



City of Grand Island

Tuesday, May 13, 2008

Council Session

Item G3

Approving Minutes of May 6, 2008 City Council Study Session

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL STUDY SESSION

May 6, 2008

Pursuant to due call and notice thereof, a Study Session of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on May 6, 2008. Notice of the meeting was given in the *Grand Island Independent* on April 30, 2008.

Mayor Margaret Hornady called the meeting to order at 7:00 p.m. The following members were present: Councilmember's Brown, Haase, Zapata, Nickerson, Gericke, Carney, Gilbert, Ramsey, Niemann, and Meyer. The following City Officials were present: City Administrator Jeff Pederson, City Clerk RaNae Edwards, City Attorney Dale Shotkoski, Public Works Director Steve Riehle, and Finance Director David Springer.

INVOCATION was given by Mayor Hornady followed by the PLEDGE OF ALLEGIANCE.

Discussion Concerning State Fair Funding and Infrastructure. Jeff Pederson, City Administrator introduced the item and purpose of the Study Session. Dale Shotkoski, City Attorney reviewed LB-1116 that was approved by the State Legislature and signed by Governor Heinemann to move the Nebraska State Fair to Grand Island in the year 2010. The state fair would be located at Fonner Park and would require several new buildings, upgrades and refurbishment of existing facilities and enhanced infrastructure to the utilities and streets. A fund of \$42 million was to be provided with \$8.5 million funded by local sources. \$3 million needed to be raised by October 1, 2008, \$6 million by February 1, 2009 and \$3.5 million by July 1, 2009. Mr. Shotkoski stated the community of Grand Island would be required to raise the money.

Discussion was held on the cooperation and coordination of financial participation of new construction and other capital improvements at Fonner Park. Representation of the City on the Nebraska State Fair Board was discussed.

Ray Aguilar, 706 Grand Avenue commented on the State Fair Board representation which was an appointed position.

David Springer, Finance Director covered the cost and financing of the State Fair. The following options were presented:

Option #1:	City and County Bonds; 75%/25%	7 yrs @3.25%
Option #2:	City and County Bonds; 75%/25%	10 yrs @3.60%
Option #3:	Facility Corp Bonds – No City/Co.	5 yrs @ 3.0%

Mr. Springer stated a food and beverage tax could be used to service the \$5 million bonds. The city would have to match 10% of lottery funds. Bond rates right now were very good. Mr. Springer stated timing was of the essence if the Council decided to go with a bond.

Mr. Springer stated the increased sales tax, food and beverage tax if implemented would help the economy in Grand Island. Approximately \$200,000 to \$400,000 in sales tax could be expected.

Cindy Johnson stated the economic benefits to Grand Island would be hard to compare with that of Lincoln. Jay Vavricek commented on a marketing report in 2006. He stated this was an economic catalyst for the City of Grand Island. Attendance was discussed along with projections.

Mr. Springer stated there had been no formal discussions with Hall County. Donald Dunn stated the group working to get LB-1116 passed would be meeting with the County Board to give a presentation. The county was restricted in certain ways of raising monies but may have lottery funds available in the future.

The question of a business plan and/or marketing plan was discussed. LB-1116 stated the Nebraska State Fair was to be based upon a dynamic public-private partnership that included the active participation of the state and local governments, the private sector, and the citizens of Nebraska. Mr. Dunn commented on the responsibility of the State Fair Board, the Nebraska State Fair Relocation Cash Fund, and sponsorships to the State Fair. Funding from surrounding communities was discussed.

Budget impacts with regards to Police, Fire etc. were discussed. Mr. Dunn stated the State Fair Board would cover law enforcement costs on the State Fair grounds. Intangible benefits were discussed regarding the number of opportunities available in having the State Fair in Grand Island.

Marlan Ferguson, Economic Development Corporation President commented on the impact to economic development the State Fair would provide to Grand Island. He stated it would help sell the community to other companies wanting to locate here.

Steve Riehle, Public Works Director commented on project costs that could be used toward the \$8.5 million match from the community. Mr. Dunn stated if money was budgeted for a specific project on the Fonner Park grounds it would be counted toward the \$8.5 match.

Gene Graves, 1711 South Stuhr Road commented on the importance of the facilities/infrastructure needed to have a successful State Fair. Mr. Graves hoped we could look at this as an investment.

Lewis Kent, 624 East Meves spoke in opposition and wanted the council to put this to a vote of the people.

Scott Zana, 209 Lakeside Drive representing the Food and Beverage industry spoke in favor of the tax. The restaurants as a whole wanted to get this started right away with a sunset clause included. He suggested a 1.5% tax for 5 years on food and beverage to service the \$5 million bond.

Discussion was held regarding ongoing operational costs, funding above the \$5 million, and ownership of facilities.

Barry Sandstrom, 2117 West Charles Street, ex-officio Fonner Park board member commented on the commitment of Fonner Park to make this move forward. Ultimate responsibility of the infrastructure would fall on Fonner Park.

Dale Shotkoski, City Attorney stated if it was the wish of the council we could bring forward a resolution at the next council meeting to go forward with pursuing the bond funding for the relocation of the State Fair.

ADJOURNMENT: The meeting was adjourned at 9:05 p.m.

RaNae Edwards
City Clerk