



City of Grand Island

Tuesday, September 8, 2020

Council Session

Item G-1

Approving Minutes of August 25, 2020 City Council Regular Meeting.

Staff Contact: RaNae Edwards

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITY COUNCIL REGULAR MEETING

August 25, 2020

Pursuant to due call and notice thereof, a Regular Meeting of the City Council of the City of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on August 25, 2020. Notice of the meeting was given in *The Grand Island Independent* on August 19, 2020.

Mayor Roger G. Steele called the meeting to order at 7:00 p.m. The following City Council members were present: Mike Paulick, Justin Scott, Mark Stelk, Jason Conley, Vaughn Minton, Julie Hehnke, Clay Schutz, Mitch Nickerson, Chuck Haase and Jeremy Jones. The following City Officials were present: City Administrator Jerry Janulewicz, City Clerk RaNae Edwards, Finance Director Patrick Brown, Interim City Attorney Stacy Nonhof and Public Works Director John Collins.

PUBLIC HEARINGS:

Public Hearing on Request on Amendment to the Redevelopment Plan for CRA No. 25 located at 6060 W. Old Potash Highway (J & L Westward Enterprises). Regional Planning Director Chad Nabity reported in 2017, City Council declared property CRA Area #25 as blighted and substandard. The redevelopment plan proposes to authorize the use of Tax Increment Financing (TIF) for the acquisition of property and redevelopment of the property. J & L Westward Enterprises LLC owns property in this area and is proposing to develop an expansion of Webb Cutting Tools, a Grand Island Company at the Cornhusker Army Ammunition Plant. The redevelopment plan specifies that the TIF will be used to offset allowed costs for acquisition of the property. Estimated expenses are at over \$360,000 for identified expenses eligible for tax increment financing. The bond for this project would be issued for a period of 15 years and the expected TIF proceeds for the 15 year period of \$359,625. Staff recommended approval. Ron Depue, 308 North Locust Street and Neil Niedfelt, President of the Southern Power District spoke in support. No further public testimony was heard.

Public Hearing on Acquisition of Public Right-of Way for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (Melodee A. Anderson- 3515 W Old Potash Highway and R & D Investments, LLC- 120 Diers Avenue). Public Works Director John Collins reported that the Old Potash Highway Roadway Improvements; Project No. 2019-P-1 was for improvements to Old Potash Highway, as well as intersecting roadways from North Road to Webb Road. This plan included widening and reconfiguring Old Potash Highway, signal and geometric improvements at each intersection, access management throughout the corridor, and improvements to the north and south of the Old Potash Highway corridor. Improvements were needed to allow the corridor to safely handle the ever increasing traffic in this area. The property owners had signed the necessary documents to grant the property. Staff recommended approval. No public testimony was heard.

Public Hearing on Acquisition of Public Easements for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (R & D Investments, LLC- 120 Diers Avenue). Public Works Director John Collins reported that the Old Potash Highway Roadway Improvements; Project No. 2019-P-1 was improvements to Old Potash Highway, as well as intersecting roadways from North Road to Webb Road. The plan included widening and reconfiguring Old Potash Highway, signal and geometric improvements at each intersection, access management throughout the corridor, and improvements to the north and south of Old Potash Highway corridor. Improvements were needed to allow the corridor to safely handle the ever increasing traffic in this area. The property owners had signed the necessary documents to grant the property. Engineering staff of the Public Works Department negotiated with the property owner for such purchase. Staff recommended approval. No public testimony was heard.

Public Hearing on Acquisition of Public Right-of-Way and Public Easements for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (Barr None, LLC- 111 Diers Avenue). Public Works Director John Collins reported that the Old Potash Highway Improvements; Project No. 2019-P-1 was for improvements to Old Potash Highway, as well as intersecting roadways from North Road to Webb Road. The plan included widening and reconfiguring Old Potash Highway, signal and geometric improvements at each intersection, access management throughout the corridor, and improvements to the north and south of the Old Potash Highway corridor. Improvements were needed to allow the corridor to safely handle the ever increasing traffic in this area. Public right-of-way and easements were needed to accommodate the roadway improvements along Old Potash Highway. Negotiations were conducted with the property owner. After being unable to reach a mutually agreeable solution a condemnation hearing was held in Hall County Court on August 14, 2020. The appointed Board of Appraisers has issued their determination. The amount offered and the condemnation amount was \$43,200.00 Staff recommended approval. No public testimony was heard.

CONSENT AGENDA: Motion by Paulick, second by Stelk to approve the Consent Agenda. Upon roll call vote, all voted aye. Motion adopted.

Approving Minutes of August 11, 2020 City Council Regular Meeting.

