

**INTERLOCAL AGREEMENT BETWEEN THE  
AIRPORT AUTHORITY OF THE CITY OF LINCOLN AND  
THE CITY OF LINCOLN FOR THE CONSTRUCTION OF A FIRE STATION**

This Agreement is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2006, by and between the Airport Authority of the City of Lincoln, Nebraska, a body corporate and politic, hereinafter referred to as “Authority” and the City of Lincoln, Nebraska, a municipal corporation, hereinafter referred to as the “City”.

**I.**

The Interlocal Cooperation Act, Neb. Rev. Stat. § 13-801, et seq. (Reissue 1997), provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking, which at least one of the public agencies entering into the contract is authorized by law to perform.

**II.**

The City is authorized to provide fire suppression services as a governmental service, activity, or undertaking and finds it necessary and desirable in furtherance of such governmental service, activity, or undertaking to enter into a Commercial Net Building and Ground Lease for land located in Lincoln Air Park West, Lincoln Airport, Lincoln, Nebraska, which land is under the jurisdiction of the Authority.

**III.**

The Authority and the City desire to construct a fire station and associated facilities on the leased premises and the Authority is agreeable to funding said construction up to a maximum sum of One Million Two Hundred Thousand Dollars (\$1,200,000).

**NOW, THEREFORE**, it is agreed as follows:

1. **Purpose.** The purpose of this Agreement is to assist the City in funding the construction of the fire station on the premises being leased to the City by the Authority to allow the City to properly and adequately fulfill its governmental service, activity, or undertaking of fire suppression.

2. **Administrator.** The Administrator of this Agreement on behalf of the Authority shall be the Authority's Executive Director and the Administrator of this Agreement on behalf of the City shall be the City's Fire Chief or his designated representative.

3. **Plans and Specifications; Approval; Permits.** City shall submit plans and specifications for the construction of a fire station to Authority for Authority's approval prior to initiation of construction, such approval to be acted on in a timely fashion and not to be unreasonably withheld. After Authority's approval of said plans, City shall submit said plans to City's Department of Building and Safety for their review and approval. All construction of the said fire station shall be conducted in such a manner as to not impair, interfere or interrupt any utility or other services for Lincoln Air Park West and shall comply with all municipal, state and federal codes and regulations. Construction costs shall include any costs required for the relocation of or additions to any utility services.

4. **Budget; Invoices for Reimbursement; Procedure; Maximum Reimbursement.** The Authority, through its normal budgetary process, has budgeted funds available to finance the proposed design and construction. As work is completed and invoices for work approved and certified by the City as completed and meeting contract requirements, the invoices will be submitted to the Authority and the Authority will reimburse the City an amount

equal to the approved invoice, less any retainage. Authority agrees to make payment up to a maximum sum of One Million Two Hundred Thousand Dollars (\$1,200,000.00.) It is understood and agreed that this fund will be used solely for the costs of design and construction of the said fire station and shall not include equipment other than restrooms and other such plumbing fixtures, lighting, electrical, heating, venting and standard air conditioning equipment.

5. **Construction; Supervision.** City shall supervise all construction and will insure that all work is completed in a good workmanlike manner. City agrees to pay all costs of construction in excess of One Million Two Hundred Thousand Dollars (\$1,200,000.00). If construction costs funded by Authority are less than One Million Two Hundred Thousand Dollars (\$1,200,000.00) the parties shall execute an addendum setting forth the corrected amount.

6. **Responsibility for Off-Site Improvements.** City shall pay for any and all off-site improvements directly required by the construction of the said fire station on the demised premises.

7. **Insurance.** All contractors hired by City for the construction of the said fire station and improvements shall maintain liability insurance in a minimum amount of One Million Dollars (\$1,000,000.00) that shall name the Authority as an additional insured. The contractors shall also procure and maintain, at their sole expense, a policy of Builder's Risk insurance insuring the proposed fire station in an amount equal to the contract price. The City shall submit to the Authority, at the time a contractor executes a construction contract with the City, a certificate of insurance evidencing that satisfactory coverage of the type and limit set

forth herein are in effect and that no cancellation or material changes in the policies shall become effective except upon thirty (30) days advance written notice thereof to the Authority.

All contractors shall post a material and payment bond in a sum not less than the contract price from a corporate surety company authorized to do business in the State of Nebraska, conditioned for the payment of all laborers and mechanics for labor that is performed and for the payment of material and equipment rental that is actually used or rented in erecting, furnishing, or repairing of the improvements contemplated under this contract.

8. **Improvements; Property of Authority.** Upon completion of construction, and final acceptance by the architect or engineer, the fire station (to be designated as Building No. 2370 in Lincoln Air Park West) shall be and remain the property of the Authority. City shall, upon request of the Authority, execute any documents necessary to convey to the Authority any ownership interest the City may have in the fire station free and clear of all encumbrances, and in the event of the existence of any encumbrances or liens, the City shall take all necessary steps to cause the same to be cleared or released. The fire station shall thereafter be and remain the property of the Authority, provided, however, City shall keep, maintain, and repair said fire station and improvements at its sole cost during the term of the commercial net building and ground lease entered into between the City and Authority of even date herewith. All warranties relating to the improvements shall be transferred or assigned to the Authority.

