



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: April 7, 2022

STATEMENT OF ISSUE: Reconvene consideration of 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 and approve the cover letter to be submitted with it to the ISD #318 Board of Education.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

At the March 31 meeting, GREDA discussed a recent revision to the general structure of the proposed collaboration with ISD #318, which involved:

- The ownership of the renovated Southwest School building would be separated between administrative and classroom functions through a condominium plat.
- The \$2.0M of State Bond funds, if the proposed legislation were approved, would be provided to a Joint Powers Board (JPB) to be formed through a Joint Powers Agreement between GREDA and the School District.
- The JPB would be the owner of that portion of the building used for administrative purposes, and the JPB would use State Bond funds to renovate that space.
- The School District would own the other portion of the building and grounds and would use other funds available to the District to fund the renovation of those spaces.
- With this funding structure, is not necessary for GREDA to issue any bonds or incur any debt, direct or indirect expense for the project.
- The rules and statutes that govern the use of State Bond funds for improvements to public buildings will require that the JPB be the owner, operator and lessor of the administrative portion of the building for a time period equivalent to 125% of the useful life of the State Bond funded improvements.

GREDA understands that there are a lot of details to be worked out between the School District, the State Office of Management and Budget and GREDA, should GREDA agree to move forward and if this special legislation is passed. Without those details, GREDA felt it should consider a cover letter to be sent to the School Board along with the resolution, should it be approved. Staff, with the assistance of our attorney, have prepared a draft of that letter.

RECOMMENDATION:

Reconvene consideration of 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 and approve the cover letter to be submitted with it to the ISD #318 Board of Education.

REQUIRED ACTION: