



City of Waverly, Nebraska

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Mayor

William D. Gerdes

Council Members

Aaron J. Hummel

David M. Jespersen

David L. Nielsen

Abbey L. Pascoe

City Administrator

Stephanie A. Fisher

City Clerk

Human Resources Asst.

Megan K. Frye

City Treasurer

Deputy Clerk

Cheris R. Cadwell

November 16, 2024

Waverly Suburban Fire District

14001 Fletcher Avenue

Lincoln, NE 68527

Re: Letter of Intent – New Waverly Fire Station

Dear Dick Dames,

This Letter of Intent ("LOI") sets forth the understanding between the City of Waverly, Lancaster County, Nebraska, a municipal corporation ("City") and the Waverly Suburban Fire District, Lancaster County, Nebraska, a suburban fire protection district organized pursuant to Chapter 25 of the Nebraska Revised Statutes ("SFD"), regarding the construction of a new fire station (the "Project"). This LOI outlines the primary terms and conditions upon which the parties intend to negotiate and enter into a formal agreement ("Agreement") for the Project. Except as expressly set forth below, this LOI shall not be binding upon the parties.

1. Project Overview. The City and SFD intend to jointly construct a new fire station to enhance fire protection, emergency response, and related services. The Project will consist of design, construction, and operation of the new fire station to be located on parcels #2421118002000 and #2421118003000, also known as 9810 and 9820 N 135th Street, currently owned by the City and will include all necessary amenities to support fire and rescue operations.
2. Cost Sharing. The City and SFD agree to share equally the cost of the Project. Each party will be responsible for fifty percent (50%) of the total construction costs, including but not limited to design, professional services, material, labor, and other related expenses including the cost of land.
3. Ownership.
 - a. Joint Ownership. Upon completion of the Project, the building and real property (collectively, the "Fire Station") will be jointly titled and jointly owned by the City and SFD, with each holding a fifty percent (50%) interest in the Fire Station.
 - b. Repairs and Maintenance. Both parties will equally share responsibility for the costs of repairs, maintenance, and improvements of the Fire Station. Each party will be responsible for fifty percent (50%) of these costs.
 - c. Insurance. Both parties will equally share the costs of insuring the Fire Station. Insurance policies covering property damage, liability, and other relevant risks will be jointly obtained, with each party covering fifty percent (50%) of the premiums and any related costs.

- d. Option to Purchase. In the event annexation of the City is threatened or pursued by the City of Lincoln, SFD shall have the option to purchase the City's interest in the Fire Station based on fair market appraisal. The appraisal will be conducted by a qualified, independent appraiser mutually agreed upon by both parties and the fees split equally between the parties. If either party disagrees with the initial appraisal, that party may, at their own expense, obtain a second appraisal from another independent appraiser. If the two appraisals differ by more than ten percent (10%), a third appraisal will be obtained. The third appraiser will be chosen by agreement of the parties and if the parties cannot agree, then by the first and second appraisers. The third appraiser's fees shall be split equally between the parties. The value determined by the third appraisal will be final and used as the purchase price of the City's interest.

4. Budget and Financing.

- a. Estimated Cost. The estimated total cost of the Project is \$_____.
 - b. Financial Contribution. Each party will contribute fifty percent (50%) of the total cost of the Project. The City will receive a \$400,000.00 "credit" for its acquisition of the real property on which the Fire Station will be located. This credit will be applied to reduce the City's financial contribution. For example, if the total Project cost is \$1,400,000, each party's contribution would typically be \$700,000. However, the City has already put in \$400,000 of land so SFD will match that at \$400,000 - so the remaining total Project cost would be \$600,000 (\$1,400,000 - \$800,000) which would be divided between the parties so in the end, the City would contribute \$400,000 of land and \$300,000 cash and SFD would contribute \$700,000 cash. The parties will jointly issue bonds to finance the Project. The issuance of these bonds will be managed in accordance with applicable laws and regulations. The bond proceeds will be used exclusively for the Project's total construction costs. Details regarding the issuance, terms, interest rates, and repayment schedules for these financing bonds will be outlined in the Agreement.
 - c. Payment Schedule. The payment schedule for contributions will be determined and agreed upon in the Agreement.
 - d. Financing/Bonds. Each party agrees to obtain and maintain separate bonds for their respective share of the Project's cost. The bonds will ensure financial responsibility and project completion, with each party securing their own financing as required by law and agreed upon in the Agreement.
5. Project Management. The SFD will appoint the City as the "manager" of the Project. However, the Parties will cooperatively with respect to all matters relating to the Project and the following require approval by both Parties: (a) final design of the Project; (b) final estimated total cost of the Project; and (c) any change orders for the project that exceed 10 percent of the Project's construction costs.
6. Services. The parties will mutually terminate the Fire Protection and Emergency Rescue Services Agreement dated September 25, 2018, as amended, and the Agreement will outline the fire protection and emergency rescue services and related payment structures and other provisions. The City will provide volunteer fire protection and emergency rescue services and be responsible for training and operations. SFD will pay fifty percent (50%) of the City's Fire Fund budget, with payments made monthly. Any surplus or deficit at the fiscal year-end will be handled through fund transfers between the Fire and Equipment Funds. The City will manage all revenue from services, with certain accounts designated for donations and equipment. The parties will equally share the cost of repairs and maintenance of fire-related equipment. Both parties will be insured, with each party indemnifying the other from liabilities arising from their own negligence. Both

parties will cooperate and maintain transparency regarding accounts and operational matters, with regular reporting and budget planning.

7. Legal and Regulatory Compliance. Both parties agree to comply with all applicable laws, regulations, and permits required for the construction and operation of the new fire station. SFD understands that the Rembolt Ludtke LLP law firm represents the City in this matter and that SFD has the right to retain its own legal counsel for purposes of this Agreement and the Project.
8. Confidentiality. The parties agree to keep the terms and details of this LOI confidential.

Except as provided in this paragraph, which provision shall be binding, this LOI is intended solely to set forth the general terms and conditions upon which the parties hereto desire to pursue the Project, does not constitute a legally binding agreement between the parties, does not purport to be inclusive of all of the terms and conditions (material or otherwise) relating to the Project, and nothing contained in this LOI, whether stated or implied, shall impose any obligation of any kind upon the parties. Nebraska law shall govern this LOI and the Agreement (and the Agreement, if signed, will supersede and replace this LOI).

If the above-stated general terms are acceptable, **please sign and return a copy of this LOI no later than Monday, November 25th at 5:00p.m.** to the undersigned. After execution of this LOI, the City's counsel shall prepare the draft Agreement.

Sincerely,

THE CITY OF WAVERLY

By:


William D. Gerdes, Mayor

ACCEPTED AND AGREED:

WAVERLY SUBURBAN FIRE DISTRICT

By:


Richard Dames, President

BY: JOHN CATSINAS
SECRETARY/TREASURER

Date:

11/22/24