9. **New Building; Rental Payments; How Computed; Budget.** It is understood that the City has entered into a Commercial Net Building and Ground Lease with the Authority through October 31, 2037. Authority is willing to fund construction of the fire station itemized in this Agreement, due to City's commitment to this Lease. City shall reimburse Authority the sum

of One Million Two Hundred Thousand Dollars (\$1,200,000.00), plus interest at the rate of six and one-quarter percent (6 1/4%) per annum payable in an amount presently estimated to be Seven Thousand Three Hundred Eighty Eight Dollars and Sixty-One Cents (\$7,388.61), per month payable in advance on the first day of each month beginning November 1, 2007 and ending October 31, 2037. In the event that City should fail to perform the terms of the said Lease and not remain as a tenant for the entire term, then, City agrees to pay to Authority a sum equal to the balance of the unamortized principal and interest representing actual construction costs funded by Authority, amortized at six and one-quarter percent (6 1/4%) interest over thirty (30) years, (November 1, 2007 through October 31, 2037) for the term of years remaining on the said Lease. Said sum shall be paid by City no later than thirty (30) days from date of billing by Authority. City shall, through its normal budgetary procedures, budget for the payments contemplated hereunder.

Interest shall begin to accrue on any portion of the One Million Two Hundred Thousand Dollars (\$1,200,000.00) reimbursed to the City by the Authority at the time such reimbursement is made, it being understood that the period of November 1, 2006 through October 31, 2007 under the Lease and this Agreement shall be the period during which construction of the fire station is completed with progress payments being made to the contractor. On or before November 1, 2007, and upon completion of the construction contemplated hereunder, the parties shall enter into an Addendum in which the actual construction costs (reimbursement of which by the Authority shall in no event exceed One Million Two Hundred Thousand Dollars (\$1,200,000.00)) plus interest accrued during the construction period shall be determined and the

monthly amount to be paid by the City to the Authority, which shall be based upon that amount plus the interest at the rate of 6 1/4% per annum as set forth above, shall be established.

The City shall have the right, at any time, to pay in full the balance of the amount due and owing to the Authority under this Section.

10. **Breach; Acceleration of Payment.** In the event that City shall be in breach of the terms of this Agreement or the Commercial Net Building and Ground Lease, and that City shall fail to commence reasonable steps to correct such breach within thirty (30) days of receiving written notice of such breach from Authority, then Authority may elect, upon twenty (20) days prior written notice to City, to declare the entire unpaid balance of the construction costs funded by Authority, plus interest for the remainder of the term, immediately due and payable.

11. **Equal Opportunity.** In the performance of this Agreement, City and its contractors or subcontractors shall not discriminate against any employee, or applicant for employment, on the basis of race, color, religion, sex, disability, national origin, ancestry, age, or marital status.

12. **Compliance with Laws.** City shall ensure that all contractors and subcontractors comply with all laws and regulations enacted and promulgated by the United States, the State of Nebraska, or any political subdivision thereof which govern the conduct of the contractors or subcontractors during the performance of their obligations under this Agreement, and they shall be deemed to be included in this Agreement as though written out in full in this Agreement.

13. **Amendments.** This Agreement shall not be amended or modified except by written amendment executed by both parties hereto.

14. **Binding Effect.** This Agreement shall be binding upon the parties, their successors and assigns.

15. **Guaranty of Payment.** In consideration of Authority entering into this Agreement, City does hereby fully, unconditionally, and irrevocably guaranty payment under this Agreement and performance of the said Agreement and the said Commercial Net Building and Ground Lease terms, agreements, covenants and obligations as set forth therein.

16. **Duration of Agreement; Term and Termination.** This Agreement shall take effect upon execution thereof by the parties and shall remain in effect until October 31, 2037, unless sooner terminated as herein provided, and until all unamortized principal of and interest on actual construction costs funded by the Authority have been reimbursed by the City.

**IN WITNESS WHEREOF**, the parties have hereunto executed this Agreement the day and year first above written.

ATTEST:

AIRPORT AUTHORITY OF THE CITY  
OF LINCOLN, NEBRASKA

\_\_\_\_\_  
Secretary

By:

\_\_\_\_\_  
Chairman

ATTEST:

CITY OF LINCOLN, NEBRASKA

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

By:

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
William F. Austin  
Legal Counsel for the  
Airport Authority of the  
City of Lincoln, Nebraska

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF LANCASTER        )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_, Chairman of the Airport Authority of the City of Lincoln, Nebraska, on behalf of the Airport Authority.

\_\_\_\_\_  
Notary Public

STATE OF NEBRASKA            )  
  ) ss.  
COUNTY OF LANCASTER        )

The foregoing instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_, Mayor of the City of Lincoln, Nebraska, on behalf of the City.

\_\_\_\_\_  
Notary Public