

MEMORANDUM

To: Finance, Expenditures and Legal Subcommittee

Subject: Blair construction financing

Date: January 10, 2011

From: John Winkler, General Manager

In August, the Board of Directors approved the District's FY11 budget, including \$1,900,000 in proceeds from a five-year loan from Wells Fargo.

- **It is staff's recommendation that the FEL Subcommittee recommend to the Board of Directors that the General Manager be authorized to borrow funds from a financial institution to finance construction of the Washington County Service Center.**

Whereas, the Papio-Missouri River Natural Resources District is constructing a 10,125 square foot office building in the City of Blair, intended as a service center for the convenience of the Public in the northern portion of the District, such project (“the Project”), being constructed on a parcel of land owned by the District, and having an estimated construction cost of \$1,900,000; and,

Whereas, it is necessary that the District provide financing of the construction cost of the Project by borrowing the amount thereof pursuant to the authority provided by Sec. 2-3228(1) Neb. Rev. Stat.

Whereas, Sec.2-3252(3) Neb. Rev. Stat., provides that projects having a predominantly general benefit to a district with only an incidental special benefit, as determined by the Board of Directors, may be developed and executed using any available funds of the District, and should be financed by a District borrowing of the construction cost thereof pursuant to the authority provided by Sec. 2-3228(1) Neb. Rev. Stat. (“Each district shall have the power and authority to :.. (e) Borrow money to carry out its authorized purposes.”)

Now, therefore, be it resolved by the Board of Directors of the Papio-Missouri River Natural Resources District (1) that the Board of Directors hereby determines that the Project has a predominantly general benefit to the District with only an incidental special benefit; (2) and that the Project should be financed by borrowing the construction cost thereof from a bank within the District; and, (3) that the General Manager of the District should be and is hereby authorized and directed to (a) obtain loan proposals from at least two banks within the District; (b) execute a promissory note for and on behalf of the District with one of such banks, in the amount he determines necessary to finance the construction cost of the Project, and on such terms and conditions as he determines most favorable for the District; (c) renegotiate such borrowings in the future on such terms and conditions as he determines most favorable for the District should he determine that it would be advantageous for the District; and, (d) execute for and on behalf of the District such other and further documents, approved as to form by District Legal Counsel, as he determines necessary to effectuate such borrowing for such purpose.