



# Community Redevelopment Authority (CRA)

**Wednesday, December 13, 2017**  
**Regular Meeting**

## **Item B1**

### **Minutes**

Staff Contact: Chad Nabity

## OFFICIAL PROCEEDINGS

### MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF November 8, 2017

Pursuant to due call and notice thereof, a Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on November 8, 2017 at City Hall 100 E. First Street. Notice of the meeting was given in the November 1, 2017 Grand Island Independent.

1. CALL TO ORDER. Chairman Tom Gdowski called the meeting to order at 4:01 p.m. The following members were present: Gdowski, Glen Murray, Glenn Wilson and Sue Pirnie. CRA Member Krae Dutoit was absent. Also present were: Director Chad Nabity, Planning Administrative Assistant Tracy Overstreet, Brian Schultz from the Grand Island Finance Department, City Administrator Marlan Ferguson and Council President Vaughn Minton.

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 the Minutes for the October 18, 2017 meeting was made by Pirnie and seconded by Murray. Upon roll call vote, all present voted aye. Motion carried 4-0.
3. APPROVAL OF FINANCIAL REPORTS. Schultz reviewed the financials from October 1 to October 31. A motion for approval of the financial reports was made by Murray and seconded by Wilson. Upon roll call vote, all present voted aye. Motion carried 4-0.
4. APPROVAL OF BILLS. The bills, which included the \$185,081.25 Lincoln Pool bond, were reviewed by Gdowski. Murray questioned an \$88 bill from Lawnscape for mowing 225 S. Plum, which is not a CRA-owned property. Staff will look into the Lawnscape bill. A motion was made by Pirnie and seconded by Murray to approve the bills in the amount of \$236,749.25 (\$236,837.25 - \$88.00). Upon roll call vote, all present voted aye. Motion carried 4-0.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity provided an overview of the committed projects. He has not received word from Auto America on its façade project, although work is underway. The Federation Labor Temple is now complete and has been paid out. The Fonner Court project is underway. Othy's Place continues to wait for Vitrolite for the exterior of the building. The South Locust/Fonner Park BID landscaping project is waiting for

spring. Wing Properties is nearly complete – just waiting for column painting. The Hedde Building is awaiting state approval on the creation of a historic district. Peaceful Root is nearly completion. Kinkaider was recently approved and just getting started, Nability said.

6. INTERLOCAL AGREEMENT – HUSKER HARVEST DAYS. Nability said this is an agreement for the CRA and the City of Grand Island to enter into an agreement for the receipt and expenditure of \$2 million of public funds over the course of 10 years for improvements to the Husker Harvest Days show site. The city will forward \$200,000 a year for 10 years for the CRA to pay out to Farm Progress Companies, Inc. The CRA will forgive \$100,000 of that payment a year for every year Farm Progress has an outdoor farm show for up to 20 years. The CRA is also in first position on a lien against the Husker Harvest Days property. Wilson asked the estimated value of the land. Nability said at 400 acres valued at a minimum of \$10,000 an acre for irrigated ground would be at least \$4 million of value. Nability said an economic impact study shows the Husker Harvest Days show has an estimated \$7.5 million of impact on the Grand Island area during each show.

A motion was made by Murray and seconded by Pirnie to approve the interlocal agreement and Resolution 255. Upon roll call vote, all present voted aye. Motion carried 4-0.

7. REDEVELOPMENT CONTRACT – O’NEILL WOOD RESOURCES. The Grand Island City Council approved Resolution 2017-305 on Oct. 24, 2017 authorizing issuance of a contract to O’Neill Wood Resources for up to \$209,000 in tax-increment financing to assist with site acquisition, grading, site preparation, utility extensions and private roads for development of a construction and demolition landfill and associated buildings on 58 acres at 7100 W. Old Potash Highway at a formerly used defense site in CRA Area No. 20 in Hall County, Nebraska. Nability said because this is a formerly used defense site, the city needs to be part of the contract. Wilson commented that this development is a “significant breakthrough” for the former Cornhusker plant site. Wilson said, as a former developer himself, to land a major tenant in a large area is a big benefit toward getting more development to follow.

A motion was made by Wilson and seconded by Pirnie to approve the redevelopment contract and Resolution 256. Upon roll call vote, Wilson, Pirnie and Murray voted aye. Gdowski abstained. Motion carried 3-0-1.

8. REDEVELOPMENT CONTRACT – MENDEZ ENTERPRISES. The Grand Island City Council approved Resolution 2017-304 on Oct. 24, 2017 authorizing issuance of a contract to Mendez Enterprises for up to \$886,965 in tax-increment financing to assist with the acquisition of property, demolition and renovation of existing structures, necessary site work and installation of public utilities and street improvements to redevelop the site in CRA Area No. 6 located

along Old Lincoln Highway between Carey and Waldo avenue. Wilson asked for figures on the cost of the project and the completed value. Nabity said the cost of the project is estimated at \$6.5 million and the completed value is estimated at \$4.5 million.

A motion was made by Murray to approve the contract and Resolution 257. There was no second. Motion failed for lack of a second.

9. FAÇADE APPLICATION-MENDEZ ENTERPRISES. Nabity said the application was for \$589,000 and that he had previous discussions with Vince Mendez that the CRA has only funded a maximum of \$300,000 in the past. Nabity said the façade committee looked at the request, but postponed action until the TIF application was acted on. At the time of the façade committee meeting, the TIF application was incomplete due to needing a bank commitment letter, which arrived days after the façade meeting.

