



Meeting Agenda of City Council Special Meeting  
Council Chambers  
100 E First Street  
June 18, 2024 7:00 PM

**1. CALL TO ORDER**

This is an open meeting of the Grand Island City Council. The City of Grand Island abides by the Open Meetings Act in conducting business. A copy of the Open Meetings Act is displayed in the back of this room as required by state law. The City Council may vote to go into Closed Session on any agenda item as allowed by state law.

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. SUBMITTAL OF REQUESTS FOR FUTURE AGENDA ITEMS**

Individuals who have appropriate items for City Council consideration should complete the Request for Future Agenda Items form located at the Information Booth. If the issue can be handled administratively without Council action, notification will be provided. If the item is scheduled for a meeting or study session, notification of the date will be given.

**5. RESERVE TIME TO SPEAK ON AGENDA ITEMS**

A sign-up sheet was available in the lobby for individuals wishing to provide input on any of tonight's agenda items. If you did not sign up to speak on an agenda item, please come forward, state your name and the agenda topic on which you will be speaking on.

**6. RESOLUTIONS**

- a. Good Life District Economic Development Program Election

**7. ADJOURN**



## **AGENDA MEMO**

**To:** The Mayor and City Council

**Agenda:** City Council Meeting

**Date:** June 18, 2024

**Item #:** 6.a.

**Subject:** Good Life District Economic Development Program Election

**Staff Contact:** Laura McAloon

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**BACKGROUND:** On December 19, 2023 the City Council approved Resolution No. 2023-329 at the request of Woodsonia Real Estate, Inc., stating the City's support of the filing of an application with the Nebraska Department of Economic Development (DED). Woodsonia's application to DED requested the State's approval of a Good Life District in the northwest area of Grand Island, generally covering an area along Highway 281 from 13th Street to Capital Avenue and largely undeveloped land from the intersection of Capital Avenue and Webb Road to the intersection of Highway 281 and Broadwell Avenue (Eagle Scout Lake). Woodsonia's application was formally approved by DED on June 5, 2024 and the Department of Revenue (DOR) notified the City that the state's sales tax rate of 5.5% will be reduced on October 1, 2024 to a rate of 2.75% within the area of the Good Life District (GLD) included within City limits. The map of the approved GLD boundary that the City received from DOR is included in this packet. The GLD and the related reduction of the state sales tax rate is expected to exist until June 2054.

### **What is a Good Life District and Why Will the State's Sales Tax Be Reduced?**

In 2023, the Legislature decided to lower its sales tax rate in Good Life Districts to promote and develop the economy of the State and its communities, and believed that lowering its sales tax rate would provide support for unique Nebraska projects that will attract new industries and employment opportunities and further grow and strengthen Nebraska's retail, entertainment, and tourism industries.

In 2024, the Legislature determined that cities were unable to effectively assist the development within Good Life Districts under existing law, so the Legislature enacted the Good Life District Economic Development Act. This legislation promotes local economic development in Good Life Districts, authorizes new sales tax and occupation tax powers for

the City that can be tailored to meet the needs of the local community and benefit the State. Without this new legislation, the Legislature determined that development within approved Good Life Districts would fall short of reaching its full potential as intended by the original legislation in 2023, and thereby result in lower sales tax revenues for the State.

**DISCUSSION:** The State's creation of a Good Life District in Grand Island creates an opportunity for the citizens of Grand Island to vote on the establishment a Good Life District Economic Development Program (Good Life EDP) within the same geographic area where the State has reduced its sales tax rate. But first, voters must weigh in on whether to allow the City to establish such a Program and impose a "replacement" local sales tax and/or occupation tax.

The 2024 legislation

authorized the City to establish a local "replacement" sales tax and/or occupation tax to recoup the eliminated state sales tax for a new Good Life EDP. The funding can be utilized for development costs anywhere in Grand Island's Good Life District. The legislation gives the City broad authority over how those funds are used locally within the Good Life District.

If approved, the City Council

may establish a Good Life EDP for the portion of the Good Life District within the City – as it exists in the attached DOR map, or as it may be expanded by DED in the future.

If the creation of a Good Life EDP is approved by the voters, the City Council could impose either or both of the following for the Program within the portion of the GLD located inside City limits:

- Local option sales tax of 2.75% (to replace the sales tax given up by the State).
- Occupation taxes, similar to the occupation tax approved for the former Conestoga Mall.

These sales and/or occupation taxes are in addition to the City's local option sales tax, which will not be reduced in the Good Life District. Also, the City would have the discretion to dedicate a portion of the City's local option sales tax collected in the Good Life District if determined beneficial to the City.

The Program tools and authority given to the City by the Legislature would allow the City to determine which projects are benefited by the Program, and will give the City additional flexibility for how this important Program is managed for the full 30 years of the Good Life District to benefit not only the City of Grand Island, but the State of Nebraska as well.

If the Voters approve the ballot question, the City will adopt a program ordinance to govern the Good Life EDP. The program ordinance is expected to include requirements, guidelines, and expectations for every developer and property owner to meet in order to access Program benefits. Because the Good Life District was established with certain goals of the State in mind, not every development idea or plan would be approved for benefits from the Program. The City would evaluate proposals to determine whether development ideas are consistent with the Legislature's vision for the Good Life District and the set of projects included in the application for the Good Life District, the viability of the development concept, the necessity of providing benefits for a particular project, and similar criteria for economic development and opportunity. Good Life EDP funds can be used to pay for both public and private improvements within the area of the GLD or public infrastructure that benefits the development

within a GLD.

The Legislature made sure the program being considered by the voters remains available to any property owner or developer in the Good Life District who meets the program requirements established by the City. The City would need to use the program as intended by the Legislature: to help spur the type of transformational development envisioned for the Good Life District by the State when it approved Grand Island's Good Life District.

In addition, the Legislature included language that ensures

City costs attributable to operating a Good Life EDP are payable from the voter-approved Program funds (sales tax and/or occupation tax revenues), which means property taxes or other City funds are not expected to be impacted by operating the Program being considered by voters.

If the voters do not approve the creation of a Good Life EDP, the City Council has no authority to "recapture" the State's foregone sales taxes. The State will reduce its sales tax rate by half on October 1, 2024 regardless of whether Grand Island citizens approve the creation of a local economic development program. Therefore, the combined state and local sales taxes paid by consumers within the approved Grand Island GLD will be lower than sales taxes collected by businesses located elsewhere in the City.

Based on the State's approval of a Grand Island Good Life District and the new economic development opportunities provided by the Legislature to cities with a good life district, City staff and bond counsel have prepared an election resolution for the Council's consideration. The resolution calls for a special election for August 13, 2024 to allow Grand Island citizens to vote on whether the Council should be authorized to establish a Good Life EDP within the approved boundaries of the GLD and impose local sales or occupation taxes that would recapture the State's foregone sales tax rate of 2.75% for the City's use in facilitating economic development, growth and opportunity for all property located within the GLD.

**FISCAL IMPACT:** The Department of Revenue advises that the 2023 net taxable sales within the approved Grand Island Good Life District was \$286,737,879. Based on that information, if the Grand Island Good Life District existed in 2023, the City could have recaptured 2.75% or \$7,885,292 from existing retail sales in the recently approved boundaries.

**ALTERNATIVES:** \*

**RECOMMENDATION:** The Administration recommends calling a special election to allow Grand Island citizens to vote on whether the City should be authorized to establish an Good Life District Economic Development Program within the approved Good Life District and allow the City to recapture the State's foregone sales taxes and use that revenue here in Grand Island.

**SAMPLE MOTION:** \*

**ATTACHMENTS:**

1. Resolution
2. Boundary Map

**RESOLUTION NO. 2024-141**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, TO CALL A SPECIAL ELECTION ON AUGUST 13, 2024, TO AUTHORIZE THE CITY TO ESTABLISH A GOOD LIFE DISTRICT ECONOMIC DEVELOPMENT PROGRAM IN A GOOD LIFE DISTRICT IN THE CITY OF GRAND ISLAND.**

**BE IT RESOLVED** by the City Council of the City of Grand Island, Nebraska:

Section 1. The City Council (the **“Council”**) of the City of Grand Island, Nebraska, (the **“City”**) hereby finds and determines as follows:

(a) The City has received notice that on June 5, 2024, the Nebraska Department of Economic Development (the **“Department”**) approved an application to establish a good life district for a portion of the City and the City’s extraterritorial zoning jurisdiction (the **“Good Life District”**) pursuant to the Good Life Transformational Projects Act.

(b) By establishing the Good Life District, the State’s sales tax rate will be reduced from 5.5% to 2.75% within the Good Life District for the portion of the Good Life District which is within the territorial boundaries of the City from time to time.

(c) In 2024, the Legislature enacted the Good Life District Economic Development Act (the **“Act”**), wherein the Legislature determined that municipalities in Nebraska are unable to effectively assist the development within good life districts formed pursuant to the Good Life Transformational Projects Act because of their inability under Nebraska law to raise sufficient capital to replace the State sales tax which is reduced when a good life district is established. Without an efficient replacement of such sales tax with local sources of revenue, the Legislature determined that development within good life districts will fall short of reaching the full potential intended by the Legislature when it enacted the Good Life Transformational Projects Act in 2023, resulting in lower sales tax revenues for the State. To prevent such diminished revenues for the State and to promote local economic development where good life districts exist, local sources of revenue must be established which are tailored to meet the needs of the local community and benefit the State, if the voters in the municipality determine that it is in the best interest of their community to do so.

(d) The Act allows the City to establish a Good Life District Economic Development Program for the portion of the City which is within the Good Life District (the **“Good Life District Economic Development Program”** or **“Program”**).

(e) Upon establishing a Good Life District Economic Development Program, the City may impose a local option sales tax within the Good Life District equal to the amount the State reduced its sales tax rate within the Good Life District, which would initially be 2.75%, as well as other local sources of revenue as may be determined by the City Council.

(f) No property taxes may be appropriated to the Good Life District Economic Development Program by the City, and no sales tax or occupation tax revenues sourced from outside the Good Life District may be appropriated to the Good Life District Economic Development Program. Only local sources of revenue, which is limited to local option sales tax and occupation tax, sourced from within the Good Life District may be appropriated to the Program by the City.

(g) The authority of the City to establish a Good Life District Economic Development Program and appropriate local sources of revenue to the Program pursuant to the Act is subject to approval by a vote of a majority of the registered voters of the City voting upon the question.

(h) The Act authorizes the City to call a special election pursuant to the Election Act on the question of whether to authorize the City to establish a Good Life District Economic Development Program, and that it is necessary and appropriate to call such election for August 13, 2024, in order to capture the revenues from within the Good Life District as intended by the Legislature pursuant to the Act.

(i) No election on the question of establishing a Program under the Act has been held within the City within five months prior to August 13, 2024.

**Section 2.** A special election is hereby called (the “**Election**”) and shall be held in the City on Tuesday, August 13, 2024, (the “**Election Date**”) at which there shall be submitted to a vote of the qualified electors of the City of Grand Island, Nebraska, for adoption or rejection, the following proposition:

Shall the City of Grand Island be authorized to establish a good life district economic development program for any area within the City which is included in a good life district established pursuant to the Good Life Transformational Projects Act, and shall the City be authorized to appropriate the local sources of revenue collected within such good life district program area, which may include local option sales and use taxes and occupation taxes, established pursuant to and as permitted by the Good Life District Economic Development Act; provided that the City shall not appropriate property taxes to such program, and shall not appropriate local option sales and use tax or occupation tax sourced from outside the good life district to such program?

VOTE FOR or AGAINST

- I vote FOR authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.
- I vote AGAINST authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.

Electors voting in favor of the proposition shall blacken the oval opposite the words “I vote FOR” following such proposition, and electors voting against such proposition shall blacken the oval opposite the words “I vote AGAINST” following the proposition.

*If a majority of the votes cast upon such question shall be in favor, then the governing body of the City of Grand Island shall be empowered to establish and implement a good life district economic development program and impose and appropriate the local sources of revenue upon the terms and conditions contained in the Good Life District Economic Development Act.*

**Section 2.** The City Clerk of the City shall be and hereby is authorized and directed to certify a copy of this Resolution to the Election Commissioner of Hall County not later than June 21, 2024 (which is the

eighth Friday before the Election Date), who shall determine whether to conduct the Election by mail or at polling places and other voting procedures, appoint the election officials and otherwise conduct the Election pursuant to the Election Act and as provided by law. The City hereby agrees to reimburse the Election Commissioner for the expenses of conducting the Election. As required by the Election Act, the Election Commissioner shall provide for publication of the Notice of Election in a newspaper designated by the Election Commissioner no later than forty-two (42) days prior to the Election Date.

**Section 3.** The City Clerk of the City be and hereby is directed to cause such notice and sample ballot to be published.

**Section 4.** The form of ballot and form of notice of the Election shall be substantially in the form submitted to this meeting, with such changes as determined appropriate by the City Clerk or Election Commissioner, a copy of which forms shall be made a part of the minutes. The City Clerk is hereby authorized and directed, in coordination with the Election Commissioner conducting the Election, to arrange for the publication of notices, printing of the necessary ballots for the Election and to do all other things and take all other action appropriate or necessary in order to cause said proposition to be submitted to the qualified electors of the City as above provided.

PASSED AND APPROVED THIS \_\_\_\_ DAY OF JUNE, 2024.

CITY OF GRAND ISLAND, NEBRASKA

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

NOTICE OF SPECIAL ELECTION  
CITY OF GRAND ISLAND, NEBRASKA

Public Notice is hereby given to the qualified electors of the City of Grand Island, Nebraska, that a special election has been called and will be held in the City of Grand Island, Nebraska, on Tuesday, August 13, 2024, at which there shall be submitted to the qualified electors of said City the following proposition:

BALLOT QUESTION

Shall the City of Grand Island be authorized to establish a good life district economic development program for any area within the City which is included in a good life district established pursuant to the Good Life Transformational Projects Act, and shall the City be authorized to appropriate the local sources of revenue collected within such good life district program area, which may include local option sales and use taxes and occupation taxes, established pursuant to and as permitted by the Good Life District Economic Development Act; provided that the City shall not appropriate property taxes to such program, and shall not appropriate local option sales and use tax or occupation tax sourced from outside the good life district to such program?

VOTE FOR or AGAINST

- I vote FOR authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.
- I vote AGAINST authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.

Electors voting in favor of the proposition shall blacken the oval opposite the words “I vote FOR” following such proposition, and electors voting against such proposition shall blacken the oval opposite the words “I vote AGAINST” following the proposition.

*If a majority of the votes cast upon such question shall be in favor, then the governing body of the City of Grand Island shall be empowered to establish and implement a good life district economic development program and impose and appropriate the local sources of revenue upon the terms and conditions contained in the Good Life District Economic Development Act.*

Ballots for early voting may be obtained from the Election Commissioner of Hall County, Nebraska in Grand Island, Nebraska.

**By Mail Election**

This election will be an election by mail. All registered voters residing within the City of Grand Island will receive their ballot by mail and therefore no polling places will be open for voting. Ballots will be mailed by the Election Commissioner of Hall County between July 22, 2024, and August 3, 2024. Upon receipt of the



official ballot, the registered voter shall mark it, seal the ballot in the identification envelope supplied with the ballot, sign the identification envelope, and comply with the instructions provided with the ballot.

**Voter Registration Deadlines**

The deadline to register to vote at an agency, online, with a deputy registrar, by mail or delivered by an agent is July 26, 2024. The deadline for in-person registration is August 2, 2024, by 6:00 p.m. at the Hall County Election Commissioner's Office located at 121 South Pine Street, Grand Island, Nebraska. Any voter who changes information on a current registration or registers to vote after the ballots have been mailed but before the in-person registration deadline of August 2, 2024, by 6:00 p.m., will be given a ballot at the time of registration or change.

**Ballot Return Deadline**

Voted ballots, sealed in the completed identification envelope and completed in accordance with the instructions provided with the ballot, must be delivered by mail, in person, or by an agent to the Hall County Election Commissioner's Office located at 121 South Pine Street, Grand Island, Nebraska, or placed in an official ballot drop box, and must be received no later than 5:00 p.m. on Tuesday, August 13, 2024.

BY ORDER OF THE MAYOR AND CITY COUNCIL OF SAID CITY.

**POST – in Election Commissioner’s office at least 42 days prior to election**

**PUBLISH – One time at least 42 days prior to election – Election Commissioner**

(SAMPLE BALLOT)

SPECIAL ELECTION  
CITY OF GRAND ISLAND, NEBRASKA

TUESDAY, AUGUST 13, 2024

BALLOT QUESTION

Shall the City of Grand Island be authorized to establish a good life district economic development program for any area within the City which is included in a good life district established pursuant to the Good Life Transformational Projects Act, and shall the City be authorized to appropriate the local sources of revenue collected within such good life district program area, which may include local option sales and use taxes and occupation taxes, established pursuant to and as permitted by the Good Life District Economic Development Act; provided that the City shall not appropriate property taxes to such program, and shall not appropriate local option sales and use tax or occupation tax sourced from outside the good life district to such program?

VOTE FOR or AGAINST

- I vote FOR authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.
- I vote AGAINST authorizing the City to establish a good life district economic development program and impose and appropriate local sources of revenue to such program.

Electors voting in favor of the proposition shall blacken the oval opposite the words “I vote FOR” following such proposition, and electors voting against such proposition shall blacken the oval opposite the words “I vote AGAINST” following the proposition.

*If a majority of the votes cast upon such question shall be in favor, then the governing body of the City of Grand Island shall be empowered to establish and implement a good life district economic development program and impose and appropriate the local sources of revenue upon the terms and conditions contained in the Good Life District Economic Development Act.*

**PUBLISH ONCE – Not more than fifteen nor less than two days prior to August 13, 2024 – City Clerk**

**CERTIFICATE OF FILING**

STATE OF NEBRASKA                    )  
  )  
COUNTY OF HALL                    )        ss.

I, the undersigned, the duly qualified and acting City Clerk of the City of Grand Island, Nebraska, do hereby certify that attached hereto is a true and correct copy of a Resolution of the Mayor and City Council of the City of Grand Island, calling a special election to be held in the City of Grand Island on the 13<sup>th</sup> day of August, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand officially this \_\_\_\_ day of June, 2024.

\_\_\_\_\_

City Clerk

[SEAL]

I, the undersigned, the duly qualified and acting Election Commissioner of the County of Hall, in the State of Nebraska, do hereby acknowledge receipt of the aforesaid Resolution calling a special election to be held in the City of Grand Island, Nebraska, on the 13<sup>th</sup> day of August, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand officially and affixed the seal of my office this \_\_\_\_\_ day of June, 2024.

\_\_\_\_\_

Election Commissioner,  
Hall County, Nebraska

[SEAL]

