



# City of Grand Island

Tuesday, November 26, 2002

Joint Mtg/Council Session

## Item F5

### **#8786 - Consideration of Conveyance of Former City Hall**

*At the City Council meeting of November 12, CRA Chairman John Brownell presented the CRA's recommendation for redevelopment of the former City Hall. As you will recall, last spring, the City Council requested assistance from the CRA with redevelopment efforts of the former City Hall and, as a result, the CRA marketed and solicited proposals from interested developers. Two entities expressed an interest in the redevelopment project and both were interviewed by the Former City Hall Redevelopment Selection Committee. Councilmembers Murray and Hornady, as well as Marlan Ferguson, City Administrator, and Cindy Johnson, Community Projects Director, served on the Redevelopment Selection Committee. After the interviews, the Selection Committee forwarded both proposals to the CRA and, at the same time, requested additional information from both entities as a next step in the selection process and that this additional information had been received.*

*The CRA reviewed both proposals and forwarded the proposal submitted by ProCon to the City Council for consideration.*

*Procon is a partnership of Rick Johnson, K.C. Hehnke, and Russ Giesenhagen of Grand Island. Although ProCon is a new partnership, the principals are well versed in the construction field in Grand Island and central Nebraska, with over 60 years of combined experience. The group has an experience in historic property renovation, including the Yancey Hotel, Francis Villas and the York State Bank in York. Procon proposes to redevelop the former City Hall into an office complex. Their proposal is to purchase the building for \$1,001. Project costs are anticipated to be \$1,940,000. Financing sources are as follows:*

*Principal Investment \$1,280,000*

*City \$275,000 (investment of what would otherwise be expended for demolition if building not redeveloped)*

*CRA Façade Development Program \$150,000 (over 3 years)*

*Tax Increment Financing \$232,800 (estimated)*

*ProCon proposes to immediately begin redevelopment of the property, with an emphasis on the exterior this winter. This could occur as soon as the asbestos is removed from the property. ProCon has determined there is sufficient parking in the proximate area to serve their proposed needs.*

*Bruce Schreiner, representing ProCon, stressed to the CRA that the ProCon offer was not contingent upon acquisition of other properties or other funding sources, the redevelopment*

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*could collectively be accomplished by the community, and the proposal allowed for a fairly rapid schedule for redevelopment of the property.*

*The Community Redevelopment Authority was unanimous in its support of the proposal by ProCon (Authority member Barry Sandstrom abstained from the vote). The CRA committed \$150,000 in façade development funds over three years with the understanding that the developers would be pursuing tax increment finance assistance also.*

*A purchase agreement has been prepared by attorney Ron Depue, representing ProCon, and has been reviewed by the Assistant City Attorney. Approval is recommended. In addition, an ordinance providing for the conveyance of the property to ProcCon has been prepared by the City Attorney's office. Approval of this Ordinance is also recommended. The Purchase Agreement is contained under Resolutions.*

**Staff Contact: Marlan Ferguson**

ORDINANCE NO. 8786

An ordinance to direct and authorize the conveyance of a tract of land comprising of Lot Eight (8), Block Sixty Six (66), Original Town to the City of Grand Island, Hall County, Nebraska; to provide for the giving of notice of such conveyance and the terms thereof; to provide for the right to file a remonstrance against such conveyance; and to provide for publication and the effective date of this ordinance.

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

SECTION 1. The conveyance to Procon Development Company, L.L.C., a limited liability company, of a tract of land comprising of Lot Eight (8), Block Sixty Six (66), Original Town to the City of Grand Island, Hall County, Nebraska; is hereby authorized and directed pursuant to the terms and conditions of an Agreement for Warranty Deed.

SECTION 2. The consideration for such conveyance shall be One Thousand One Hundred Dollars (\$1,001.00). Conveyance of the real estate above described shall be by Warranty Deed, upon delivery of the consideration. Such conveyance shall be conditioned upon the terms and conditions of an Agreement for Warranty Deed. A title insurance policy is not required to be furnished by the City.

SECTION 3. As provided by law, notice of such conveyance and the terms thereof shall be published for three consecutive weeks in the *Grand Island Independent*, a newspaper published for general circulation in the City of Grand Island. Immediately after the passage and publication of this ordinance, the City Clerk is hereby directed and instructed to prepare and publish such notice.

ORDINANCE NO. 8786 (Cont.)

SECTION 4. Authority is hereby granted to the electors of the City of Grand Island to file a remonstrance against the conveyance of such within described real estate; and if a remonstrance against such conveyance signed by legal electors of the City of Grand Island equal in number to thirty percent of the electors of the City of Grand Island voting at the last regular municipal election held in such City be filed with the city council within thirty days of passage and publication of such ordinance, said property shall not then, nor within one year thereafter, be conveyed.

SECTION 5. The conveyance of said real estate is hereby authorized, directed and confirmed; and if no remonstrance be filed against such conveyance, the Mayor and City Clerk shall make, execute and deliver to Procon Development Company, L.L.C., in accordance with the terms and conditions of the Agreement for Warranty Deed, a Warranty Deed for said real estate, and the execution of such deed is hereby authorized without further action on behalf of the City Council.

SECTION 6. This ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: November 26, 2002.

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Ken Gnadt, Mayor

Attest:

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RaNae Edwards, City Clerk