

City holds on to reuse funds

Written by Elizabeth Barrett

Thursday, 24 January 2013 14:52 -



DAD will receive \$258,337 and administrative loans for projects

A chunk of money the City of Gothenburg has used for economic development will not have to be returned to the state.

At their Jan. 15 meeting, local city council members voted to transfer \$258,337 in reuse loan funds to Dawson Area Development, an entity which can then re-loan the money for projects.

City attorney Mike Bacon said the money came from the Nebraska Department of Economic Development to help recruit Baldwin Filters to town in 1990.

After Baldwin Filters paid back the money, the money was placed in a revolving loan fund to provide money for economic development projects.

Businesses pay back money loaned which is then reused for other loans.

Last summer, the council learned that DED wanted the money returned.

Under the agreement approved, DAD will administer loans from the funds, for Gothenburg projects, which Bacon said frees the city of “daunting” federal regulations.

After the money is loaned out twice, DAD officials said it loses its federal ties.

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“This is a way to save it but we’re giving up a bit of control,” city administrator Bruce Clymer said.

Clymer added that DAD is also administering loans for economic development projects for the cities of Cozad and Lexington.

On another matter, the council gave several churches in the town the go-ahead to put a stage on city-owned property on the edge of baseball fields on Avenue I.

The churches are planning a praise event on June 22 and will use a school foundation-owned field to host up to 1,000 people. Joe Wahlgren said the “Block Stop event,” by the Todd Becker Foundation, will also feature Cornhusker football assistant coach Ron Brown and several bands.

Wahlgren said they hope to make the event an annual one with participation by the community.

Following a public hearing, at which no one from the public spoke, the council revised zoning to accommodate a recently passed ordinance that set guidelines for sexually oriented businesses wanting to locate in Gothenburg.

Such businesses will be allowed in areas zoned light industrial.

In other business, the council:

passed on third, and final reading, a city water management that restricts usage during drought or other emergency conditions. The ordinance is published elsewhere in this issue.

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voted to pass a resolution in which the city will place two school caution signs on Avenue A, between 17th and 18th Streets at a cost of \$702.

Representatives of Sterling Central, a private Christian school at the site, requested the signs because of student safety concerns.

approved a renegotiated agreement with local pharmacies for city employees that lowers the reimbursement rate for drugs. The agreement will be in place until June 1.

agreed to let Dawson County Relay for Life representatives use the north part of Lake Helen for the annual event, set for July 12-13, that raises funds to fight cancer.

Even though rehabilitation of the lake is planned, city officials said it shouldn't interfere with the location of the event.

decided not to take action on a request by Tom and Mark Franzen of Wearparts, 405 Lake Ave., to move a city power pole at their business, which the Franzens think will improve traffic flow by semi-trailer trucks.

The request stems from an incident in which a truck driver struck a power pole. Council members said they want to take a wait-and-see approach after several different options, involving other ways to improve flow, were discussed.