Approving Re-appointment of Melissa Girard-Lemons to the Animal Advisory Board.

Approving Request from Thomas Foutch, 1933 Santa Anita Drive Unit B, Grand Island, Nebraska for Liquor Manager Designation with Riverside Golf Club, 2820 Riverside Drive.

#2020-193 - Approving Master Pole Attachment License Agreement between the City of Grand Island and USCOC Nebraska/Kansas LLC.

#2020-194 - Approving 2020 GIPD and HCSO Justice Assistance Grant (JAG) Application and MOU. Councilmember Jones abstained.

#2020-195 - Approving Purchase of 2020 1/2 Ton Transit Van for Police Department on State Contract with Anderson Auto Group of Lincoln, Nebraska in an Amount of \$24,096.00.

#2020-196 - Approving Police Services Contract with Hall County Housing Authority (HCHA).

#2020-197 - Approving Annual Agreement for Financial Software Licensing and Support Tyler Technologies, Inc. in an Amount of \$214,137.38.

#2020-198 - Approving Acquisition of Public Right-of-Way for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (Melodee A. Anderson- 3515 W Old Potash Highway and R & D Investments, LLC- 120 Diers Avenue).

#2020-199 - Approving Acquisition of Public Easements for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (R & D Investments, LLC- 120 Diers Avenue).

#2020-200 - Approving Acquisition and Payment to County Court for Just Compensation from Appraiser's Report for Public Right-of-Way, and Permanent and Temporary Easements for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (Barr None, LLC- 111 Diers Avenue).

#2020-201 - Approving Temporary Construction Easement for Old Potash Highway Roadway Improvements; Project No. 2019-P-1 (R & D Investments, LLC- 120 Diers Ave, Melodee A. Anderson- 3515 W Old Potash Highway, Mehring, Inc. - 3803/3805 W Old Potash Highway).

#2020-202 - Approving Certificate of Final Completion for Diffuser Replacement; Project No. 2020-WWTP-3 with JCI Industries, Inc. of Lincoln, Nebraska.

#2020-203 - Approving Award of Proposal for Permitting Software and Implementation with Carahsoft Technology Corporation of Reston, Virginia in an Amount of \$77,851.62 for the first year and \$49,438.62 annually for years 2-5.

#2020-204 - Approving Keno Satellite Location and Agreement for Full Circle Venue, LLC dba Infinity Lounge, 3333 Ramada Road.

RESOLUTIONS:

#2020-205 - Consideration of Approving Amendment to the Redevelopment Plan for CRA No. 25 located at 6060 W. Old Potash Highway (J & L Westward Enterprises). This item was related to the aforementioned Public Hearing.

Motion by Nickerson, second by Hehnke to approve Resolution #2020-205. Upon roll call vote, all voted aye. Motion adopted.

PAYMENT OF CLAIMS:

Motion by Minton, second by Hehnke to approve the payment of claims for the period of August 12, 2020 through August 25, 2020 for a total amount of \$6,715,888.91. Upon roll call vote, all voted aye. Motion adopted.

SPECIAL ITEMS:

CRA Budget Presentation. Regional Planning Director Chad Naby presented the budget for the Community Redevelopment Authority (CRA) for 2020-2021. Reviewed were the following:

- Blighted and Substandard Areas. There are 30 designated Blighted and Substandard Areas within the Grand Island City Limits. The City has authority to designate up to 35% of the community a blighted and substandard. Presently 22.76% of the City had been designated blighted and substandard. Council approved one blight study during the last year for 31 (Ada and Henry). The proposed study for the Conestoga Mall Area (28) was pulled for consideration by the applicant in December 2018 and does not appear there was any traction on that study.
- CRA Mission. The CRA was charged with taking action in specified areas of the community to assist in the prevention and inhibit physical deterioration (blighted and substandard conditions) thereby enhancing property values and creating incentives for private investment.
- Fiscal Resources. The CRA was requesting property tax revenues of \$700,008 including \$195,805 for Lincoln Pool Construction and Bonds and \$504,203 for all other CRA programs. The CRA was requesting the same amount of funding as was approved last year. At this point it was based on the certified valuation for 2020 the levy would be 0.02056 per \$100 valuation. The CRA was allowed a levy of up to 0.026.
- Program Funding. The CRA had the ability to assist private developers and governmental entities with the commercial, residential or mixed-use redevelopment projects throughout the City. Specific detail on projects was as follow:
 - Façade Development: For the façade development program \$200,000 had been budgeted, including grants and interest buy down. Last year the CRA funded \$220,000 of façade projects and received applications and approved this expenditure for 3 projects. It was anticipated that all three of these projects would be completed and the grants paid prior to the end of September 2020. Currently 1 project was in line for the 2021 fiscal year. No projects would be approved until after the budget was finalized. This program had been used extensively in the Downtown part of Redevelopment Area #1 but had also been used in Areas #2 and #6. It was only available in those areas that had a generalized redevelopment plan including commercial façade development.
 - Husker Harvest Days Commitments: Farm Progress, the City of Grand Island and the CRA entered into an agreement in November of 2017 to facilitate infrastructure improvements at the Husker Harvest Days site. The CRA had committed to transfer \$200,000 a year to Farm Progress for 10 years beginning in November 2018. The City had agreed to transfer \$200,000 from the food and beverage tax collections to the CRA in October of each year to cover that payment. Farm Progress made more than \$7,500,000 worth of improvements to the site and would continue to hold at least a three day event on site for the next 20 years or be subject to repayment penalties. This would be extended an additional year per the redevelopment contract due to the fact that Farm Progress was not holding a show during the 2020 year. This was the third of ten scheduled payments.

- TIF Payments: The largest portion of the CRA Budget was the payments on the TIF Bonds. These payments were funded by the tax increment created by each project. Accounts were set up by the finance department after the first payment was received from the treasurer. It was expected that the CRA would make TIF payments totaling around \$4,100,000 on all projects. The TIF line item does budget \$500,000 to accommodate new projects and the possibility that a project may need to pay off prior to the end of the bond period. There were 66 TIF projects with signed contracts and one project with an approved and unsigned contract (Paramount 9th Street) The CRA paid off the Old Walnut project and the first of Todd Enck's projects on Blake and Darr. Additional projects would be paid off during the 20-21 tax year.
- Other projects: In the blighted and substandard areas \$200,000 had been reserved for other projects. The CRA assisted in the development of property in northeast Grand Island as part of the Starostka's Fifth Street project. A grant of over \$111,000 was approved in August to pay for sewer and assessments costs against this property. The CRA purchased a portion of the bonds related to the sanitary sewer improvement district for a portion of the lots being developed by Starostka Contracting LLC. The CRA would be paid back with the TIF on the development of housing in that area. The CRA also granted \$3,000 to the Senior Center for landscape improvements along their Third Street entrance. The CRA had used this funding item in the past to fund additional façade improvement projects and to make grants to fund specific projects for the business Improvement Districts, the Grand Island Parks Department, Fonner Park, The Central Nebraska Humane Society, St. Stephens, Habitat for Humanity and other community groups for specific projects that meet the mission of the CRA.

Jay Vavricek, 2729 Brentwood Boulevard spoke in support and requested the Council to restore the tax asking dollar to 0.026 to encourage businesses to Grand Island. Mr. Nabity answered questions regarding the façade projects. He also mentioned several bills that had passed by the Legislature.

General FY 2020/2021 Budget Discussion.

Finance Director Patrick Brown presented an update on the FY2020-2021 Budgets current status. Mentioned was the revenue forecast models of prior years were no longer relevant. The revenue forecasts for the remainder of FY2020 ranged anywhere from 25% to 50% reduction in sales tax revenues with similar reductions in Fees and Services. The last four months Sales Tax Revenues had been higher than anticipated. May through August Sales Tax receipts were down 8.6% compared to last year. August Sales Tax receipts were only down 1%. Forecasted revenues for FY2020 would be approximately 1.5% or \$567,000 lower than budgeted revenues for FY2020.

Mr. Brown stated with the reduction of spending and with temporarily closing the Library and workforce reduction by 5.5 FTE's, Golf Course, Heartland Shooting Park, Island Oasis, limited Lincoln Pool attendance, and other various programs cancelled for the year, the General Fund estimated savings in expenses of \$1.5 million for FY2020.

The cash reserve percentage was forecasted at 42% with an estimated increase in cash in bank of \$1.0 million.

Mr. Brown stated going into FY2021 budget, the City was forecasting a reduction in Sales Tax revenues of 15% and reductions in Fees and Services. Department Directors were asked to reduce their operating expenses as well. Property Tax valuations for tax year 2020 increased 5.42% from \$3,231,585,947 to \$3,406,720,662. Also mentioned was not transferring \$250,000.00 of KENO funds to General Fund. Sales Tax revenues were forecasted for a 15% reduction in FY2021 but had been updated to a reduction of 11%. At the end of FY2021, the estimated cash reserves would be 36.5%.

Discussion was held concerning the amount in cash reserves.

Jay Vavricek, 2729 Brentwood Boulevard commented and asked questions about the valuation, mill levy, affordable care act funds, KENO funds, and Grand Generation funding.

ADJOURNMENT: The meeting was adjourned at 8:38 p.m.

RaNae Edwards
City Clerk