



City of Grand Island

Tuesday, July 13, 2021

Council Session

Item G-9

#2021-162 - Approving Lease Agreement Renewal for Transit Services Office Facility

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

Council Agenda Memo

From: Charley Falmlen, Transit Program Manager

Meeting: July 13, 2021

Subject: Approving Lease Agreement Renewal for Transit Services Office Facility

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

Background

On June 25, 2019, via Resolution No. 2019-197, 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, 2020- June 30, 2021 = \$718,129.57 maximum annual rate
- July 1, 2021- June 30, 2022 = \$739,673.46 maximum annual rate
- July 1, 2022- June 30, 2023 = \$761,863.66 maximum annual rate
- July 1, 2023- June 30, 2024 = \$784,719.57 maximum annual rate

The City has the option of renewing the agreement on an annual basis for a two (2) year period, at which time proposals will be solicited.

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

In order to facilitate the City's transit program in an efficient manner, a location was selected to house both City staff and the service provider. On July 10, 2018, via Resolution No. 2018-208, City Council approved a lease agreement between the City and Mid-Country Trading, LLC for office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska.

Discussion

The original approved lease agreement between the City of Grand Island and Mid-Country Trading, LLC was for a three (3) years, with the option to extend the lease for three (3) six (6) month period(s) on the same terms as provided in the original lease. It is now time for the first renewal of such lease agreement.

The annual cost of the lease will remain at the initial \$40,000.00, which equates to monthly rental of \$3,333.34. A renewed sub-lease agreement is being presented at tonight's council meeting to assign such rental fee to the transit provider, which is currently Senior Citizens Industries, Inc.

This lease is considered an "operating lease" by the Federal Transit Administration, and is therefore reimbursed at 50%.

Transit staff is also requesting approval for all future renewals, through August 2024.

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 lease agreement renewal with Mid-Country Trading, LLC for office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska.

Sample Motion

Move to approve the resolution.

RESOLUTION 2021-162

WHEREAS, on June 25, 2019, via Resolution No. 2019-197, Grand Island City Council approved an agreement between the City and Senior Citizens Industries, Inc. for the provision of Public Transit Services; and

WHEREAS, The City has the option of renewing the agreement on an annual basis for a two (2) year period, at which time proposals will be solicited; 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 was selected to house both City staff and the service provider; and

WHEREAS, on July 10, 2018, via Resolution No. 2018-208, City Council approved a lease agreement between the City and Mid-Country Trading, LLC for office space located at 1016 Diers Avenue, Suite 119, Grand Island, Nebraska; and

WHEREAS, the original approved lease agreement between the City of Grand Island and Mid-Country Trading, LLC was for a three (3) years, with the option to extend the lease for three (3) six (6) month period(s) on the same terms as provided in the original lease; and

WHEREAS, it is now time for the first renewal of such lease agreement; and

WHEREAS, the annual cost of the lease will remain at the initial \$40,000.00, which equates to monthly rental of \$3,333.34; and

WHEREAS, Transit staff also is granted approval for all future renewals, through August 2024.

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 lease agreement renewal with Mid-Country Trading, LLC, and all future renewals through August 2024.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 13, 2021.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	by _____
July 9, 2021	City Attorney