

ALLIANCE CITY COUNCIL

SPECIAL MEETING, MONDAY, FEBRUARY 11, 2008

STATE OF NEBRASKA)
)
 COUNTY OF BOX BUTTE) §
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 CITY OF ALLIANCE)

The Alliance City Council met in a Special Meeting, February 11, 2008 at 4:00 p.m., in the Meeting Rooms of the Library/Learning Center, 1750 Sweetwater Avenue. A notice of meeting was published in the Alliance Times Herald on February 4, 2008. The notice stated the date, hour and place of the meeting, that the meeting was open to the public, and that an agenda of the meeting, kept continuously current, was available for public inspection at the office of the City Clerk in City Hall.

Mayor Kusek opened the February 11, 2008 Special Meeting of the Alliance, Nebraska City Council at 4:02 p.m. Present were Mayor Kusek, Council Members Dickenson, Benzel, Rowley, and Yeager. Also present were City Manager Caskie, City Attorney Miller, and City Clerk Jines.

- Mayor Kusek made the Open Meetings Law announcement and indicated the required posting was on the north wall of the room.
- The meeting began with Councilwoman Rowley presenting a Proclamation for National FFA Week February 16th through 23, 2008. The proclamation reads as follows:

NATIONAL FFA WEEK PROCLAMATION

Whereas, the FFA and agricultural education provide a strong foundation for the youth of America and the future of the food, fiber and natural resources systems; and

Whereas, the FFA promotes premier leadership, personal growth and career success among its members; and

Whereas, agricultural education and the FFA ensure a steady supply of young professionals to meet the growing demands in the science, business and technology of agriculture; and

Whereas, the FFA motto “learning to do, doing to learn, earning to live, living to serve” - gives direction of purpose to these students who take an active role in succeeding in agricultural education; and

Whereas, the FFA promotes citizenship, volunteerism, patriotism and cooperation.

Therefore, I do hereby designate the week of February 16 through 23, 2008, as FFA Week.

Accepting the proclamation were FFA President Blake Becker, and Councilwoman Rowley's son, Spencer.

- The next item before Council was a discussion on the Municipal Building and other capital projects. Mayor Kusek provided the history regarding the Municipal Building and reviewed the findings from the Special Meeting which was held February 15, 2007.

City Manager Caskie provided the following memorandum for Council's information and consideration:

[Issue: City Hall and the Municipal Building]

Background:

After a failed attempt to move Bank of the West to a cleared piece of property at First and Box Butte and relocate the Municipal Building to the building the Bank of the West would have vacated, the City conducted a Feasibility Study to determine how the Municipal Building could be renovated for its continued use, what other buildings might be able to be used, and what the cost of a new building would be if constructed at First and Box Butte in the area previously cleared.

The Feasibility Study was conducted by TSP, Inc. located in Rapid City, South Dakota. One of the options considered by TSP was the use of the Essay building across the street as a Municipal Building Annex. That option was eliminated by City Council shortly after the report was released.

The financial options for the other alternatives are as follows:

<i>Renovate the Municipal Building:</i>	<i>3.0 Million</i>
<i>Build a New City Hall:</i>	<i>2.5 Million</i>
<i>Renovate the Municipal Building for another use:</i>	<i>1.5 Million</i>

A citizen discussion process occurred after the release of the report. There was strong support for keeping the Municipal Building as a Municipal Building but it was not an overwhelming majority. There seemed to be a stronger feeling for making sure that the building did not fall into disrepair and a preference for having it be used for something as opposed to standing empty.

The survey also strongly suggested that the Municipal Building should remain downtown and should have a drive-up window for access to paying utility bills.

This catch 22 of not being able to resolve the community conflict over this issue has stagnated the community for over 17 years, the number of years the City has been out of compliance with the Americans with Disability Act. There were citizens who suggested we ignore the law, but every day that goes by makes it more likely that at some point, the law is going to drive a decision after we have paid dearly for not complying earlier. We need to make a decision.

An idea has been proposed to turn the current Municipal Building into an Arts Center with the cooperation of various arts groups in the region and specifically with Chadron State College. I believe the only way this option will work, is if the City steps up and pays for the renovation of the HVAC system and the other renovations that TSP said would be required even if ADA access is not.

If the City is going to go to the Bond Market for a significant financial outlay, perhaps it is also an opportunity to complete the Streetscape Project on Box Butte Avenue. This would be specifically important if the City Hall is relocated at First and Box Butte. The cost for this project is estimated to be \$2.0 Million.

