



City of Grand Island

Tuesday, July 10, 2018

Council Session

Item I-3

#2018-209 - Consideration of Approving Sub-Lease Agreement with Senior Citizen Industries, Inc. for Occupancy of Transit Services Office Facility

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Charley Falmlen, Transit Program Manager

Meeting: June 26, 2018

Subject: Approving Sub-Lease Agreement with Senior Citizen Industries, Inc. for Occupancy of Transit Services Office Facility

Presenter(s): John Collins PE, Public Works Director

Background

Beginning in the mid-1970s, Hall County, using Section 5311 Rural Transit Funding, provided elderly and para-transit services through Senior Citizens Industries, Inc. Over the years, this service evolved into a full-scale, portal-to-portal transit service, providing transportation to all residents of Hall County through a combination of buses and discounted cab vouchers.

In March of 2012, the City of Grand Island Census Defined Urbanized Area reached a population of greater than 50,000 people and Grand Island was classified as a metropolitan statistical area. This designation changed the funding streams and responsibilities for a number of programs, including those used to provide Transportation Services within the City of Grand Island. With this designation, Section 5307 Urban Transit Funds became available to the City of Grand Island. On September 25, 2012 the Grand Island City Council authorized the Mayor to send a letter requesting the City of Grand Island be named the recipient of these transit funds. The Governor then approved the request.

On August 26, 2014 City Council approved Resolution No. 2014-259 which allowed for the City to fund transit services within the City through the existing contract between Hall County and Senior Citizen Industries, Inc., until such time the City was ready to authorize a separate contract for the provision of transit services within the City.

On June 14, 2016, via Resolution No. 2016-138, Grand Island City Council approved an agreement between the City and Senior Citizens Industries, Inc. for the provision of Public Transit Services. Rates of the agreement are as follows:

- July 1, 2016- June 30, 2017 = \$53,202.50 per month
- July 1, 2017- June 30, 2018 = \$54,798.64 per month
- July 1, 2018- June 30, 2019 = \$56,442.60 per month

The City has the option of renewing the agreement for a maximum of two (2) years beyond June 30, 2017, in increments of two (2) months.

As of July 1, 2016 the City of Grand Island assumed management of the transit service.

Discussion

In order to facilitate the City's transit program in an efficient manner, a location has been selected to house both City staff and the service provider. At this time a sub-lease agreement is being presented for City Council approval to accomplish such.

An original lease agreement is being presented at tonight's council meeting. The City of Grand Island is entering a lease, and subsequent sub-lease at the request of the Federal Transit Administration (FTA.) Assigning the lease to the City's contracted transit service provider, will allow the funding to flow through an already assigned operating award. The award, which we are currently utilizing for our Senior Citizen Industries operating contract, contains funding which was allocated by FTA to the City in 2013. FTA funding expires after five years. Therefore, spending the funding through the service provider will allow the City to use Fiscal Year 2013 allocated funds as they are set to expire in 2018. Additionally moving into the next fiscal year, the lease will begin using Fiscal Year 2014 funds, as they are set to expire in 2019. For this reason, we will be operating under the lease/sub-lease format.

The proposed sub-lease agreement between the City of Grand Island and Senior Citizens Industries, Inc. is for occupancy of the office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska. The term of this lease would be from August 1, 2018 to July 31, 2019. The sublease does not represent the entire lease term of the property because the transit operations contract with Senior Citizen Industries, Inc ends on July 31, 2019. The annual cost of such sub-lease is \$40,000.00, which equates to monthly rental of \$3,333.34.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the sub-lease agreement with Senior Citizen Industries, Inc. for occupancy of office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska.

Sample Motion

Move to approve the resolution.

RESOLUTION 2018-209

WHEREAS, March of 2012, the City of Grand Island Census Defined Urbanized Area reached a population of greater than 50,000 people and Grand Island was classified as a metropolitan statistical area; and

WHEREAS, this designation changed the funding streams and responsibilities for a number of programs, including those used to provide Transportation Services within the City of Grand Island; and

WHEREAS, with this designation, Section 5307 Urban Transit Funds became available to the City of Grand Island and on September 25, 2012 the Grand Island City Council authorized the Mayor to send a letter requesting the City of Grand Island be named the recipient of these transit funds, with the Governor approving the request; and

WHEREAS, on August 26, 2014 City Council approved Resolution No. 2014-259 which allowed for the City to fund transit services within the City through the existing contract between Hall County and Senior Citizen Industries, Inc., until such time the City was ready to authorize a separate contract for the provision of transit services within the City; and

WHEREAS, as of July 1, 2016 the City of Grand Island assumed management of the transit service; and

WHEREAS, in order to facilitate the City's transit program in an efficient manner a location has been selected to house both City staff and the service provider; and

WHEREAS, a sub-lease agreement between the City of Grand Island and Senior Citizen Industries, Inc. is for occupancy of office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska.

WHEREAS, the term of this sub-lease is from August 1, 2018 to July 31, 2019; and

WHEREAS, the annual cost of such sub-lease is \$40,000.00, which equates to monthly rental of \$3,333.34.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized and directed to sign the sub-lease agreement with Senior Citizens Industries, Inc..

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Adopted by the City Council of the City of Grand Island, Nebraska, June 26, 2018.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	□ _____
July 5, 2018	□ City Attorney