

## Reason For Public Building Commission

The Grant County Commissioners will soon be asking the voters of Grant County for their approval to build a new Jail facility. The Jail bond approval question will appear on the general election ballot on November 07, 2023. Prior to November 07, the Commissioners plan on spending a good portion of October informing the general public why this facility is needed. This information will be presented in the form of several "Town Hall Meetings" with ample time set aside for questions and answers. There will also be information mailed to voters and additional information provided on a website.

The Grant County Commissioners need to take certain steps in preparation and prior to this election. One of those steps is determining how a bond would be sold to finance a new jail if the voters approved a bond on November 07.

The first method of finance allows Counties to sell **General Obligation** (GO) bonds to finance a new Jail if it were approved after an election. However, there is a problem with this method of finance. By law, Counties cannot sell General Obligation bonds in an amount that exceeds 3 percent of the assessed value of all tangible taxable property. The current assessed value of Grant County property is \$175M. This means Grant County cannot sell General Obligation bonds for more than \$5.25M. Since the total cost of a new Jail facility exceeds \$5.25M, this method of finance cannot be used.

The second method of finance allows Counties to create a "Public Building Commission" or PBC. A Public Building Commission has the authority to sell **Revenue** bonds exclusive of the County debt restriction. Using this method, bonds can be sold for \$15.5M to finance new Jail construction. The PBC also has the authority to construct a new Jail, and upon completion, lease the facility back to the County. A short search on the internet will reveal extensive use of Public Building Commission's by many Cities and Counties in Kansas for the purpose of selling Revenue bonds and constructing projects. This is the method of finance that works best for Grant County if voters approve a bond issue for a new Jail in November. The Grant County Public Building Commission was never created for the purpose of selling Revenue bonds to construct a new jail without first seeking public approval of the project by means of an election.

The County Commissioners felt like members of the PBC needed to be elected and therefore held accountable for their actions. For this reason, the Commissioners appointed themselves as members of the Public Building Commission. We hope this clears up any confusion associated with creating a Public Building Commission and we look forward to public discussion of a new Jail project in the coming weeks.

Grant County Commissioners