



Community Redevelopment Authority (CRA)

**Wednesday, September 12, 2018
Regular Meeting**

Item B1

Minutes of the August 8, 2018 Meeting

Staff Contact:

OFFICIAL PROCEEDINGS
MINUTES OF
COMMUNITY REDEVELOPMENT AUTHORITY
MEETING OF
August 8th, 2018

Pursuant to due call and notice thereof, a Meeting of the Community Redevelopment Authority of the City of Grand Island, Nebraska was conducted on August 8, 2018 at City Hall, 100 E. First Street. Notice of the meeting was given in the August 1, 2018 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: Tom Gdowski, Glen Murray, and Glenn Wilson. Also present were: Director Chad Nabity, Planning Administrative Assistant Norma Hernandez, City Administrator Marlan Ferguson, Brian Schultz from the Grand Island Finance Department, and Finance Director Patrick Brown.

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 table easily accessible to anyone who would like to read through them.

Gdowski mentioned item #7 Redevelopment Plan Amendment for CRA Area #2 southwest corner of Locust Street and U.S. Highway 34 was pulled from the agenda at the applicant's request.

2. APPROVAL OF MINUTES.

Gdowski stated the top cost of the truck was stated in the minutes at 1.8 million. Should be 1.8 million is the total eligible expenses and 5 million is the top cost. A motion for approval of the Minutes for the *July 18, 2018* meeting was made by Murray and seconded by Wilson. Upon roll call vote, all present voted aye. Motion carried 3-0.

3. APPROVAL OF FINANCIAL REPORTS.

Brian Schultz reviewed the financials from July 1st, 2018 to July 31st, 2018. Gdowski asked about the life safety study. He stated that \$25,000 was left in the budget and 75,000 was mentioned below. Nabity clarified life safety fiscal year approved 145,000 worth of expenditures of the 200,000, 55,000 left to allocate, paid out 175,000 in life safety since Oct. 1st but some of those were from projects authorize in earlier fiscal years and could have been charged to building improvements.

A motion for approval of the financial reports was made by Wilson and seconded by Murray. Upon roll call vote, all present voted aye. Motion carried 3-0.

4. **APPROVAL OF BILLS.**

The bills were reviewed by Brian Schultz. A motion was made by Wilson and seconded by Murry to approve the bills in the amount of \$7,565.13. Upon roll call vote, all present voted aye. Motion carried 3-0.

Nabity mentioned the next meeting is on the September 12th, notification of TIF payments received from the County Treasures will be on September 10th. Revised bills for the TIF payments will be sent out after the September packet goes out.

5. **REVIEW OF COMMITTED PROJECTS & CRA PROPERTY.**

The committed projects and CRA properties were reviewed by Nabity.

Nabity explained that the Hedde Building project is expected to move forward will have contracts next month. Nabity also mentioned he has received invoices for Personal Auto but has not received proof of payment. Ken Fredrick will be helping Vince with getting the payments in. Still no movement on Othy's Place on the glass block work.

Nabity explained S Locust/Fonner Park BID work is done. The BID has been requesting bill from the vendor but has not received a bill.

Nabity noted that Urban Island/Kinkaiders finishing up, will not be done til later part of September. Will not make any payments yet and will carry over to the October meeting and will include façade and life safety.

The Hedde Building and life safety estimated completion is 2019. Nabity stated that Nielson's is moving forward with their project. Estimated finish date is early 2019. Peaceful Root will hopefully have bills for the October/November meeting. Urban Island and Take Flight will also be pushed to the beginning of the next fiscal year. The Ron's Transmissions property all the contingencies have been removed will close September 7, 2018. Nabity mentioned no one has had any interest in the South Locust property.

6. **Redevelopment Contract for Central Nebraska Truck Wash Inc. authorizing the use of Tax Increment Financing to aid in the development of a cattle pot and truck wash at 2008 and 2030 East U.S. Highway 30.**

A. Consideration of Resolution 276

Nabity explained that the Redevelopment Plan was approved by City Council. 849,420 dollars in Tax Increment Financing was approved which includes acquisition of the property, demolition, site work to prepare the property.

A motion was made by Wilson and seconded by Murray to approve Resolution 276. Upon roll call vote all, voted aye. Motion carried 3-0.

7. **Redevelopment Plan Amendment for CRA Area # 2 southwest corner of Locust Street and U.S. Highway 34 – Grand Island Hotel LLC.**

Pulled from the agenda at the applicant's request.

8. **Fire and Life Safety Grant Request 411 W Third Street (Sears Building)- Patrick O'Neill**

Nabity stated the request is for 80,000 dollars. They're doing 4 units, 2 bedroom plus units on the second floor of the old Sears Building on the west end. This would make them eligible for up to 20,000 dollars per apartment. There is 55,000 dollars left for this fiscal year. Nabity explained there is money left in other projects that could be allocated. Wilson asked if parking would be in the rear of the building. Nabity stated there is no specific area but there is parking across the street in the chamber lot. Murray asked which line item would the funding be coming out of. Are there any other needs for the 25,000 dollars. Chad suggested to authorize the 25,000 dollars with potentially at the October meeting shift that to the Life Safety. Reduce the amount of Life Safety funds by 25,000 dollars to dedicate to this project. City Council is matching those funds. Chad also noted that the budget that will be mentioned later also takes into account that 80,000 dollars was approved.

