



# City of Grand Island

Tuesday, March 11, 2014

Council Session

## Item I-2

**#2014-57 - Consideration of Approving Transfer of Property at  
1306 West Third Street from General Fund to Utilities Department**

Staff Contact: Councilmember Mike Paulick

# Council Agenda Memo

**From:** Mike Paulick, Councilmember

**Meeting:** March 11, 2014

**Subject:** Transfer of Property at 1306 West Third Street from General Fund to Utilities Department

**Item #'s:** I-2

**Presenter(s):** Mike Paulick, Councilmember

## Background

The property at 1306 West Third Street was purchased in July of 1996 and most recently was leased to the State of Nebraska Department of Administrative Services, which expired June 30, 2011. A request for proposal to purchase was issued in July of 2011 with little interest from the general public. At the May 28, 2013 Council meeting, the Council was presented with Consideration of Request for Approval of Transfer of Building located at 1306 West 3<sup>rd</sup> Street and Related Department Relocations, and approved a resolution to obtain an appraisal to determine a fair market value for the City property at 1306 West 3<sup>rd</sup> Street. Hendricksen Appraisal Company was retained to provide that appraisal and presented the written document on September 16, 2013. The results in that appraisal determined a value of the building site at \$485,000 and the adjacent lots to the northeast of the principal property at \$26,000 for a total value of the entire tract at \$51,000, and this appraisal was accepted by Council at the November 12, 2013 Council meeting. A request for proposal to purchase was also issued on November of 2013, and one bid from Hall County was received. This bid was later requested by Hall County to be removed from consideration, and the bid was rejected by Council at the February 11, 2014 meeting.

## Discussion

The City Utilities Department has identified this property as advantageous to the overall long-term operations of the Utilities Department. Current plans would include moving the Utilities Engineering Division, currently located at the Phelps Control Center, to this building, along with other utilities distribution functions. The transfer of this property to the Utilities Department appears to be the best use of the property now and for the future.

## **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**

Councilmember Paulick recommends that the Council approve the Transfer of Property at 1306 West Third Street from General Fund to Utilities Department for the appraised value of \$511,000.

## **Sample Motion**

Move to Transfer Property at 1306 West Third Street from General Fund to Utilities Department for the appraised value of \$511,000.

RESOLUTION 2014-57

WHEREAS, the City of Grand Island is proposing to transfer the property at 1306 West 3<sup>rd</sup> Street (One-Stop property) from a general fund asset to an enterprise fund asset; and

WHEREAS, the City obtained an appraisal to determine the fair market value for the One-Stop property and concur the value of the property to be \$511,000; and

WHEREAS, the Mayor and City Council have approved the transfer of the property to the City Utilities Department and established a fair market value of \$511,000.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the property located at 1306 West 3<sup>rd</sup> Street shall be transferred for a fair market value of \$511,000 to the Utilities Department for their use and benefit.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 11, 2014.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form	☒ _____
March 7, 2014	☒ City Attorney