



# Community Redevelopment Authority (CRA)

**Wednesday, June 20, 2007**  
**Regular Meeting**

## **Item B1**

### **Meeting Minutes**

Staff Contact: Chad Nabity

## OFFICIAL PROCEEDINGS

### MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF June 20, 2007

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 June 20, 2007 at City Hall, 100 E First Street. Notice of the meeting was given in the June 13, 2007 Grand Island Independent.

1. CALL TO ORDER Chair Barry Sandstrom called the meeting to order at 4:13 p.m. The following members were present: Glen Murray, Lee Elliott, Sue Pirnie, Barry Sandstrom. Also present were; Director, Chad Nability; Secretary, Barb Quandt; Legal Counsel, Duane Burns; Finance Director, Dave Springer; Council Liaison, Peg Gilbert; Paul Briseno, Assistant to City Administrator; Tracy Overstreet, GI Independent; Christa Bootsma, Grand Island Chamber of Commerce; Paul Briseno, Assistant to City Administrator; Marlan Ferguson, and Board members, of Grand Island Area Economic Development Corporation; Mark Stelk, Citizen's Review Committee; Dan Lindstrom, Kearney attorney.

Chair Barry Sandstrom 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 May 16, 2007 CRA meeting was made by Elliott and seconded by Pirnie. Upon roll call vote, all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Dave Springer briefly reviewed the financial reports for the period of May 1, 2007 through May 31, 2007. He noted revenue in the amount of \$117,615 and expenses of \$2,086 for the month. The total ending cash was \$979,830. Motion by Pirnie, second by Murray, to approve the financial reports. Upon roll call vote, all present

voted aye. Motion carried unanimously.

4. APPROVAL OF BILLS. The bills were reviewed by the Authority. Motion by Murray, second by Pirnie, to approve the bills in the amount of \$6323.66. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills in the amount of \$6323.66.
5. ACCEPTANCE OF BLIGHT STUDY FROM GRAND ISLAND AREA EDC FOR PROPERTIES GENERALLY LOCATED BETWEEN LOCUST STREET AND U.S. HIGHWAY 281 AND SHIMMER ROAD AND WILDWOOD DRIVE. Marlan Ferguson from the Grand Island Area EDC spoke to the group regarding the Blight/Substandard Determination Study & General Redevelopment Study prepared by Hanna:Keelan Associates, P.C. from Lincoln, Nebraska. He reported that tax increment financing (TIF) is needed to recruit new businesses and industry to our area. He stated that numerous inquiries have been made on this property and the availability of TIF has been asked each time. Ferguson also reported that it was the opinion of the consultant that the findings of the referenced Blight and Substandard Determination Study warranted designating the Redevelopment Area as "substandard" and "blighted". As a result of that study, the GIAEDC board encouraged the CRA to support this finding and to send it forth to the City Council with a formal CRA recommendation. Members had concerns with whether this blight and substandard criteria would meet the criteria of the governing laws. Dan Lindstrom, an attorney from Kearney, expressed that the Community Development Laws were written to be liberally construed. He stated that there are different standards of blight and substandard. He made the point that this ground had been annexed by the City; consequently, it is now considered urban in character, rather than agricultural in character, because it is within the City limits. This property has no infrastructure, sewer, water or paved streets and most of what is there does not meet code. He stated that his belief is that this is what the consultants were referring to when they reported that the presence of those factors existed. He said that there is no formula for the number of factors, only that they must show that those factors exist. The factors are not all there in this case; however, they hardly ever are all there. Lindstrom requested that the CRA send the Study to the Planning Commission, or the City Council, with their recommendation for this Study to be adopted; and, that this property has been

declared blighted and substandard. He stated that it was his concern that we could potentially create a situation where someone who does not like the use of TIF, or does not like a particular project, uses this as a means of saying the entire process of declaring property blighted and substandard is wrong because the CRA did not vote to go forward recommending that the Study be adopted. Duane Burns, legal counsel, was asked if there was anything in the Statute that states that the CRA needs to make a recommendation regarding this Study. Burns cited Section 18 2109, which states that CRA cannot prepare redevelopment plans unless the area has been declared blighted and substandard with City Council designation. He reported that there is nothing in the Statute that requires CRA to make a recommendation, for or against, regarding the Study.

The motion was made by Elliott, and seconded by Murray to forward the Blight & Substandard Study to the Grand Island City Council with no recommendation, either pro or con, with the intent that the City Council will give the CRA guidance for the future. Upon roll call vote, Elliott, Murray and Pirney voted aye and Sandstrom voted nay. Motion carried.