The issue that we have not contended with is the police issue. If we are pursuing an Arts Center approach, can the Police Station be moved to the Municipal Building? They seem to be somewhat incompatible spaces at this point, but perhaps it can work.

Do we move the Police Department into the new City Hall and if so, what does that do to the cost?

Do we work with the County Commissioners to address the issues at the Law Enforcement Center?

BONDING:

If the City were to long term finance (Bond) the improvements discussed, it would require \$6.0 Million.

\$2.5 Million for new City Hall

\$1.5 Million for renovation of the Municipal Building

\$2.0 Million for Streetscape

The attached debt service schedules are based on the current market conditions and reflect a payment for the \$6.0 Million between \$380,000 over 25 years and \$440,000 over 20 years.

How would the City propose to pay this debt service?

- *The Capital Improvement Monies of the Sales Tax generates between \$250,000 and \$300,000 per year.*
- *A \$.05 Bond Levy would generate approximately \$150,000 per year.*
- *Nebraska LB 562 could be adopted to pass on to the users of the Arts Center and A-2 Improvement District. The Occupation Tax which could function as an additional sales tax and provide revenue to assist in the retirement of the bonds. It is unknown how much this Occupation Tax could generate, but it would assist in the efforts to repay the bonds by the organizations that were benefitting from the projects.*

QUESTIONS TO BE ANSWERED:

1. *Is City Council interested in pursuing the Arts Center as an alternative use for the Municipal Building?*
2. *Is City Council interested in building a new City Hall?*
3. *Is City Council interested in bonding the Streetscape Project on Box Butte Avenue?*
4. *Is City Council interested in pursuing a bond levy to support this project in November?*
5. *Is City Council interested in pursuing LB 562 to support the project?*
6. *What do we do with the Police Department issues?*

WHAT NEXT?

Depending on the answers reached above, what dialogue do we need to have with Chadron State College?

Do we need to do a more complete architectural design of a City Hall so we have better cost estimates?

Do we want to begin discussions with the A-2 Improvement District to structure an LB 562 program for repayment of bonds for Box Butte?

Do we pursue the bond approval before having these answers?

How long will it take to get these answers?]

City Manager Caskie stated there were three issues of public concern which were revealed in the survey following last year's special meeting regarding the Municipal Building.

1. The desire to maintain the Municipal Building as a public gathering spot.
2. The economics of a new facility.
3. Not understanding the concerns with not meeting ADA requirements.

She also stated the survey disclosed a strong desire to keep City Hall in the downtown area, and maintain a drive-up window. At the present time there has been an expression to discuss the possibility of utilizing the current Municipal Building as an Art Center in conjunction with Chadron State College.

Mayor Kusek stated if the Municipal Building is not to be used as City Hall, we need to be prepared to pay for improvements necessary prior someone else's use. If the building were renovated for City Hall any use for public/community open space would be lost. Then there is the question of the future use of the 1st Street and Box Butte Avenue property. Mayor Kusek would like to see downtown be the heart of our community. A streetscape plan has been prepared for our downtown area which he would like to see developed. Funding sources could include LB 840 Funds, sales tax income as well as other sources.

Vice Mayor Benzel asked why we can't just build a bathroom for the Municipal Building? City Manager Caskie stated even that will not meet ADA requirements. Councilwoman Rowley asked about the cost of our heating bills. City Manager Caskie responded in the winter months between \$5,000 to \$6,000. She then asked what the total maintenance costs are? City Manager Caskie stated she did not have the exact figures available, but stated the building has not been maintained at optimum levels.

Councilman Dickenson expressed a desire to postpone any action on this matter as he was very uncomfortable with putting the citizens in \$13,000,000 in debt which includes the water project. He would prefer to wait until we get the answers on the water arsenic problem and determine the amount of that project.

City Manager Caskie explains the difference between revenue bonds and general obligation bonds. The City currently has about \$5,000,000 to \$6,000,000 in debt mostly in the Electric Department.

City Manager Caskie explained she would like direction from Council and where to go from this point. She would recommend money be placed in the upcoming budget for architectural drawings of a new City Hall to get an accurate cost estimate. If we were to pursue a new City Hall right now, we would not look at breaking ground until the Spring of 2010 at the earliest.

Mayor Kusek supports taking time and looking at a new City Hall at 1st Street and Box Butte Avenue and renovating the current Municipal Building for a future occupant. He asked if the current Municipal Building could be placed on the National Historic Register and be eligible for grants? Can LB 840 funds be used for architectural work?

