



Community Redevelopment Authority (CRA)

Wednesday, January 10, 2018
Regular Meeting

Item B1

Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF December 13, 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 December 13, 2017 at City Hall, 100 E. First Street. Notice of the meeting was given in the December 6, 2017 Grand Island Independent.

1. CALL TO ORDER. Chairman Tom Gdowski called the meeting to order at 4:00 p.m. The following members were present: Gdowski, Krae Dutiot and Sue Pirnie. CRA Member Glen Murray arrived at 4:26 p.m. CRA Member Glenn Wilson was absent. Also present were: Director Chad Nabity, Planning Administrative Assistant Tracy Overstreet, Brian Schultz from the Grand Island Finance Department, Finance Director Renae Jimenez, 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 November 8, 2017 meeting was made by Pirnie and seconded by Dutoit. Upon roll call vote, all present voted aye. Motion carried 3-0.
3. APPROVAL OF FINANCIAL REPORTS. Schultz reviewed the financials from November 1 to November 30. A motion for approval of the financial reports was made by Dutoit and seconded by Pirnie. Upon roll call vote, all present voted aye. Motion carried 3-0.
4. APPROVAL OF BILLS. The bills were reviewed by Gdowski. A motion was made by Pirnie and seconded by Dutoit to approve the bills in the amount of \$176,949.63. Upon roll call vote, all present voted aye. Motion carried 3-0.
5. REVIEW OF COMMITTED PROJECTS & CRA PROPERTY. Nabity said the \$167,016 payment for Wing Properties will come off the committed list since the CRA just approved the payment as part of bills at this meeting. Regarding the three properties the CRA owns, Nabity said he has not heard from the Weinrichs yet on a redevelopment contract for 408 E. Second, which they were approved to purchase contingent on a redevelopment contract. Nabity said Talon Apartments may be interested in all or part of the CRA property at 3235 S. Locust. Nabity said he will present an offer on the fire lot at 604-612 W. Third later in this meeting

during an executive session. Nabity and developer Amos Anson reported that the historic district creation request for downtown has been approved by the state to assist in the historic tax credits for the Hedde Building. Anson said he will be bringing forward a redevelopment plan proposal in the next month or two. Gdowski questioned how much of the façade money has been allocated already this fiscal year. Nabity said with \$100,000 for Urban Island, \$100,000 for Hedde and \$106,000 for Staab, that is \$306,000 committed out of \$350,000 available. That leaves \$44,000 available this fiscal year, Nabity said. He said the CRA also has \$150,000 in the Other Projects line item that can be shifted to a façade project.

6. REDEVELOPMENT CONTRACT – HUSKER HARVEST DAYS. Nabity said this contract that will allow 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. First payment by the CRA will be November 1, 2018 and each November thereafter under the contract, which was approved and allowed by the city council. The mayor is also signing the contract, Nabity said.

A motion was made by Dutoit and seconded by Pirnie to approve the redevelopment contract and Resolution 263. Upon roll call vote, all present voted aye. Motion carried 3-0.

7. REDEVELOPMENT CONTRACT – URBAN ISLAND (KINDAIDER). Nabity said this contract will allow for \$164,000 in tax increment financing to provide \$115,000 toward the renovation of 320-322 N. Pine (the former Nathan Detroit's) into additional commercial space and six apartments. The project is in CRA Area No. 1. The Grand Island City Council approved Resolution 2017-338 on November 28, 20-17 authorizing issuance of the redevelopment contract to Urban Island LLC.

A motion was made by Pirnie and seconded by Dutoit to approve the redevelopment contract and Resolution 261. Upon roll call vote all voted aye. Motion carried 3-0.

8. RECOMMENDATION ON – TAKE FLIGHT LLC. Nabity said the Regional Planning Commission approved Resolution 2018-05 at its Dec. 6, 2017 meeting regarding redevelopment of the former Connie Swanson building by Take Flight Investments LLC. The commission found that the Redevelopment Plan for Take Flight 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 calls for commercial space on the first floor and two apartments in 209 W. Third utilizing up to \$99,000 of tax-increment financing.

A motion was made by Dutoit and seconded by Pirnie to approve Resolution 262 to forward the redevelopment plan to the Grand Island City Council. Upon roll call vote all voted aye. Motion carried 3-0.

9. 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. The CRA considered the contract at its November meeting and failed to get a second on the project contract. The CRA then voted to scale back the 10-building project into phases. Nabity said this proposal includes four buildings – the Midwest Heating and Air building to be renovated into a machine shop and training space, the shed to be converted into a diner, the old house to be renovated into office space and the purchase of the building at George and Carey. The creation of the Grand Island Technical Institute is no longer part of the Phase I plan, Nabity said. The Phase I tax-increment financing is for \$205,000. Nabity said there could be a Phase II and a Phase III. Murray entered the meeting at 4:26 p.m. and Nabity recapped the scaled back proposal for him. Nabity said he envisions a Phase II beginning as a separate redevelopment contract after the Phase I project is at least 90 percent completed. By phasing the project, Nabity said improvement is done a little at a time and Mendez isn't committed to doing all 10 buildings. Nabity said there will be "incremental impact" to the neighborhood as the redevelopment phases move forward.