Murray said without approval of the TIF contract for Mendez, he felt that left the façade application up in the air as the two are related. Gdowski agreed.

Mendez asked to speak to the CRA. Gdowski invited him to the table. Mendez said the Grand Island City Council voted 9-1 to implement a redevelopment contract. Mendez said the project is important for Skills USA, which is important to Grand Island. He said he has eight or nine buildings in one of the worst areas of town and is trying to make it look better and train youth for the future. Mendez said he and his staff are teaching 20 kids there now. This façade grant would allow him to expand his body shop and add in welding and machine shop repair training. Ultimately he wants to redo 14 buildings and make it into a campus, which he called the Grand Island Technical Institute. A diner and SkyZone trampoline center would also be part of the redevelopment Mendez said he's spent \$50,000 on appraisal and architecture fees and needs help redoing the building. There was discussion on the school partnerships and curriculum for the institute and franchise agreements with SkyZone. Mendez said he is working on accreditation and he will be the franchisee with SkyZone to build the exterior and outfit the interior to their specifications. Mendez said he is working with Career Pathways Institute and has Grand Island Senior High School students now. Colleen Friesen of Vocational Rehab spoke in favor of the training offered now, particularly in teaching soft skills such as showing up for work on time.

Gdowski said in the interest of protecting the taxpayer, he would like more specificity in the redevelopment contract, such as call feature or liens on the property as was done with the Husker Harvest Days contract or the Grand Island Christian School contract. He suggested Article 6 on default and indemnification be looked at for additional wording.

Murray stated he felt like the CRA was micromanaging the project.

Mendez said he needs the assistance as the project is a lot of buildings. Nabity said the three buildings in Phase II have a façade total of \$137,500, which could be a phased project. Or the CRA could look at a building by building approach.

Architect Ken Frederick said \$300,000 may be the target for the façade grant ask, but Mendez has \$600,000 invested. He asked for consideration that the project is 10 buildings and it is a big bang for the buck for the CRA.

Pirnie said it's a great project, but it's almost too many buildings all at once. She asked about scaling it down. She suggested not doing the trampoline center now, as there is another trampoline center being built in the community. Gdowski suggested just focusing on the Midwest Heating and Air building for now. Gdowski said doing the project building by building is easier to get your arms around. Mendez said he applied for multiple buildings because he wants to make a campus and was told to include the big picture. Mendez said he followed the CRA's application and included what information it requested, so was frustrated about the questions now. Nabity said filling out an application is never a guarantee for approval.

Nabity said the council has authorized a redevelopment plan for the whole area and the CRA can handle that redevelopment in sections, such as building by building.

Murray said the preceding item on the tax increment financing for Mendez is tied to the façade grant.

A motion was made by Murray and seconded by Pirnie to postpone action on the façade grant until a tax increment financing contract is approved. Upon roll call vote, all present voted aye. Motion carried 4-0.

10. RECOMMENDATION – URBAN ISLAND LLC - KINKAIDER. The Regional Planning Commission approved Resolution 2018-04 at its meeting November 1. The commission found that the Redevelopment Plan for Urban Island LLC is in compliance with the Comprehensive Plan for the City of Grand Island. The redevelopment plan for CRA Area No. 1 for a Site Specific Redevelopment Plan at 320-322 N. Pine calls for redevelopment of the kitchen/party room into mixed use for six apartments and two retail tenant spaces.

A motion was made by Pirnie and seconded by Murray to forward the plan to the Grand Island City Council and approve Resolution 258. Upon roll call vote, all present voted aye. Motion carried 4-0.

11. REDEVELOPMENT PLAN AMENDMENT – TAKE FLIGHT LLC – 209 W. THIRD. Concerning an amendment to the redevelopment plan for CRA Area No. 1 for a Site Specific Redevelopment Plan at 209 W. Third. The request from Take

Flight LLC calls for redevelopment of the three-story downtown building into retail and apartment space. The plan requests \$99,200 in tax increment financing. The CRA may forward the plan to the Regional Planning Commission for review and to the Grand Island City Council to give 30-day notice of a potential development contract. Nabity said the plan is for two apartments – one on the mezzanine level and one on the second floor.

A motion was made by Pirnie and seconded by Murray to approve Resolutions 259 and 260 and forward the plan to the Regional Planning Commission and give 30-day notice to the Grand Island City Council respectively. Upon roll call vote, all present voted aye. Motion carried 4-0.

12. FIRE AND LIFE SAFETY REQUEST – TAKE FLIGHT. Nabity said the redevelopment was eligible for \$35,000 in life safety grants, which is \$20,000 for the two-bedroom apartment and \$15,000 for the one-bedroom apartment that is planned for the upper-stories at 209 W. Third.

A motion was made by Murray and seconded by Wilson to approve \$35,000 in life safety grants to Take Flight. Upon roll call vote, all present voted aye. Motion carried 4-0.

13. APPROVE RESOLUTION TO PURCHASE/SELL REAL ESTATE.  
None.

14. DIRECTOR’S REPORT. Nabity reviewed the 2018 meeting schedule. The March and July meetings may need to be moved back one week due to the Regional Planning Commission meetings being moved back one week in those months.

15. ADJOURNMENT. Gdowski adjourned the meeting at 5:44 p.m.

The next meeting is scheduled for 4 p.m., Wednesday, December 13, 2017.

Respectfully submitted  
Chad Nabity  
Director