A motion was made by Wilson and seconded by Murray to approve the Fire and Life Safety Grant Request 411 W. Third Street (Sears Building). Upon roll call vote all, voted aye. Motion carried 3-0.

Gdowski noted he was voting with the affirmation there is no conflict of interest he unaware of his bank doing any financing on this project.

9. **Consideration approving Resolution 279 to enter into an interlocal agreement with the City of Grand Island for the purpose of creating an administrative entity to oversee and manage funds generated with an additional ½ cent sales tax if approved by the voters of Grand Island.**

This was done 2 years ago and would create administrative entity to oversee spending of funds generated by an additional ½ cent sales tax if it is approved by voters. If it is not approved it will not need to be created. The entity cannot be

created prior to having the authorization to collect the tax. Gdowski mentioned this has been approved in the past.

A motion was made by Murray and seconded by Wilson to approve the Resolution 279 to enter into an interlocal agreement with the City Of Grand Island for the purpose of creating an administrative entity to oversee and manage funds generated with an additional ½ cent sales tax if approved by the voters of Grand Island. Upon roll call vote all, voted aye. Motion carried 3-0.

10. Consideration of request from the Downtown Business Improvement District to form a committee to determine the feasibility of purchasing downtown properties for redevelopment.

Nabity mentioned the budget for the fiscal year 2018-2019 does not contain any funds for property acquisition. Nabity also mentioned that we will be entering the last year of the life safety program.

BID representatives believe that there are certain tools that are needed downtown. They mentioned a lot of the large buildings are being redeveloped and leaving single and 2 story buildings. They have been trying to come up with good ideas for downtown. They believe a hotel concept would make a lot of sense. A blighted property would be able to seek out a key developer. A larger entity would be able to buy more than one building. They are looking for ways to help control the real-estate downtown. Nabity mentioned talking over a number of issues with CRA and CRA staff to manage buildings.

11. Discussion on proposed Orchard Subdivision project in northeast Grand Island with developer Fred Hoppe.

Hoppe noted his business is to provide affordable housing, however cannot be done in particular with this project without the help from blighting and Tax Increment Financing. He explained that this housing project will be consist of 2 story three bedroom housing to be sold for \$180,000.00, a three bedroom ranch for about \$165,000.00 and a two bedroom ranch in the range of \$157,00.00 all with basements. Hoppe explained that the site expected to be used is in the process of have a zoning change to R-3SL. Hoppe explained the major expenses for new home construction are infrastructure and street construction cost. He noted that smaller lots would allow to for lower prices and make it affordable for a potential buyer and allows for ownership and a place to call your own. Hoppe explained that it is designed for 183 lots and that the development team has been working with the city to make it work. He explained that the design is primarily what it will look like but the way lots will be laid out may change due to the layout of driveways. The pricing with Tax Increment Financing (TIF) allows

individuals being paid \$24.00 an hour to purchase a home compared to do the project without TIF individuals would need to be paid \$35-40.00 an hour because the same homes would need to be paid for \$30,000 - \$40,000.00 more per home.

Hoppe noted that the project will be done in 3 phases, explaining that phase 1 will be 64 lots with an average cost of TIF at \$160,000- \$175,000.00 with the total cost of just over \$10,000,000.00. Phase 2 will be 60 lots with an average cost of TIF at \$160,000 with the total cost of just \$9,600,000.00. Phase 3 will be 59 lots with the total cost of just over \$9,600,000.00. Hoppe anticipates that each phase will take 3 years to complete, and noted that the project will not be done without TIF.

Consideration of approval of the 2018-2019 fiscal year budget for CRA

Nabity stated the façade grant item was proposed at \$150,000 during the July meeting He has increased that to \$200,000 after reviewing the proposed budget numbers and commitments. He added 25,000 for other projects if we need to participate in housing study project. There is \$200,000 Life Safety line. This is the last year of the life safety program. Existing committed projects will be paid off will be paid off the beginning of next year. Lincoln Pool will be paid off in 5 years. In the October meeting there will be a payment from Bosselman's for approximately \$750,000 for the TIF project that was approved on Old Potash and Webb Road. Husker Harvest Days \$200,000 will be an in and out transaction from the City and the food and beverage tax fund. This will be paid out on November 1 every year for the next 10 years.

A motion was made by Murray and seconded by Wilson to approve 2018-2019 fiscal year budget for CRA. Upon roll call vote all, voted aye. Motion carried 3-0.

13. Director's Report.

Gdowski adjourned the meeting at 5:11 p.m.

The next meeting is scheduled for 4 p.m., *Wednesday, September 12th, 2018.*

Respectfully submitted
Norma Hernandez
Administrative Assistant