



# City of Grand Island

Tuesday, October 05, 2004

Study Session

## Item -1

Update on 1/2 Cent Sales Tax Projects

Staff Contact: Gary Greer

# Council Agenda Memo

**From:** Gary D. Greer, City Administrator  
**Meeting:** October 5, 2004  
**Subject:** 1/2 Percent Sales Tax Projects  
**Item #'s:** 1  
**Presenter(s):** Gary D. Greer, City Administrator

Recently, there has been a lot of discussion concerning financing strategy concerning the 1/2 Percent Sales Tax Projects. As is the case most of the time, there is not enough money to accomplish all the projects immediately. Therefore, as the numbers are clearer concerning the 1/2 cent projects, there will be a need to continually:

- Prioritize
- Cost Contain
- Value Engineer
- Justify Expenses
- Seek Other Revenues
- Avoid Unnecessary Cost

This is no different than a private business that is facing positive growth and the need to update facilities. Additionally, we are finding that bid costs are coming in higher for construction related projects due to the many projects that are in store for the community.

City Administration recommends the City Council consider Fire Station #1, the Law Enforcement Center, and the Library Expansion as top priorities for immediate attention. In order to assure that these facilities move forward it appears that the other proposed sales tax projects need to be delayed, phased, and/or considered pay as you go projects. Additionally, the cost for the three priority projects will need to be contained, reduced without reducing the effectiveness of the facility.

We will have to continually adjust to the economic forces surrounding each of the 1/2 percent projects as information becomes available. Following is the original 1/2 percent project plan along with a possible re-prioritization of the 1/2 percent sales tax projects that will allow us to move forward with the priority projects:

## Original 1/2 Percent Project Plan

### Financed Projects:

1)	Fire Station # 1 Replacement	\$3,000,000
2)	Fire Training Facility (Land, Building, Burn Building, Training Tower)	\$4,000,000
3)	Police/Sheriff Law Enforcement Center	\$3,000,000
4)	Library Expansion	\$7,000,000
5)	Aquatics Projects (according to Aquatics plan)	<u>\$3,000,000</u>
	<b>Total:</b>	<b>\$20,000,000</b>

The aforementioned if amortized for 20 years at 5% would create approximate annual costs of: **\$1,593,449.**

### Annual Cash Projects:

1)	Grand Generation Center Capital Fund	\$100,000
2)	Cornhusker Army Ammunition Recreation Development	\$125,000
3)	Hike/Bike Trail Development	\$125,000
4)	Infrastructure Emergency Funds	<u>\$ 56,551</u>
	<b>Total:</b>	<b>\$406,550</b>
	<b>Annual Grand Total:</b>	<b>\$2,000,000</b>

## Possible Re-Prioritization of 1/2 Percent Sales Tax Projects:

### Financed Projects:

1)	Fire Station # 1 Replacement	\$3,000,000
2)	Police/Sheriff Law Enforcement Facility	\$8,600,000
3)	Library Expansion	<u>\$7,000,000</u>
	<b>Total:</b>	<b>\$18,600,000</b>

The aforementioned if amortized for 20 years at 5% would create approximate annual costs of: **\$1,492,512.**

**Annual Cash Projects\*:**

1)	Grand Generation Center Capital Fund	\$100,000
2)	Cornhusker Army Ammunition Recreation Development	\$125,000
3)	Hike/Bike Trail Development	\$125,000
4)	Infrastructure Emergency Funds	\$ 56,551
5)	Fire Training Facility (Phased plan to be determined)	?
6)	Aquatics Projects (according to Aquatics plan)	?

\* Growth in sales tax and/or inclusion of other sources of revenue (grants, general fund, other agencies, fees, ect.) may be included to fund phases of projects.