



City of Grand Island

Tuesday, March 16, 2004

Special Meeting

Item G3

#2004-46 - Approving Agreement with Grand Island Skeet and Sporting Clays Club

Staff Contact: Steve Paustian

Council Agenda Memo

From: Steve Paustian, Park and Recreation Director

Meeting: March 16, 2004

Subject: Agreement for loan to Grand Island Skeet and Sporting Clays Club

Item #'s: G-3

Presenter(s): Steve Paustian

Background

For over twenty five years the Grand Island Skeet and Sporting Clays Club has operated a City owned shooting facility. With the need to relocate the Club from the City well field it was determined that the Clubs new home would be on land the City purchased at the former CAAP site. Since October of last year this relocation has been taking place. To date, most of the relocation activities have been completed.

Discussion

The Club has invested over \$100,000.00 of Club funds to assist in the cost of this relocation. The Club is committed to provide another \$100,000.00 of funding for the project as well. This additional funding will be provided primarily from funds received from several local trusts. Because the receipt of these funds will happen over several years the club has asked for a loan of \$100,000.00 from the City to complete their portion of the project. The loan will be paid back as grant funds are received. It is anticipated that all fund will be paid back within five years. All funds will be spent on construction items with all of the improvements being owned by the City of Grand Island.

Alternatives

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

1. Approve the agreement.
2. Disapprove or /Deny the agreement.
3. Modify the agreement to meet the wishes of the Council
4. Table the issue

Recommendation

City Administration recommends that the Council enter into an agreement with the Grand Island Skeet and Sporting Clays Club to provide for the loan.

Sample Motion

Approve the agreement with the Grand Island Skeet and Sporting Clays Club.

AGREEMENT

On the terms and subject to the conditions of this Agreement, the GRAND ISLAND SKEET & SPORTING CLAYS CLUB, INC. of Grand Island, Nebraska, shall have permission to use facilities to be constructed on city property for skeet, trap and sporting clay range facilities, said facilities to be owned by the City of Grand Island, Nebraska.

It is agreed by and between the parties, that the City of Grand Island, shall contribute funding for the construction and development of the facilities and that the Grand Island Skeet & Sporting Clays Club, Inc. shall also contribute funding to assist in the construction of the facilities. The Grand Island Skeet & Sporting Clays Club, Inc., shall contribute over \$200,000.00 toward the development of the facilities. The City of Grand Island, to assist the Grand Island Skeet & Sporting Clays Club, Inc. in obtaining funding from various sources, including funding from local foundations, shall loan to the Grand Island Skeet & Sporting Clays Club, Inc. the amount of \$100,000.00, which shall be repayable to the City of Grand Island over a period of five years. Said loan shall not bear interest.

The Grand Island Skeet & Sporting Clays Club, Inc., in receipt of the loan funds from the City of Grand Island shall use all of the funds for the improvement of the facilities, and all improvements made by the Grand Island Skeet & Sporting Clays Club, Inc., once completed, shall belong to and become the property of the City of Grand Island.

All funds received by the Grand Island Skeet & Sporting Clays Club, Inc. from the City of Grand Island shall be expended within the first twelve months after receipt or any unexpended funds shall be returned to the City of Grand Island, constituting a repayment towards the \$100,000.00.

Itemized receipts and accountings shall be made between the Grand Island Skeet & Sporting Clays Club, Inc., and the Parks & Recreation Director and the Finance Director of the City of Grand Island to coordinate that the funds are being properly spent for the development of the skeet, trap and sporting clay range facilities.

In consideration of the Grand Island Skeet & Sporting Clays Club, Inc. making said expenditures and obligating itself to repay the \$100,000.00 to the City of Grand Island, it is further anticipated that the City of Grand Island shall expend funds of at least \$100,000.00 over the next five years towards development of said facilities.

The Grand Island Skeet & Sporting Clays Club, Inc. shall make no claim of ownership to any of the facilities located on city property.

The Grand Island Skeet & Sporting Clays Club, Inc. agrees to repay the \$100,000.00 and reimburse to the city for its right to use the facilities, the amount of \$25,000.00, which is due and payable on the last day of the second year after the execution of this agreement, \$25,000.00 due and payable on the last day of the third year after the execution of this agreement, \$25,000.00 due and payable on the last day of the end of the fourth year after the execution of the agreement,

and \$25,000.00 due and payable on the last day of the fifth year after the execution of the agreement.

Any loss or damage to the facilities during the construction of the facilities, which is being paid for and supervised by the Grand Island Skeet & Sporting Clays Club, Inc., shall be at the sole risk of the Grand Island Skeet & Sporting Clays Club, Inc..

The Grand Island Skeet & Sporting Clays Club, Inc., during the period of time covered by this agreement, shall provide to the City of Grand Island proof of having insurance in place which insures the facilities against fire, theft, damage or destruction and against such other risks in such amounts as the city may reasonably require. The Grand Island Skeet & Sporting Clays Club, Inc. shall also have in force at all times a public liability insurance policy which shall be paid for out of its funds at its own cost and expense, giving protection to the extent of a minimum of \$500,000.00 in the event of death or injury to any one individual, and \$1,000,000.00 in the event of injury or death to more than one individual, if such death or injury arises in connection with the program or event or use of the facilities by the Grand Island Skeet & Sporting Clays Club, Inc.. Any such insurance shall include as an additional insured the City of Grand Island. Such insurance shall be placed with an insurance company approved by the City of Grand Island and shall provide that the insurance company will give the City of Grand Island thirty (30) days written notice before the policy may be altered or canceled. The Grand Island Skeet & Sporting Clays Club, Inc. shall deliver a proof of insurance policy or certificate of insurance to the City of Grand Island prior to commencing any work or construction at the facility. The Grand Island Skeet & Sporting Clays Club, Inc. shall indemnify, defend and hold the City of Grand Island harmless from and against any and all loss, damage, cost or expense to the facilities or for any other liability not compensated for by insurance.

This agreement or any rights hereunder may not be assigned or otherwise transferred by the Grand Island Skeet & Sporting Clays Club, Inc. and shall not inure to the benefit of any other party without prior written consent of the City of Grand Island.

This agreement shall be governed by and construed in accordance with the laws of the State of Nebraska.

At any time, after the execution of this agreement, if the Grand Island Skeet & Sporting Clays Club, Inc. shall no longer make use of the facilities nor wish to continue in cooperation of the development of the facilities with the City of Grand Island, any unpaid amount of the initial \$100,000.00, shall become due and payable in full at that time. Said amount that shall be due and payable, is to become due without further written notice or demand to be made by the City of Grand Island to the Grand Island Skeet & Sporting Clays Club, Inc.. The Grand Island Skeet & Sporting Clays Club, Inc. hereby waives its right to any notice or demand for repayment of any proceeds provided by the City of Grand Island.

All work that is to be paid for with funds provided by the City of Grand Island, shall not commence, without notice and approval provided by the Parks & Recreation Director of the City of Grand Island. The Grand Island Skeet & Sporting Clays Club, Inc., shall pay for and be

required to obtain all necessary permits and approvals necessary for the construction of any improvements made by it.

No delay by the City of Grand Island in exercising any of its rights or powers arising from any default by the Grand Island Skeet & Sporting Clays Club, Inc. shall impair the right or power or prevent its exercise during the continuance of the default. No waiver by the City of Grand Island of any default, whether full or partial, shall extend to any subsequent default, except as may otherwise be provided in this agreement. No remedy is intended to be exclusive of any other remedy, but each shall be cumulative in addition to any other remedy given or otherwise existing nor shall the giving, taking or enforcement of any other additional security, collateral or guarantee for the payment of the indebtedness operate to waive or affect any rights, powers or remedies under this agreement; nor shall the City of Grand Island be required to first look to, enforce or exhaust other or additional security, collateral or guarantees. All rights, powers or remedies may be enforced independently or concurrently in law or in equity.

No act shall constitute the City of Grand Island as an agent for the Grand Island Skeet & Sporting Clays Club, Inc. or constitute the Grand Island Skeet & Sporting Clays Club, Inc. as an agent for the City of Grand Island. The City of Grand Island is acting solely for its protection and neither the Grand Island Skeet & Sporting Clays Club, Inc. nor anyone else shall any right to rely upon the City of Grand Island or on any of the city's procedures for Grand Island Skeet & Sporting Clays Club, Inc.'s protection or otherwise.

The City of Grand Island shall have the right to inspect the construction at reasonable times. Inspections will be solely for the city's benefit. The Grand Island Skeet & Sporting Clays Club, Inc. shall select its contractors, sub-contractors and material men and the city shall neither have nor assume any responsibility for them or the quality of their materials or work.

The Grand Island Skeet & Sporting Clays Club, Inc. shall keep accurate records of the construction and maintain the records to clearly set out the cost of construction. The Grand Island Skeet & Sporting Clays Club, Inc. shall make all books and records available to the city at designated times for examination and audit.

The Grand Island Skeet & Sporting Clays Club, Inc. shall comply with and have the improvements constructed in accordance with all applicable federal, state, county and city laws, ordinances, building codes and regulations.

The Grand Island Skeet & Sporting Clays Club, Inc. shall agree to indemnify the City of Grand Island from all loss, damage and expense, including court costs and attorneys fees from all actions brought against the City of Grand Island connected with alleged defects in any structure or other improvement constructed on the real estate due to, without limitation, faulty materials, faulty workmanship or defective design.

All notices shall be in writing and deemed to have been sufficiently given when presented personally or sent by regular first class mail to the City of Grand Island at 100 East First Street, P.O. Box 1968, Grand Island, Nebraska, 68802 and to the Grand Island Skeet & Sporting Clays Club, Inc. at P.O. Box 1117, Grand Island, Nebraska.

GRAND ISLAND SKEET & SPORTING CLAYS CLUB, INC.,

By: _____
L. Kent Coen, President

Date: _____

**CITY OF GRAND ISLAND, NEBRASKA,
A Municipal Corporation,**

By: _____
Jay Vavricek, Mayor

Date: _____

Attest: _____
RaNae Edwards, City Clerk

The contract is in due form according to law and hereby approved.

By: _____
Douglas R. Walker, City Attorney

Date: _____

RESOLUTION 2004-46

WHEREAS, the Grand Island Skeet and Sporting Clays Club (Skeet Club) has operated a city-owned shooting facility for over twenty five years; and

WHEREAS, due to the South Locust Street improvements, the Skeet Club has been relocated to an undeveloped tract of city-owned land at the former Cornhusker Army Ammunition Plant site; and

WHEREAS, although substantial improvements to the property have been made by the Skeet Club, another \$100,000 in improvements is anticipated; and

WHEREAS, in order to expedite the improvements to get the facility operational, the Skeet Club has requested a five-year loan in the amount of \$100,000 from the City of Grand Island which will be repaid upon the receipt of expected funding from local trusts and other sources; and

WHEREAS, the City will own all improvements made with the loaned funds; and

WHEREAS, an agreement to provide the Skeet Club with the \$100,000 loan funding has been reviewed and approved by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the City of Grand Island is hereby authorized to provide a loan for up to \$100,000 in funding to the Grand Island Skeet and Sporting Clays Club to make improvements to the city-owned shooting facility.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 16, 2004.

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 11, 2004	☐ City Attorney