



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** March 24, 2022

**STATEMENT OF ISSUE:** Consider adopting a resolution in support of assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for the School District's program and facility consolidation

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

At the last GREDA meeting, staff briefed the Commissioners on recent conversations with the School District regarding their desire to remodel the former Southwest Elementary School for a combination of the Area Learning Center, Community Education and the Districts Administrative and Business offices.

According to the School District, the condition of the vacant Southwest School is superior to the existing Administration building or the vacant Murphy Elementary School. The project would allow them to move away from leasing private facilities for the Area Learning Center and Community Education as well as consolidate their facilities by potentially transferring the Administration building property to another entity for an alternative use such as housing.

The School District requested legislation to allow them secure \$2.0M of State bonding for this \$4.0M project. This legislation was introduced as HF 4037 and SF 3734, but providing state bonds to a school district was seen as a problematic precedent for the Legislature.

The concept that would possibly be more palatable to the legislature would have GREDA receive the State bonding. Furthermore, under this scenario, title to Southwest School would be transferred to GREDA, who would fund the matching funds for the project by issuing their own lease revenue bonds. The School District would lease back the facility from GREDA under a lease/purchase agreement, with that income retiring the lease revenue bond debt over a period of ten or more years.

The timeline for amending the originally introduced legislation to enable GREDA to be the recipient of the requested State bonding is very compressed and a resolution of support from GREDA is needed for prior to an amended bill being referred to legislative committees.

If GREDA is in support of working toward this type of collaboration for this project, and if amended legislation were to pass and award funds to GREDA, GREDA and the School District would have up to five years to work through the details of this before the state funding would lapse.

Superintendent Matt Grose will attend the GREDA meeting to answer questions and present the School District's perspective. GREDA's fiscal consultant, Rebecca Kurtz from Ehlers will also attend virtually.

**RECOMMENDATION:**

Discuss and consider adopting a resolution in support of assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for the School District's program and facility consolidation.

**REQUIRED ACTION:**