



City of Grand Island

Tuesday, June 30, 2009

Special Meeting

Item F2

#9224 - Consideration of Amendment to Chapter 23-79 of the Grand Island City Code Relative to Food Services, Drinking Places, and Restaurant Tax (Second and Final Reading)

Staff Contact: Jeff Pederson

Council Agenda Memo

From: Jeff Pederson, City Administrator

Meeting: June 30, 2009

Subject: Amendment to Chapter 23-79 of the Grand Island City Code Relative to Food Services, Drinking Places, and Restaurant Tax

Item #'s: F-2

Presenter(s): Jeff Pederson, City Administrator

Background

On September 9, 2008, the City Council passed Ordinance No. 9189, instituting a 1.5% occupation tax on prepared food and non-alcoholic beverages. The Ordinance contains a Sunset provision that limits the duration of the tax to the collection of \$5,062,500. The money will be used to service a Lease Purchase Agreement with Wells Fargo whereby the City of Grand Island will own a recreational building on the grounds of Fonner Park that will serve as an Exposition Building during the annual run of the Nebraska State Fair.

With the revelation in October of 2008 that athletic fields presently located at Fonner Park would be lost due to parking needs for the State Fair, the City began a planning process to replace/relocate the softball and soccer facilities from that site. Subsequently, a long-term Lease was approved with the State of Nebraska for 78 acres of land associated with the State Veterans Home that is located North of HW-2 and West of Broadwell Street. The Parks & Recreation Department, in cooperation with the State Fair Board, formulated a Master Plan for athletic facilities on the site that includes a Phase 1 component for replacement of existing facilities at a projected cash cost of \$1.5m. The City Council has participated in two Study Sessions in review of the site development Plan.

Discussion

This Ordinance was presented to the City Council on June 23, and was passed on first reading following an amendment that set the amount of money to be generated for athletic fields at \$1.6m. The purpose of the additional \$100,000 is to provide additional

funds to insure the construction of a fourth softball field and an additional full-size soccer field as part of Phase 1 of the Athletic Complex project. The Sunset provision of the Ordinance will now be expanded to add \$1.6m to the amount of \$5,062,500 that is now in place.

This proposed Ordinance amending Ordinance No. 9189 to allow up to \$1.6 of revenue from the Occupation Tax to be utilized for athletic fields development is now before the Grand Island City Council on Second Reading. Should a minimum of eight City Councilmembers be present at the meeting, the Rules can be suspended to allow passage on third and final reading at this meeting.

Alternatives

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

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council pass Ordinance No. 9224, amending Ordinance No. 9189 to provide revenue for the funding of replacement athletic fields on the Veterans Home site. It is further recommended that the Rules be suspended and the measure be passed on third and final reading.

Sample Motion

Move to approve Ordinance No. 9224 on second reading and suspend the Rules to approve it on Third and Final reading.

ORDINANCE NO. 9224

An ordinance to amend Grand Island City Code Chapter 23, Section 23-79, pertaining to food services, drinking places and restaurant tax, to repeal any ordinance or parts of ordinances in conflict herewith; 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. Section 23-79 of the Grand Island City Code is hereby amended to read as follows:

**Article VII.
FOOD SERVICES, DRINKING PLACES, AND RESTAURANT TAX**

§23-79. Sunset Provision.

The occupation tax imposed by this Article shall terminate and collection of the tax shall cease upon the completion of the following:

(A) The City meeting all of its financing obligations with Wells Fargo Brokerage Services, L.L.C. and all debt obligations in the principal amount of Five Million Sixty-Two Thousand Five Hundred and No/100 Dollars (\$5,062,500.00) and releases from Wells Fargo Brokerage Services, L.L.C. are obtained; and

(B) Recreational field development in the amount of \$1.6 million on the property described as follows:

A TRACT OF LAND LOCATED IN PART OF THE EAST HALF (E1/2) OF SECTION FIVE (5), TOWNSHIP ELEVEN (11) NORTH, RANGE NINE (9) WEST OF THE 6TH P.M., HALL COUNTY, NEBRASKA, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST QUARTER (E1/4) CORNER OF SECTION 5-T11N-R9W; THENCE ON AN ASSUMED BEARING OF N88°50'06"W UPON THE SOUTH LINE OF THE NORTHEAST QUARTER (NE1/4) OF SAID SECTION 5 A DISTANCE OF 40.00 FEET TO THE POINT OF BEGINNING, SAID POINT ALSO BEING ON THE WESTERLY RIGHT-OF-WAY (ROW) LINE OF BROADWELL AVENUE; THENCE S00°51'43"W UPON AND ALONG SAID WESTERLY ROW LINE A DISTANCE OF 179.46 FEET; THENCE N88°10'08"W A DISTANCE OF 254.75 FEET; THENCE S29°09'23"W A DISTANCE OF 250.49 FEET; THENCE N88°50'06"W PARALLEL WITH SAID SOUTH LINE

ORDINANCE NO. 9224 (Cont.)

OF NE1/4 A DISTANCE OF 1,748.67 FEET; THENCE N00°37'43"E A DISTANCE OF 397.71 FEET TO SAID SOUTH LINE OF THE NE1/4; THENCE N00°37'43"E A DISTANCE OF 1,233.17 FEET; THENCE S88°25'59"E A DISTANCE OF 69.05 FEET; THENCE N00°43'20"E A DISTANCE OF 59.94 FEET; THENCE S88°21'19"E A DISTANCE OF 259.64 FEET; THENCE S88°20'18"E A DISTANCE OF 498.58 FEET; THENCE S88°24'58"E A DISTANCE OF 1,150.41 FEET TO A POINT BEING ON SAID WESTERLY ROW LINE OF BROADWELL AVENUE, SAID POINT ALSO BEING THE WESTERLY LINE OF NEBRASKA STATE ROW DESCRIBED IN STATE OF NEBRASKA DEPARTMENT OF ROADS DOCUMENT NO. 93-104239, RECORDED MAY 26, 1993, REGISTER OF DEEDS, HALL COUNTY, NEBRASKA; THENCE S11°16'37"E UPON AND ALONG SAID WESTERLY ROW LINES OF BROADWELL AVENUE AND STATE DEED A DISTANCE OF 212.80 FEET; THENCE S00°38'41"E UPON AND ALONG SAID WESTERLY ROW LINES A DISTANCE OF 489.24 FEET; THENCE S20°27'26"E UPON AND ALONG SAID WESTERLY ROW LINES A DISTANCE OF 243.20 FEET; THENCE S00°00'05"E UPON AND ALONG SAID WESTERLY ROW LINES A DISTANCE OF 354.81 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS A CALCULATED AREA OF 3,414,493.776 SQUARE FEET OR 78.39 ACRES MORE OR LESS.

SECTION 2. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. 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: June 30, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk