



# Community Redevelopment Authority (CRA)

**Thursday, July 16, 2009  
Regular Meeting**

## **Item B1**

### **Meeting Minutes**

**Staff Contact: Chad Nabity**

OFFICIAL PROCEEDINGS

MINUTES OF

COMMUNITY REDEVELOPMENT AUTHORITY

MEETING OF

June 25, 2009

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 25, 2009 at City Hall 100 E First Street. Notice of the meeting was given in the June 18, 2009 Grand Island Independent.

1. CALL TO ORDER Chairman Barry Sandstrom called the meeting to order at 2:34 p.m. The following members were present: Barry Sandstrom, Tom Gdowski, Sue Pirnie, Lee Elliott and Glen Murray. Also present were; Director, Chad Nability; Rose Woods; CRA Attorney; Duane Burns, Finance Director, Dave Springer, Community Development Administrator's, Joni Kuzma and Barbara Quandt and Attorney, Mike Bacon.

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 27, 2009 meeting, Murray made the motion to approve the May 27<sup>th</sup>, 2009, meeting minutes and was seconded by Gdowski. Upon roll call vote, all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Springer reviewed the financial reports for the period of May 1, 2009 through May 31, 2009. He noted revenue in the amount of \$244,746 and expenses in the amount of \$21,546 for the month. Total cash was \$1,470,060. Motion by Gdowski, seconded 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 Springer. Motion made by Elliott seconded by Murray to approve the bills in the amount of \$2272.62. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$2272.62.
5. DISCUSSION OF CRA DESIGNATED AREAS AND POTENTIAL TIF DISTRICT FOR HOUSING IMPROVEMENTS. Mike Bacon presented the

possibilities, potential and pitfalls of creating a TIF district in a residential district for the express purpose of renovating a residential neighborhood. Mr. Bacon described this approach as "Bucket TIF". The CRA is creating a bucket to use to capture the increased value of an area and put that money back to work in that area to eliminate or reduce conditions that create a blighted and substandard area. Grand Island has not used the bucket TIF approach but rather has used a project specific TIF approach that put the used the increased tax base created by a project to make that particular project feasible by putting the money back into that specific project.

Questions presented to Mr. Bacon:

## **TIF**

Can we capture all of the TIF in the area? All of the TIF can be captured not just that created through specific projects but also that created by natural valuation increases or improvements that were market driven or done with grant funds.

How do we handle TIF contracts on each project? Only those projects using TIF funds would need a contract. The plan should be able to be written broad enough to allow CRA to approve contracts to spend TIF dollars for specific project just by notifying the City Council of intent to enter into a contract. It would not involve further approvals by Council or Planning Commission.

Do we need a TIF contract on each project or can we capture the funds and redirect them according to the plan either as grants, loans, interest buy downs etc....? We can capture funds on all improvements in the area. A TIF contract would be necessary to spend TIF funds on improvements in the area.

How do we distinguish between new value and increased value due to appreciation? You don't need to. It might be a good idea to try to track that though to show whether this approach works and if it causes property values to rise in the area.

Can we capture the value of appreciation if it is a result of removal of blighted elements? Yes. Any increase in valuation above the base year can be captured regardless of what led to that increase.

Can we capture the value of improvements that CRA or identified groups did not directly create? Yes

Do we have to set up a separate fund to administer these dollars through? Yes a separate fund must be set up for the administration of these dollars.

How long can that fund be maintained? How does the 15 year limit fit into this? The TIF can only be captured for 15 years. The funds can be spent until they are gone according to the approved plan. A revolving loan fund could last much longer than the TIF period.

If there are unspent dollars in the fund at the end of the project where do they go? They can still be spent on projects according to the redevelopment plan or the CRA can turn the money back over to the County Treasurer and the funds can be distributed to the taxing entities.

Can we designate an area with the intent to capture all of the tax increment created (realized) in the first 5 (or some other number) years for the full 15 year period but not collect any additional increment created between years 6 and 15? If we set it up that way are individual TIF projects available in the area? Yes the number of years can be less than 15. The project can even be terminated in the middle of the 15 year period if CRA and Council want to take that action. Once the bucket TIF district is no longer capturing funds a new project specific TIF project could be done. Also a new bucket TIF could be done. The look back period for establishing the value of the area or the project would be set based on the current valuations.

## **CDBG**

If we spend more than \$25,000 on a rehab project and CDBG funds are only \$25,000 or less do we need to abate the property? If we do projects like window replacement with other funds do we need to abate?

## **Housing**

How do we choose whether to rehab or rebuild?

How much can we pay for a structure that we intend to demolish?  
Can we pay more if we can get the whole block or ½ a block?

Can we contract with an appraiser to perform those services and charge that back to the TIF revenues?

Can we work with lenders to purchase foreclosed properties at a discount in an expedited manner? If so can we work with the lenders to allow Habitat or HDC make the purchase instead of the CRA?

If CRA purchases the property can they designate a buyer or designate a certain percentage of properties for types of buyer eg. Habitat, HDC, Private Developers?

Bacon discussed in length regarding the Bucket TIF, selecting an area that would be blighted and substandard. Bacon also discussed the lookback date involved in TIF's. Bacon also provided a copy of the TIF statutes that set forth how and what TIF dollars can be used for.

6. REVIEW OF COMMITTED PROJECTS AND CRA PROPERTY. Hall County is still moving forward Bids have been received and project should begin soon. Romsa Real Estate Center is waiting on parking and final inspections. Nothing received on BID 6 as of yet. Paul Warshauer (Masonic Temple) nothing has been done as of yet.
7. ADJOURN TO EXECUTIVE SESSION TO DISCUSS NEGOTIATIONS. No executive session needed.
8. DIRECTOR'S REPORT.  
Façade committee needed for a Façade request, needing final plans from Marv Webb on the application. Also some upcoming request from Grand Theater and Tom Ziller.
9. ADJOURNMENT.  
Chairman Sandstrom adjourned the meeting at 4:15. The next meeting is scheduled for July.

Respectfully submitted  
Chad Nabity  
Director