

Memorandum 10-31 City Hall Legislative Grant

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MEMORANDUM 10-31

TO: Mayor Hornaday and Homer City Council

FROM: Walt Wrede

DATE: February 8, 2010

SUBJECT: City Hall Legislative Grant

At a Special Meeting on January 25th, the City Council discussed what to do with the \$1,457,758.20 which remains in the legislative grant the City received in FY 2007 for the proposed new City Hall. The grant agreement expires on June 30, 2011. A fair amount of discussion was devoted to whether the grant could simply be amended administratively through the grant administrator, the Department of Commerce, Community, and Economic Development, or if the Council would have to request a re-appropriation through the legislature.

Since that meeting, I have discussed this issue further with the grant administer. After I informed her of the alternative uses for the funds Council identified, she concluded that these uses were beyond the scope of a simple grant amendment. However, she said that there was another approach that might be preferable to seeking a re-appropriation. This approach is called a "language amendment" and she said it is commonly used in cases where the original project cannot be completed for one reason or another and the grant recipient wishes to use the remaining money for a similar or closely related project. She said that the projects identified had sufficient nexus to either City Hall or the Town Center to make this approach viable. In short, the City would simply ask the Legislature to change the grant project title from Homer City Hall to Homer City Hall Renovation and Additions, or something like that. This would be done through the 2011 Capital budget.

There are several benefits to using this approach rather than seeking a re-appropriation. It would still require the approval of the Legislature. However, a simple title change is much more likely to pass because it implies that there is a project already underway, some work has been completed, and some funds expended. It is my understanding that legislators commonly defer to the local legislative sponsors in cases like this. The existing grant stays in place but it has a different title and a different scope of work. A re-appropriation is riskier because everyone, including legislators and the Governor's office looks at it with much more scrutiny. Under this process, the old grant is abolished and the money appropriated for a new grant. As everyone knows, capital money is tight and everyone would like to latch on to any funding that is not spent or does not appear to be tied down. Senator Stevens and Representative Seaton might have a hard time keeping this money in their district.

I concluded that a "language amendment" was probably the way to go and wrote the attached resolution accordingly. However, the Council will have the opportunity to discuss this approach in detail when the resolution is on the floor. Council can also revisit the alternative projects and the priority placed on them.

When the Council asked me to draft this resolution it requested that it contain a list of alternatives as back-up to renovating the existing City Hall. I have done that but only included alternatives identified by the Council at the last meeting. Another good one for consideration might be to shift the money to Main Street. Recall that the City also has another \$2 million legislative grant for Main Street and/or Main Street Sterling Highway Intersection Improvements. Unfortunately, \$ 2 Million is not enough to do either. If this money were shifted to the Main St. project and added to the money the City already has, it might be possible to get either the intersection improvements or Main St. upgrades, or some combination of both. One potential problem with this is that the connection to either City Hall or Town Center is a bit more tenuous so the language amendment approach might not work. It might take a re-appropriation. If Council wishes though, it could certainly add this project to the list.

Related Resolutions **Memorandum - Related Resolutions:** [Resolution 10-21\(A\) Requesting Amendment of Legislative Grant Agreement from Homer City Hall to Homer City Hall and Additions](#)

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