



City of Grand Island

Tuesday, November 23, 2004

Council Session

Item G5

#2004-294 - Approving Creation of a Public Building Commission

Staff Contact: Doug Walker

Council Agenda Memo

From: Douglas R. Walker, City Attorney
Meeting: November 23, 2004
Subject: Grand Island Facilities Corporation
Item #'s: G-5
Presenter(s): Douglas R. Walker, City Attorney

Background

At the election on May 11, 2004, the voters approved an additional one-half cent sales tax for the City of Grand Island. The measure mentioned several projects for which the additional sales tax revenue would be used, including an addition to the City Library, Fire Station #1, and a Law Enforcement Facility. To facilitate the construction of these facilities the City is proposing that a non-profit corporation be established.

Discussion

Administration is recommending that the City establish the Grand Island Facilities Corporation. This corporation would be authorized to issue tax exempt bonds to construct facilities and would be authorized to do lease purchase arrangements with the City of Grand Island. The City would lease the facilities from the non-profit corporation and the lease payments would coincide with the payment of the bonded indebtedness. Once all of the bond payments were completed by the non-profit corporation, the City would then own the facility.

Establishing the non-profit corporation would create several advantages for the City. One advantage would be that a subsequent vote of the people would not be required for the non-profit corporation to issue tax exempt bonds. The ballot language that was approved in May specifically mentioned that the Library, Fire Station #1, and Law Enforcement Center were projects for which the half cent sales tax revenues would be committed. Having further elections would create unnecessary delays and additional expenses.

Another advantage that the non-profit corporation may have is that it would have greater flexibility in contractual arrangements with contractors and other professionals in the building industry when making arrangements for the construction of the facilities. This should enhance the City's ability to contain costs on the facilities that would be built

using the additional sales tax monies by looking at other alternatives to the traditional design/bid/build process which could result in substantial savings when constructing public facilities.

Alternatives

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

1. Approve the resolution creating the Grand Island Facilities Corporation.
2. Do not approve the resolution.
3. Do not take any action on the resolution.

Recommendation

City Administration recommends approving the resolution establishing the Grand Island Facilities Corporation.

Motion

Move to approve the resolution establishing the Grand Island Facilities Corporation.

R E S O L U T I O N 2004-294

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that:

1. The Mayor and Council hereby approve the formation of a not for profit corporation under the laws of the State of Nebraska with such corporation to be organized for the purpose of assisting and promoting in the development of public facilities to be used by the City of Grand Island, Nebraska, in the furtherance of its governmental functions.
2. The proposed form of Articles of Incorporation and Bylaws for said corporation as presented to this meeting are hereby approved. The following persons who are to serve as initial directors are hereby approved:

<u>Name</u>	<u>Address</u>	<u>Initial Term</u>
Kirk Ramsey	813 E. Sunset, Grand Island	3 years
Terry Loschen	2101 Stagecoach Road, Grand Island	3 years
Tom Graves	1915 W. Anna, Grand Island	2 years
Dee Price	172 Ponderosa, Grand Island	2 years
Roger Bullington	1809 S. Harrison, Grand Island	1 year

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Adopted by the City Council of the City of Grand Island, Nebraska, November 23, 2004.

RaNae Edwards, City Clerk