



Community Redevelopment Authority (CRA)

**Wednesday, February 15, 2012
Regular Meeting**

Item B1

Meeting Minutes

Staff Contact: Chad Nabity

OFFICIAL PROCEEDINGS

MINUTES OF COMMUNITY REDEVELOPMENT AUTHORITY MEETING OF January 11, 2012

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 January 11, 2012 at City Hall 100 E First Street. Notice of the meeting was given in the January 4, 2012 Grand Island Independent.

1. CALL TO ORDER. Barry Sandstrom called the meeting to order at 4:02 p.m. The following members were present: Glen Murray, Sue Pirnie, Tom Gdowski and Michelle Fitzke. Also present were; Director, Chad Nabity; Secretary, Rose Woods, Interim Finance Director Jaye Monter, Legal Council Duane Burns, Terry Galloway, Zachary Zoul and Chuyen Ngo.

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 December 14, 2011 meeting was made by Pirnie and seconded by Murray. Upon roll call vote, all present voted aye. Motion carried unanimously.
3. APPROVAL OF FINANCIAL REPORTS. Monter reviewed the financial reports for the period of December 1, 2011 through December 31, 2012. Motion was made by Murray and seconded by Fitzke 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 Sandstrom. Motion made by Pirnie and seconded by Murray to approve the bills in the amount of \$16,149.70. Upon roll call vote all present voted aye. Motion carried unanimously to approve the payment of bills totaling \$169,149.70.
5. AUDIT REVIEW WITH TERRY GALLOWAY. Terry Galloway from Almquist Maltzahn Galloway and Luth Certified Public Accountants gave his review of the CRA audit. Galloway said they used a GASB Statement No. 54 that redefined how fund balances are presented in the financial statement. He noted everything looks good and there were no issues with the audit. Motion was made by Gdowski and seconded by Fitzke to accept the audit. Upon roll call vote all present voted aye. Motion carried unanimously to approve the audit as presented.

6. CONSIDERATION OF GRANT REQUEST.

Consideration of Grant Request from Hugh M. Miner Jr. for Fonner Park. This item was pulled from the agenda and will be presented at the February CRA meeting.

7. CONSIDERATION OF A RESOLUTION 126.

Consideration of a Resolution to forward a redevelopment plan to the Hall County Regional Planning Commission for 3333 Ramada Road – Howard Johnson – (Chuyen Ngo). The CRA received a proposed redevelopment plan (the “Plan”), for redevelopment of an area within city limits of the City of Grand Island, Hall County, Nebraska.

Zachary Zoul of Hospitality Advisors Group and hotel owner Chuyen Ngo has proposed a \$1.4 million renovation of the hotel and convention center, which will include the development of a 150-seat Denny's Restaurant. "The decision by Denny's to locate in Grand Island and, in particular, along the South Locust Street corridor, is a significant expression of confidence in the community and the potential for additional business development, growth, and expansion along South Locust," Zoul said.

Ngo and Zoul requested \$524,000 of tax-increment financing and said they plan to request a \$100,000 facade grant next month.

The hotel is more than 40 years old and needs updates on plumbing, mechanical systems, a roof and an updated exterior. In the 10 years that Ngo has owned the hotel, occupancy has dipped. "It has declined in the face of increased competition," Zoul stated. "This property needs the reinvestment to sustain itself."

The hotel at 3333 Ramada Road is located at the intersection of Highway 34 and South Locust Street. It's a key intersection, the duo stated.

"This property is going to make a strong statement at this gateway that will serve as a catalyst for other development," Zoul told the CRA.

That other development could occur across the street to the east of the Howard Johnson where the CRA bought and demolished a substandard building and is now waiting to find a developer. CRA Chairman Barry Sandstrom lightly asked if Ngo would be offended if the CRA found a developer that wanted to build a competing restaurant across from him. "No," Ngo said with a chuckle. New businesses in the area would likely complement one another, he said.

CRA member Glen Murray called the project a good one that will add to South Locust Street and will benefit the entire community. Fellow member Tom Gdowski said he was concerned to learn that the hotel's valuation had dropped from \$3.1 million in 2004 to \$2 million in 2005. The reinvestment is

expected to raise the value up to \$3.6 million. He wondered how it may impact occupancy numbers.

Zoul said a similar hotel and Denny's project that he completed in Ogallala had a 50 percent increase in occupancy in 2010.

The tax-increment financing proposal will have to be reviewed by the Regional Planning Commission Feb. 4 and then must be approved by the Grand Island City Council Feb. 14 before it returns to the CRA for final approval on Feb. 15. It would allow Ngo to divert \$34,000 in new property taxes owed on the project to pay for the project loans. The property taxes on his current \$2 million value would continue to be paid and used by political subdivisions such as the city, county and school district.

Motion made by Pirnie and seconded by Fitzke to approve Resolution 126 to forward a Redevelopment plan amendment to the Hall County Regional Planning Commission for 3333 Ramada Road. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 126.

8. CONSIDERATION OF A RESOLUTION NO 127.

Consideration of a Resolution, giving Notice of Intent to Enter into a Redevelopment Contract, and approval of Related Actions 30 day Notice to City Council, for 3333 Ramada Road.

Motion was made by Murray and seconded by Pirnie to approve Resolution 127 to give notice of intent to enter into a Redevelopment Contract and approval of related Actions 30 day notice to City Council, for 3333 Ramada Road. Upon roll call vote all present voted aye. Motion carried unanimously to approve Resolution 127.

9. REVIEW OF COMMITTED PROJECTS & CRA PROPERTIES.

Nabity briefly reviewed the Committed Projects. The first phase of the Wayside horns will be completed this winter. CRA should expect bills within the next few months. The Grand Façade is still moving forward; they have all their permits and have started the construction they are looking to finish this spring. The downtown BID is still moving forward as the first project the POW Memorial is completed and the bill was paid this month. Primitive Touch Antique Warehouse work is progressing.

10. DISCUSSION CONCERNING PURCHASE/SALE OF REAL ESTATE.

No discussion.

11. APPROVE RESOLUTION OR RESOLUTIONS TO PURCHASE/SELL PROPERTY.

12. DIRECTORS REPORT.

13. ADJOURNMENT.

Sandstrom adjourned the meeting at 5:00 p.m.

The next meeting is scheduled for February 15, 2012 at 4:00 p.m.

Respectfully submitted
Chad Nabity
Director