chairman
Ann Martin
Idea Bank
Marketing



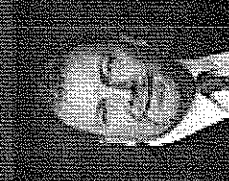
Vice Chairman
Tom Pirnie
G.I. Express



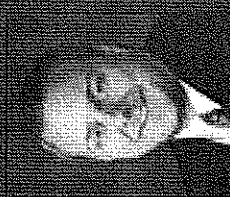
Secretary/Treasurer
Tom Gdowski
Equitable Bank



Elected Trustee
Galen Stehlik
Lauritsen Law Firm



Elected Trustee
Roger Bullington
Chief Industries



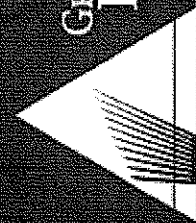
Elected Trustee
Jay Kaspar
INSUR, Inc.



Elected Trustee
Bill Westering
Westering Enterprises

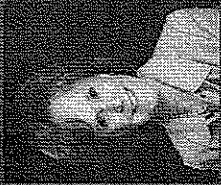


Elected Trustee
KC Hehnke
Jerry's Sheetmetal

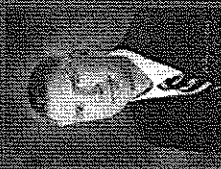


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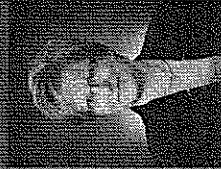
2013 Advisory Board



Pam Lancaster
Hall Co. Board
of Supervisors



Dave Koubek
Chamber of
Commerce
Chairman



Mary Lou Brown
City Administrator



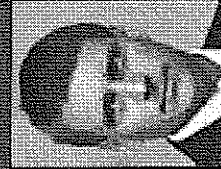
Jim Hartman
NorthWestern
Energy



Mayor Jay
Vavricek



Alan Hartley
Central
Community
College



Randy Kissinger
NE Workforce



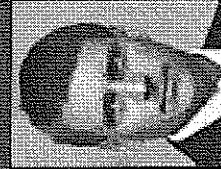
Dr. Rob Winter
G.I. Public
Schools



Bob Niemann
G.I. City Council



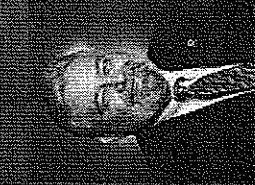
Mike Olson
Hall Co. Airport
Authority



Cindy Johnson
G.I. Area Chamber
of Commerce



Dr. Rob Winter
G.I. Public
Schools



Dr. Rob Winter
G.I. Public
Schools



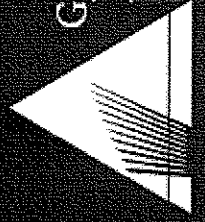
Dr. Rob Winter
G.I. Public
Schools



Dr. Rob Winter
G.I. Public
Schools

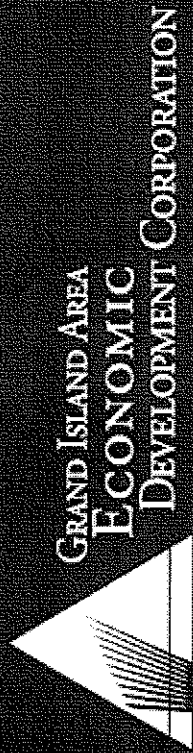


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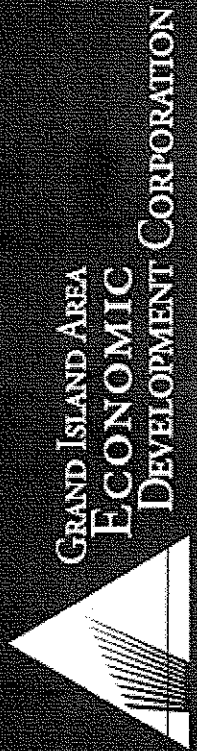
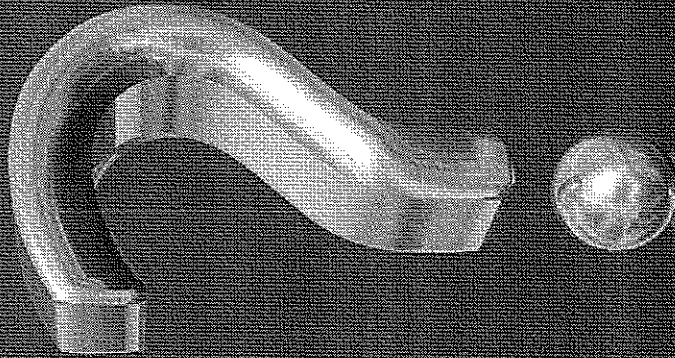


GRAND ISLAND AREA
ECONOMIC
DEVELOPMENT CORPORATION

**We drive our
economy by
creating good jobs**



Grand Island Area Economic Development Corporation





CITY GRAND ISLAND, NEBRASKA
ECONOMIC DEVELOPMENT
PROGRAM

Grand Island Area Economic
Development Corporation
Annual Report and Request for Funding

September 24, 2013

Presented by: Randy L. Gard, President

The economic development program is a community tool that encourages and stimulates the growth of quality jobs, attracts permanent investment, broadens the tax base, and diversifies the region's economic base that will lead to new opportunities and options for all citizens, ultimately improving the quality of life for all taxpayers in Grand Island and the surrounding region.

Financing Requested: \$350,000.00 for the 2013/2014 City Fiscal Year. The approved request will be issued in quarterly allocations of \$87,500.

As authorized by State Statute 13-315 and 18-2721(LB-840) and approved by the Citizens of Grand Island on November 6, 2012. Our request will be for the period starting October 1, 2013 thru September 30, 2014.

Funds will be utilized for:

Community Marketing	-	\$154,000
Administration	-	160,000
Occupancy	-	28,000
Office	-	<u>8,000</u>
		\$350,000

The most important thing the Grand Island Area Economic Development Corp. can do for Grand Island is to retain and create jobs and investment. That is what the Grand Island Economic Development Program is all about.

By: _____


Randy L. Gard, President

Grand Island Area Economic Development Corp.
Date Referred to Elected Trustees of the Grand Island
Area Economic Development Corp.:

08/29/2013
(date)

Approved Disapproved

Comments: _____

By: *Ann Martin*
Ann Martin, Chairman of the Board

Date Referred to Citizen's Review Committee: _____
(date)

Approved Disapproved

Comments: _____

By: _____
Lisa Willman, Chairman