

Grand Island: Third City

When you're Number 3, you have to try harder. Grand Island residents face the same problem as other city dwellers, but in some ways Nebraska's Third City is a city like no other — especially in the eyes of her citizens.



Andrea Hoy/The Sower

Above: Grand Island mayor Bill Wright says Number three does try harder — at least his town does. An aerial photo of Grand Island dominates his downtown office. Left: Shoppers do a little window gazing at the Conestoga Mall in Grand Island. The mall is one of the most successful in the Midwest in attracting out-of-town business.



There's not much traffic on the Tom Osborne Expressway at 7:30 a.m. A few trucks roll by a little white country church glistening in the early morning light. A handful of drivers glance at billboards that clutter both sides of the highway — signs trying to entice travelers to stop and shop at Grand Island.

Nebraska's "Third City."

More than 78 percent of Nebraska's people live in the eastern third of the state where Omaha, the largest city, and Lincoln, the second largest, are located. Omaha's population is about 314,000; Lincoln, 172,000.

Grand Islanders number 34,000.

It's not surprising, then, that Grand Island is Number 3 on a lot of lists: business, churches, schools.

So the "Third City" nickname has stuck with Grand Island. But many community leaders seem to think that being third isn't so bad — because Number 3 tries harder.

"It's more of a label, than it is a matter of pride," said Al Schmahl, Grand Island Daily Independent editor.

Grand Island has developed a personality of its own — including its economic makeup.

The Third City is more highly dependent on agriculture for its size than any other city in the state, said Dick Good, president of the Grand Island Industrial Foundation Inc. Grand Island's top three industries are all agriculture-related. Monfort, a beef-packing plant, employs more than 1,300 people. Sperry New Holland employs 700 workers to manufacture farm equipment. Chief Industries, which makes grain bins, steel buildings and factory-built homes, employs about 550 people.

But because the agricultural economy is suffering, Grand Island must diversify its economic base, Good said. The Third City is trying to attract and build businesses that export products and import dollars.

"We need to be sure our balance of trade is balanced," Good said.

One example of this diversification is Bankers Life of Des Moines. The insurance company's new Grand Island office services accounts nationwide.

The city also has put more emphasis on light and heavy industries. In the last decade, Grand Island has increased its manufacturing employment from 10 percent to 20 percent of the total employment.

Good said tourism is another opportunity for economic growth. The city is trying to bring dollars into the community through conventions, parimutuel horse racing at Fonner Park and the Stuhr Museum.

But one of the biggest "conventions" draws from Grand Island's agricultural base.

Husker Harvest Days attracts farmers annually from across the state to see the latest in farm techniques and equipment. In 1973, the Chamber of Commerce agriculture committee saw a need for working demonstrations of farm innovations, Good said. It took five years to organize the event before the first Husker Harvest Days in 1978. This year marked the seventh such show.

The pervasive importance of the farm economy to Grand Island's business community was shown in an eight-state study conducted by the Upper Midwest Council of Minneapolis, Minn.

The Council conducted a study in June 1982 on Midwestern cities' abilities to attract shoppers from beyond the city limits. Grand Island attracted more shoppers from outside the city than any other city of comparable size in the eight-state area, including other cities in Nebraska, Montana, North Dakota, South Dakota, Iowa, Minnesota, Wisconsin and upper Michigan.

While Grand Island always has been a strong trade area, Good said, the Conestoga and Grand Island shopping malls give the city a "much more complete retail community." He said people don't have to drive to Omaha and Lincoln to do non-essential shopping.

But no matter how hard the Third City tries, effort can't

compensate for a flagging economy. When people don't have the money to spend, they won't drive *anywhere* to spend it.

Tom Corlke, president of Northwest National Bank in Grand Island, said he thinks the city is feeling the effects of both the 1980 recession and the current farm recession.

Corlke said extensive damage resulting from the June 1980 tornadoes brought a lot of insurance money into the city. While other cities in the state suffered, Grand Island boasted a building boom. But many buildings were "overbuilt," adding a debt to businesses where none had been before. And business slowed down.

Today, Corlke said, those buildings probably would sell for only 85 percent of what they cost to build two years ago. The owners can't afford to sell them.

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—Al Schmahl

But Corlke said Grand Island's biggest economic problems are tied to the poor farm economy. The banker said inflation, falling land prices and high interest rates have forced some farmers to partially — in some cases, totally — liquidate. Because of problem loans, Corlke said he suspects more agriculturally based banks will fail. Several bank mergers already have taken place, he said.

Some bank loan policies create further economic problems for the Third City. Corlke said four major banks in the city can legally take money from inside the community and loan it to businesses outside the community — in Omaha, California and Texas. That practice takes money away from the community and drives up the local interest rates. If those funds weren't removed, he said, local borrowers could pay less interest.

"Grand Island has become a real capital deficit community," Corlke said.

Grand Island mayor Bill Wright sees trouble ahead for Grand Island, mostly based on the worsening farm economy.

But Wright said he thinks the Third City will survive.

"We've had our share of problems," he said. "Fortunately, they haven't been the kind of problems that we couldn't deal with, and live with, and learn to work our way out of."

Wright pointed to the 1980 tornadoes to prove his point. In one night, at least seven wracked Grand Island. For a few hours, Wright said, everyone was in shock. Then residents started cleaning up, patching holes in roofs with plastic and putting their city back together.

"Whatever it is that people in the city of Grand Island seem to have, they have a great deal of it," he said.

The Third City now faces a nitrate problem in the water table beneath the northwest section of the city. The problem became evident early this spring when heavy rains raised the table level and flooded some basements in the area.

The water is contaminated with RDX, a derivative of nitroglycerin. The cancer-causing substance has been working its way through the groundwater system toward Grand Island from a U.S. Army ammunition plant outside city limits. The Army dumped the substance at the plant site during World War II and the Korean War. The Army has agreed to pay about \$5.12 million to correct the situation.

Wright said about seven to nine million gallons of contaminated water will have to be removed. The water is being piped to Silver Creek about three miles northwest of the city. Wright said the city will have to pump water day and night for 18 months to get rid of the contaminated water.

"But once that's done, we have no insurance that in seven years to 14 years it won't be back again, and may have to be pumped out again," he said. "There are a lot of unanswered questions."

But the spirits of the three-time All-American City residents remain high. Mayor Wright said Grand Island is a "dynamic, happy place to live."

Wright is a business law and math instructor at Central Community College near Hastings. He moved to Grand Island from Kansas City, Mo., in 1956. He said the people in Kansas City were friendly, too.

But there is one major difference between his old neighbors and Grand Islanders.

"I never really did know anything about those people," Wright said. "I just spent a little bit of time with them during the day and I never really did know if they maybe were married, or had children, or cared a little bit about anybody else in the world. Somehow I don't feel that way in Grand Island."

"Once they accept you as a part of the community, they support you and they care," he said. "They really do care."

—Suzanne Teten