

## City doesn't get development grant for rail site

Written by Elizabeth Barrett

Wednesday, 01 December 2010 20:30 - Last Updated Wednesday, 01 December 2010 20:33

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### **Bacon: Sewer capacity stumbling block in area east of town.**

The city won't receive a grant to develop and market an industrial site with railroad access.

At least not this year.

Gothenburg Improvement Company president Mike Bacon told stockholders at their Nov. 16 Gothenburg meeting that a consultant had visited the site and that chances were good for a minimum \$750,000 grant through the Nebraska Department of Economic Development.

The site, east of the city's wastewater treatment plant, is where GIC officials had planned to build an ethanol plant.

However officials learned Monday that Gothenburg was not one of three communities chosen to go to the next step of the speculative rail site planning initiative because of inadequate sewer capacity.

On Tuesday, Bacon said GIC and others learned from the process and received a professional evaluation of the site.

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"The consultant said it was an excellent site for development," he said. "But we weren't picked because we couldn't solve our sewer capacity issue within 12 months."

Bacon said the top three sites selected, whose names have not been released, could be "shovel ready" within a year.

"So we need to see if we can address it," he said. "We've always been able to positively respond."

In an earlier interview, Bacon said there are a limited number of communities in the state that are rail ready.

If the city had received the grant, he said officials would begin installing infrastructure such as streets, sewer and water as money became available.

Dawson Area Development director Jen Wolf said Gothenburg scored high for readiness in development of a site.

Officials said Gothenburg finished in the top six of 19 applications.

In highlighting GIC activity, Bacon described 2010 as a "banner year."

A 74-room Comfort Suites Hotel opened in July while another company—Dayton Phoenix Group—is gearing up after obtaining a railroad contract to repair rotating locomotive equipment from Union Pacific Railroad.

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Baldwin Filters, which was recruited to town in 1990, has been on the tax rolls for five years. Frito-Lay will go on next year.

Through tax-increment financing, taxes on improvements made by the companies pay for infrastructure for a set number of years.

Once that period has ended, payments are distributed to taxing entities rather than paying for infrastructure improvements.

Bacon said this adds value to assessed value which helps lower taxes or absorb tax increases.

Next year, he said Frito Lay will also pay off an \$800,000 loan through sales tax and reuse fund money to the Redevelopment Authority.

Other GIC highlights include:

Plans at Gothenburg Memorial Hospital to build a \$3.1 physicians clinic. (See article in the Nov. 24 issue of The Times.)

Construction of a Jefferson Square housing project

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