6. PRESENTATION BY CHRISTA BOOTSMA WITH THE GRAND ISLAND CHAMBER OF COMMERCE REGARDING THE LIED MAINSTREET PROGRAM AND DOWNTOWN GRAND ISLAND.

Christa Bootsma reported that Grand Island officially joined the Lied Mainstreet Program in January of 2007. She presented the group with two informational brochures. One was a sheet entitled "The Economics of Downtown Revitalization In Nebraska 1994-2006, and the other was "Why Downtown is Important To Your Community". Ms. Bootsma discussed the various committees involved, and the description of each, as well as the many aspects of the Lied Mainstreet Program.

7. DISCUSSION ON BUDGET FOR 2007-2008.

The Budget for 2007-2008 was discussed. Naby discussed a report, which outlined various expenditures and expected future expenditures. This report showed a general idea of where line items are expected to fall. Significant expenditures are still expected for this fiscal year beyond what has already been spent. A resolution will need to be approved at the July meeting, which will set a preliminary budget. The CRA tax levy was discussed. Springer and Naby recommended either leaving the levy where it is and letting the dollars collected end

up where they will, or to peg the dollars at a fixed level and set the levy accordingly. CRA members indicated they would be comfortable setting the dollars need for the budget next year at \$500,000, slightly more than this year but less than the expected gain for additional valuation and backing the levy into that figure. This should result in a slight lower tax levy.

8. REVIEW OF COMMITTED PROJECTS AND CRA PROPERTIES.

Nabity reported that the committed projects remaining totaled \$597,934. The legality of a financial issue regarding one of the committed projects was discussed. The lender for Carl Mayhew's façade project requested that Chad sign a document assuring that any payments made to this project would be made out to both the Mayhew's and their lender. Following discussion, it was determined that if legal counsel found no reason for not allowing the request from the lending institution, Nabity should sign the document. Chairman Sandstrom asked for a motion directing Nabity to sign the document from the lending institution, barring any legal issues for doing so, which requires the names of both Carl Mayhew and the lending institution on any checks issued from the CRA for this project. The motion was made by Murray and seconded by Pirney. Upon roll call vote all present voted aye. Motion carried unanimously.

9. UPDATE ON BLIGHT STUDY FOR AREA 6.

Nabity reported that he had a draft of the Blight Study. The meeting for the Blight Study for Area 6 has been set for Thursday, July 12, 2007. The consultant will make the presentation to the CRA at that time.

The South Locust, former Star Motel, property was briefly discussed. Interest in this property has been generated from the posted sign.

10. DIRECTOR'S REPORT.

Agenda items 10 and 11 were reversed in order to accommodate meeting attendees. Nabity reported that the Mayor has requested CRA participation for a demonstration on train horns on July 10, 2007 from 6 p.m. to 6:30 p.m. at Pine Street. There is a \$2,000.00 fee for this demonstration. A contribution from the CRA to help fund this could possibly be made in the name of research or professional services. It was agreed that CRA contribute \$1,000 for this demonstration. Nabity reported that he had attended a meeting regarding LB562 and stated that this may be another option for Industrial

Park as a means of financing improvements. The Bill LB562 allows for the creation of enhanced employment areas. This can be done inside, or outside, of a blighted and substandard area. It also allows for an occupation tax to be created on a specific area and does not specify what that occupation tax has to be. It can be anything that the City and the owners agree to. The owners must ask for the occupation tax, the City cannot impose it without all of the owners asking for it. General Revenue bonds can be issued and are based on an occupation tax. They can be used for public infrastructure if it is not in a Blighted and Substandard area. If it is in a Blighted and Substandard area, it can be used for the same activities for which TIF can be used.

11. DISCUSSION OF POSSIBLE PURCHASE OF PROPERTIES IN CRA DESIGNATED AREAS.

Chairman Sandstrom asked for a motion to go into Executive Session in order to discuss a CRA property. The motion was made by Pirney, seconded by Murray, to go into Executive Session. Upon roll call vote all present voted aye. Motion carried unanimously and the meeting went into Executive Session at 5:34 p.m.

Chairman Sandstrom asked for a motion to return to regular session. Elliott made the motion, and Pirney seconded the motion to return to regular session. Upon roll call vote, all present voted aye. Motion carried unanimously and the meeting returned to regular session at 5:43 p.m.

12. ADJOURNMENT. The next meeting is scheduled for July 12, 2007 at 4:00 p.m. Chair Sandstrom adjourned the meeting at 5:45 p.m.

Respectfully submitted,

Chad Nabity  
Director