

Construction drops in 2009

Written by Elizabeth Barrett
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Valuation from building projects down 8.5% compared to 2008.

Values of new construction in Gothenburg dipped 8.5% in 2009.

However the \$8,468,930 recorded last year in estimated valuation from building projects is still the fourth highest since 1982.

City clerk Connie Dalrymple released data Tuesday which estimates values from what people calculate their project costs will be when applying for building permits.

The figure is significant, Dalrymple said, because it indicates whether or not a community is growing.

Growth could sum up 2008 as monetary worth from building projects equalled \$9,258,064.

Much of that was generated by the building of Monsanto's Water Utilization Learning Center, the relocation of the Orscheln Farm & Home store and the building of a new Franzen Inc. store.

Economic development happened on a smaller scale last year with developers Terry Jessen and Diana Unterseher beginning construction of a Comfort Suites motel valued at \$4 million.

Recent valuation history locally shows valuation dropping to \$2,977,765 in 2006 and rising to \$8,501,925 in 2007 which is slightly more than 2009 valuation.

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VALUE OF CITY BUILDING PERMITS		
Year	Total	1995
2009	\$8,468,930	\$18,888,138
2008	\$8,239,864	\$4,271,767
2007	\$8,501,515	\$4,718,719
2006	\$2,377,765	\$1,375,920
2005	\$1,429,533	\$468,343
2004	\$5,214,390	\$1,959,823
2003	\$1,884,682	\$522,202
2002	\$17,597,432	\$291,320
2001	\$1,137,957	\$283,375
2000	\$1,401,553	\$293,084
1999	\$2,946,121	\$713,966
1998	\$5,813,831	\$722,043
1997	\$4,590,048	
1996	\$4,690,575	\$1,221,251

(Source: Gothenburg City Hall)

Not bad as recession has stalled much economic development across the country.

In addition to the Comfort Suites motel, there were changes to 16 businesses and Gothenburg Public Schools and the local fire hall compared to 12 in 2008.

Those businesses and other entities accounted for \$2,820,409 in valuation.

Making up the bulk of that amount was remodeling at Dudley Elementary, expansion to Gothenburg fire hall and renovation to Gothenburg State Bank.

Other projects included a new shop at Brand Electric and Grain Equipment Co., remodel of a new building for Electric Rain, Inc., more office space at Skyview Transportation, Inc. and an addition to Central Nebraska Seed & Chemical.

Some smaller projects were internal changes to the Dayton-Phoenix building, a new stairwell at the old Nazarene Church, a hand rail, flag pole and yard light at the Gothenburg Historical Museum, storefront renovation by The Home Agency and internal changes at Hometown Furniture Plus that moved into the old Hometown Variety building.

Construction of two new homes totalled \$800,000 with the building of a triplex valued at \$300,000.

Dalrymple said the downturn in the economy has affected the building of new homes.

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“There’s not near the number of new homes there usually is,” she said.

Valuation from economic development was higher in 2008 but the average value of new homes was considerably more in 2009.

During the past year, the average value of two homes and a triplex now under construction was \$366,366 compared to \$122,857 in 2008.

Dalrymple said five permits, totalling \$50,400, were issued for changes and additions to residential property.

With the exception of new homes and businesses and additions or changes to those structures, the city issued 86 permits permits in 10 different categories compared to 139 permits in 2008.

That number is revealing, she said, as people hold off on projects such as the installation of sprinkler systems which dropped from 26 to 14.

Permits were issued for such things as the building of patios, decks, carports, garages and sheds, the installation of signs and canopies and the moving of structures.

In the miscellaneous category, 16 permits were granted for pouring concrete, the building of kennels, a handicap ramp and fire escape.

One structure was moved and four demolished including two homes, a shed and a damaged elevator belonging to All Points Cooperative.

Dalrymple said activity with the Housing Development Corporation in 2009 included plans to build a triplex in Jefferson Square—a complex for eligible residents 55 years and older.

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Looking back 27 years, the highest valuation from new construction was \$18,688,136 in 1995 when Frito-Lay, S & S Auto Parts Inc. and the Farmland Service Coop fertilizer building contributed to the record amount.

The lowest valuation from estimated building costs in the city during that time which was \$291,330 in 1988 when Gothenburg and the state suffered from a sluggish farm economy.

With the recruitment of Baldwin Filters in 1990 and improvement in the economy, new construction rose to \$1,905,000.

During the past decade, the average annual amount has been \$5,744,715.

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