City Manager Caskie asked Council if they would like her to pursue the level of interest in renovating Municipal Building into an arts center. If a viable interest is expressed, then look at a new City Hall.

Donna Dufek, 607 Newberry Avenue, asked if bonds are being used for a new building and will the citizens get to vote on this project. City Manager Caskie stated a general obligation bond would require a vote of the public. Mayor Kusek stated if Council could find a means to fund the project without raising property taxes, Council could probably move the project forward without a public ballot.

Leo Tritle, 1829 Emerson Avenue, stated no matter what we do, we are still going to have the Municipal Building and what would the demolish costs be?

Sheila Walker, 1031 Sweetwater Avenue, stated with the problems of the existing Municipal Building, who in their right mind would like to utilize the facility? If it is not good enough for the City, how would it be good enough for someone else. Will any existing empty building work such as Alco, or the abandoned lumber company for a new City Hall?

City Manager Caskie stated the remodeling of the Municipal Building for a City Hall will be

double the costs than for private use. The citizens have an overwhelming desire to maintain a City Hall in the downtown “heart” of the City.

Mayor Kusek stated Alliance is dying and we need to do something now to ensure our future. In his State of the City report in December he talked about the “Buffalo Commons” in which a study suggested that the plains, which included Western Nebraska, would become de-populated and should be taken over by the Federal Government. He stated, “although part of the predictions have come true, we can work to prove them wrong. Some are even suggesting that this area will see a rebound as young families around the country will look to the plains as a great place to work and live and raise their families in less stressful areas than the east and west coasts. Alliance continues to work to position ourselves for this possibility”.

Mayor Kusek stated currently the only vacant building in the downtown area that he was interested in to be considered for a City Hall would be the old Dobson Building. City Manager Caskie responded by stating that building has been considered and there are several issues which won’t work such as parking.

Rich Otto, 1203 Box Butte Avenue, commends the City for wanting to maintain a downtown presence. What level of priority does the City Hall building have in relation to other projects. Mayor Kusek stated his first priority would be the renovation of downtown, second would be a new City Hall and third would be the renovation of the Municipal Building. Rich would like to see the City do one project at a time. He state the current Municipal Building is not being used to its full potential.

John Olafson, BBDC Executive Director, stated he works with the workforce and would like to see the project be a public/private venture such as a mini convention center. He believes the project should be looked at from an income aspect instead of an expense standpoint.

Claudia Benda, 113 West 21st Street, commented there is a great deal of sentiment in the Municipal Building, but our society has changed and we don’t have community dances, and athletic events are now held at the YMCA. We need to look at future uses and needs and not what was done in the past.

Bob Neville, 1020 Laramie Avenue, state he has lived in Alliance eleven years, has two children, and we need a viable downtown for his future and his children. His future plans are to refurbish the upstairs of his downtown building. He wants Alliance to flourish not die. He commends Council, Pam and staff for looking towards our future. He wants to encourage people to be part of the solution not part of the problem.

City Manager Caskie asked Council to confirm the direction she is to undertake: staff is to pursue an arts center for the future use of the Municipal Building, obtain accurate costs for a City Hall and streetscape project. Have a dialog with the Downtown Improvement Districts regarding the streetscape project. Prepare a timeline which includes future steps for Council’s consideration. All five Councilmembers stated affirmatively to City Manager Caskie’s summary.

Mayor Kusek would also like staff to have a dialog with the Box Butte County Commissioners on problems with the law enforcement center; visit with not only Chadron State College but WNCC regarding the arts center; research the possibility of a Historic designation for the Municipal Building; determine the City's ability to use LB840 funds for these projects; and work with Main Street for available funding sources.

Mayor Kusek thanked everyone for their attendance and participation.

- The last item on Council's agenda was an Executive Session for the purpose of discussing a potential pending litigation.

Mayor Kusek motioned pursuant to Section 84-1410 Reissue Revised Statutes of Nebraska 1943 that the Alliance City Council hold a closed session for the purpose of discussing a potential pending litigation. The motion was seconded by Councilman Dickenson.

Roll call vote with the following results:

Voting Aye: Kusek, Dickenson, Benzel, Rowley, Yeager.

Voting Nay: None.

Motion carried.

The closed session began at 6:05 p.m. and ended at 6:43 p.m. No action was taken by Council.

- Mayor Kusek stated, "there being no further business to come before the Alliance City Council, the meeting is adjourned at 6:45 p.m."

Dan Kusek, Mayor

(SEAL)

Linda S. Jines, City Clerk