



# **City of Grand Island**

**Tuesday, May 27, 2008**

**Council Session**

## **Item E5**

**Public Hearing on Solid Waste Disposal Facilities Revenue Bonds  
for JBS Swift & Company (Microgy Grand Island, LLC Project)**

Staff Contact: Dale Shotkoski, David Springer

# **Council Agenda Memo**

**From:** Dale Shotkoski, City Attorney  
Dave Springer, Finance Director

**Meeting:** May 27, 2008

**Subject:** Public Hearing on Proposed Issuance of Tax-Exempt  
Industrial Development Revenue Bonds for Microgy Grand  
Island, LLC

**Item #'s:** E-5

**Presenter(s):** Dale Shotkoski, City Attorney  
Dave Springer, Finance Director

## **Background**

On February 26, 2008, council approved the intent for the City of Grand Island to issue its industrial development revenue bonds, as authorized by Nebraska statutes, for the purpose of defraying the cost of acquisition, construction and equipping of certain solid waste disposal and biogas manufacturing facilities to be operated by Microgy at the Swift & Company beef processing facility in Grand Island.

## **Discussion**

The proposed Microgy facility, together with an additional holding pond, currently under construction at Swift, are intended to help reduce the flow and the solids content to our WWTP and provide an environmental friendly generation of biogas to be used in their facility. The Microgy facility meets the criteria for the issuance of these Industrial Development Revenue Bonds. These would be limited obligations of the City payable solely from payments made by the Company under a lease agreement with the City and will not constitute a liability to the City, nor would they be payable from any tax source. As required by law, this public hearing provides an opportunity for persons wishing to comment on this subject and will be followed at a later date with an ordinance for council's consideration.

## **Recommendation**

City Administration recommends that the Council conduct a public hearing on the issuance of Tax-Exempt Industrial Development Revenue Bonds to finance the Microgy Grand Island, LLC facility.

**NOTICE TO PUBLIC  
NOTICE OF PUBLIC HEARING  
ABOUT THE CITY OF GRAND ISLAND, NEBRASKA  
SOLID WASTE DISPOSAL FACILITIES REVENUE BONDS  
(MICROGY GRAND ISLAND, LLC PROJECT)  
SERIES 2008**

Notice is hereby given by The City of Grand Island, Nebraska of a public hearing to be held by the City Council at 7:00 p.m. on May 27, 2008 in the Council Chambers, City Hall, 100 East First Street, Grand Island, Nebraska. The subject of the hearing is the advisability of the proposed issuance pursuant to a plan of financing of one or more series of industrial development revenue bonds (the "Bonds") in the aggregate principal amount of up to \$10,000,000 by The City of Grand Island, Nebraska, pursuant to the provisions of the Nebraska Industrial Development Act, Reissue Revised Statutes of Nebraska, 1997, Sections 13-1101 et seq., as amended. The proceeds of the Bonds will be used to defray all or a portion of the cost of acquiring, constructing, improving and equipping a project composed of certain industrial solid waste disposal facilities for Microgy Grand Island, LLC at the JBS Swift & Company beef processing facility located at 555 S. Stuhr Road, Grand Island, Nebraska.

Such facilities will be leased by Microgy Grand Island, LLC from the City pursuant to a Lease Agreement under which the City will make available to Microgy Grand Island, LLC the proceeds from the sale of the Bonds in return for lease payments from Microgy Grand Island, LLC sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same fall due.

The Bonds, if issued, and the interest thereon will be limited obligations of the City payable solely from the revenues derived from the Lease Agreement and other security arrangements, if any. The Bonds and the interest thereon will not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers and will not be payable from any tax sources.

Following such public hearing on May 27 or at a later meeting, the City Council will consider for adoption an ordinance granting public approval to such proposed issuance of Bonds, for the purpose of complying with Section 147(f) of the Internal Revenue Code of 1986, as amended.

Persons wishing to make comments in writing about the proposed Bonds and related project shall do so in advance of the commencement of the public hearing on May 27, 2008 to the City of Grand Island, Nebraska, c/o Ms. RaNae Edwards, City Clerk, City Hall, 100 East First Street, Grand Island, Nebraska 68802.

CITY OF GRAND ISLAND, NEBRASKA

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City Clerk

Dated: May 12, 2008