



Community Redevelopment Authority (CRA)

**Wednesday, June 14, 2017
Regular Meeting**

Item B1

Minutes 5-17-17

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF May 17, 2017

Pursuant to due call and notice thereof, a Regular Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on May 17, 2017 at City Hall 100 E. First Street. Notice of the meeting was given in the May 10, 2017 Grand Island Independent.

1. CALL TO ORDER. Tom Gdowski called the meeting to order at 4:00 p.m. The following members were present: Gdowski, Glen Murray, Glenn Wilson, Krae Dutoit and Sue Pirnie. Also present were: Director, Chad Nabity; Planning Administrative Assistant Tracy Overstreet; Renae Griffiths, Billy Clingman and Brian Schultz from the Grand Island Finance Department; Grand Island City Council President Vaughn Minton; City Administrator Marlan Ferguson (arrived 4:17 p.m.); Austin Koeller of the Grand Island Independent; and members of the public.

Gdowski stated this was a public meeting subject to the open meeting laws of the State of Nebraska. He noted that the requirements for an open meeting were posted on the wall easily accessible to anyone who would like to read through them.

2. APPROVAL OF MINUTES. A motion for approval of Minutes for the April 12, 2017 meeting was made by Wilson and seconded by Dutoit. Upon roll call vote, all present voted aye. Motion carried 5-0.
3. APPROVAL OF FINANCIAL REPORTS. Clingman reviewed the financial reports for the period of April 1, 2017 through April 30, 2017. A motion was made by Murray and seconded by Pirnie to approve the financial reports. Upon roll call vote, all present voted aye. Motion carried 5-0.
4. APPROVAL OF BILLS. The bills were reviewed. A motion was made by Dutoit and seconded by Pirnie to approve the bills in the amount of \$14,080.77. Upon roll call vote, all present voted aye. Motion carried 5-0.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity provided a review of the committed projects. He said the Bosselman project on South Locust is progressing and the company has been submitting TIF receipts monthly. The Temple Lofts at the former Federation of Labor building are expected to be completed in August. Othy's Place at Third and Eddy is waiting for Vitrolite on the exterior toward the end of the year. The \$15,000 demo grant to Habitat has been turned back because the potential seller was unable to get legal title to the

property. The South Locust BID has been re-created and projects should be forthcoming. The Wing Properties facade work continues. Dean Pegg was in this week to receive approval to change the exterior paint color from one he had originally picked. Regarding the Life Safety grants, Nabity said the Hedde project is moving to an 16-apartment layout. The Federation of Labor project is nearing completion and the Peaceful Root project in the former Brown Hotel is underway. There has been no current interest on the purchasing of any CRA-owned property, Nabity said.

6. LIFE SAFETY – HEDDE BUILDING

Nabity said the owners of Hedde Building LLC have made a layout change to the project. The original plan was for 8 one-bedroom apartments and 4 two-bedroom apartments, which was approved for a \$200,000 life safety grant in October 2016. Instead, the project will have 16 one-bedroom units, which are eligible for \$240,000 of life safety grant dollars. The request is to increase the life safety grant award by \$40,000. The Hedde Building LLC is also seeking \$603,425 in tax-increment financing, as well as, a façade grant and historic tax credits. Nabity said the creation of these 16 new apartments, along with about the same number that are already done or in the works, would put the downtown well on its way toward the goal of 50 new upper-level apartments in five years, which was set by the city and downtown. Wilson asked about adequate parking. Nabity said there is lots of parking within a block distance. There are no parking requirements for downtown property owners. He said the clientele targeted for the new apartments are recent college graduates and young professionals. Some do not have cars. It's part of downtown/urban living and apartments help the downtown create a sense of place, Nabity said.

A motion was made by Dutoit and seconded by Murray to approve an additional \$40,000 for the previous Life Safety grant amount of \$200,000 – for a total grant of \$240,000 for the Hedde Building LLC. Upon roll call vote, Gdowski, Dutoit, Wilson and Murray voted aye. Sue Pirnie abstained. Pirnie and her husband are partners in Hedde Building LLC. Motion carried 4-0-1.

7. TAX-INCREMENT FINANCING REQUEST – HEDDE BUILDING

Nabity said Hedde Building LLC is seeking tax-increment financing in the amount of \$603,425, which would equate to a loan of about \$420,000 for the project. Hedde Building LLC partner and developer Amos Anson said it's a big number, but it's a massive project. The plan is to restore the building to historic standards, which makes for a tight floor plan. Anson said one-third of the building is an open area that is unrentable. Commercial property will be on the first floor, with the 16 apartments on the second and third floors. The project is also seeking historic tax credits. The historic tax credits on the state level are at risk of being cut by the Nebraska Legislature. Anson said if that cut happens, it's likely that the first floor will be used for commercial/retail space and no upper-story residential

development will occur. Gdowski asked Anson to inform the CRA if the other funding for the project doesn't come through so that the CRA resources can be re-allocated.

A motion was made by Murray and seconded by Wilson to approve Resolution 239 to give 30-day notice to the Grand Island City Council for consideration of a \$603,425 TIF contract to Hedde Building LLC. Upon roll call vote, Gdowski, Dutoit, Wilson and Murray voted aye. Sue Pirnie abstained. Motion carried 4-0-1.

A motion was made by Dutoit and seconded by Murray to approve Resolution 238 to refer to the Regional Planning Commission a redevelopment plan that utilizes a \$603,425 TIF contract to Hedde Building LLC. Upon roll call vote, Gdowski, Dutoit, Wilson and Murray voted aye. Sue Pirnie abstained. Motion carried 4-0-1.

9. RETREAT DATE AND TOPICS. Gdowski suggested the July 12 regular meeting be preceded with a retreat beginning at 2 p.m. The retreat would open with an overview of the CRA, how funds are allocated, attorney Mike Bacon would present a legislative update and Nabity and city officials would provide local input. Murray inquired about starting earlier, or having the business part of the meeting first. The group was in favor of moving the business meeting to 2 p.m. followed by the retreat.
10. APPROVE RESOLUTION TO PURCHASE/SELL REAL ESTATE.
No resolutions.
11. DIRECTORS REPORT.
Nabity reported he is getting caught up after being out of the office for eight days at the American Planning Association Conference in New York City.
12. ADJOURNMENT. Gdowski adjourned the meeting at 4:32 p.m.

The next meeting is scheduled for June 14, 2017.

Respectfully submitted
Chad Nabity
Director