A motion was made by Dutoit and seconded by Murray to approve the Phase I contract and Resolution 257. Upon roll call vote, there were three ayes (Dutoit, Murray and Gdowski) and one nay (Pirnie). Motion carried 3-1.

10. FAÇADE APPLICATION-MENDEZ ENTERPRISES. Nabity said the original 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, of which only \$100,000 is given in any one fiscal year. Architect Ken Frederick said the \$300,000 would cover only 20 percent of Mendez' cost for the façade. Gdowski said the CRA has \$44,000 left for this fiscal year in façade funding. Minton urged the CRA to be mindful of its budget. Dutoit inquired about taking funds out of the Other Projects line item to get the funding up to \$100,000 for this fiscal year. Mendez said he felt the CRA was sabotaging his project because he needs the full \$300,000 now and intended to apply for additional façade funds on Phases II and III. Gdowski said there is no sabotage – only that the CRA has limited resources and a budget to live within. Murray said the Midwest Heating and Air building, which Mendez called a priority, has \$209,000 of façade costs so \$100,000 will not get the project done. Nabity said the CRA already increased its façade line item this year knowing that there were several façade projects coming forward. The

CRA has gone through the bulk of those funds and could also consider taking some from Other Projects, Nabity said. Mendez said he has had to do a lot of finagling on his own funding and he would appreciate the CRA to finagle its funds on his behalf. Murray wondered about committing \$100,000 a year for three years. Gdowski said the CRA can only give what it has.

A motion was made by Dutoit and seconded by Murray to award a \$100,000 façade grant for the Phase I work for this fiscal year. That includes \$44,000 from the Façade line item and \$56,000 from the Other Projects line item. Upon roll call vote, there were three ayes (Dutoit, Murray and Gdowski) and one nay (Pirnie.) Motion carried 3-1.

11. EXECUTIVE SESSION - PURCHASE/SELL REAL ESTATE. Nabity requested an executive session to review a proposal that had been received regarding the former Ron's Transmission property at 604-612 W. Third.

A motion was made by Murray and seconded by Dutoit to go into executive session at 4:51 p.m. to discuss the possible sale of real estate. Upon roll call vote, all present voted aye. Motion carried 4-0. The CRA reconvened in the fishbowl conference room.

The CRA re-entered the council chambers at 5 p.m. A motion was made by Murray and seconded by Dutoit to return to regular session. Upon roll call vote, all present voted aye. Motion carried 4-0.

A motion was made by Murray and seconded by Dutoit to authorize Nabity to negotiate a sale contract based on a proposal from Primus Dental to construct a dental clinic at 604-612 W. Third, provided Primus and the local dentist Primus would build the clinic for can provide satisfactory financial assurances for project completion. Upon roll call vote, all present voted aye. Motion carried 4-0.

12. DIRECTOR'S REPORT.

Nabity said two attorneys are interested in purchasing the old Elk's Building at 205 W. First. However, to redevelop the building, they would need to add an elevator/and or stairwell, which would require additional space from the adjacent city-owned parking lot. Nabity said the Elk's building lot essentially follows the Elk's building footprint. Nabity discussed the possibility of the CRA acquiring ownership of the parking lot from the city, selling it to the developers and returning the sale funds to the city. Downtown developer Amos Anson said he has been hired by the attorneys to help with a redevelopment proposal. The plan now is for six to seven apartments, the attorney office space, plus additional office space to be rented out. If the attorneys cannot get some or all of the adjacent parking lot, Anson said they would need to tear down the Elk's building and build back a smaller building that would allow other on-site parking. Anson said there is enough space in the Elk's building to attract another business with 50 to 60 employees. The parking lot can be an economic development tool, Anson said.

Anson told the CRA that the city-owned downtown parking lots need about \$2 million of repairs and the city doesn't have the funding. The disrepair of the current lot adjacent to the Elk's building is a liability to the city, Anson said. But Nabity said other downtown building owners use the parking lot. Credit Management currently pays \$65 a year in lease fees to have employees use the 50 to 60 parking spaces there, Nabity said. He said the downtown parking assessments may need to be revamped. He wanted to make the CRA aware that new discussions may be forthcoming regarding city-owned downtown parking lots, their possible sale and how the CRA could assist in tying the parking lots into redevelopment.

13. ADJOURNMENT.

Gdowski adjourned the meeting at 5:36 p.m.

The next meeting is scheduled for 4 p.m., Wednesday, January 10, 2018.

Respectfully submitted
Chad Nabity
Director