



# Community Redevelopment Authority (CRA)

**Wednesday, November 14, 2012**  
**Regular Meeting**

## **Item G1**

### **Masonic Temple Life Safety Discussion**

Staff Contact: Chad Nabity

November 7, 2012

From: Chad Nabity, AICP Director

To: CRA Board

Re: Life Safety Improvements – Masonic Temple Building.

### **Overview**

Enclosed you will find a copy of an application on the Façade Improvement Application for life safety improvements at the Masonic Temple.

Amos Anson, representing Anson Investment and Development, has submitted an application requesting CRA funding for life safety improvements in the Masonic Temple building. Mr. Anson is aware that the CRA does not currently have money budgeted to make either grant or a loan to a project of this magnitude.

The Masonic Temple is an iconic building in Downtown Grand Island and it does present some special challenges for redevelopment. It is appropriate for the CRA to enter into discussions with the owner(s) of the building regarding how to go about redeveloping the property. The full request based on current estimates is just over \$261,000 to meet the basic life safety requirements as suggested by the Masonic Temple study conducted for the former property owner for the first four floors of the buildings. The Grand Island Building department has indicated that the first four floors could be redeveloped with these safety features and that the upper floors wait for improvement if those floors were left vacant. This will allow for some phased development of the building.

The enclosed application is making requests outside of the normal business model for the Grand Island CRA. This includes requests:

- that the CRA make the grant and provide funding up front instead of on a reimbursement basis
- that the CRA place a lien in first position on the building in exchange for the upfront funding

In further discussions with Mr. Anson, regarding the funding available or more specifically not available during this fiscal year he proposed that a portion of the work could be done in this year with additional work to be done in following

years. The CRA did designate \$50,000 within the budget for other projects. This would qualify as one of those "other projects". A portion of that money could be designated toward this project. If that designation were made it would be possible for Anson Investment and Development to begin work on the life safety issues, at least some of the initial demolition work, which could in turn help them market the building.

All of the improvements, life safety, remodeling etc... that are necessary to rent and redevelop this building are eligible for TIF. This is a significant and long term project for the Downtown. I believe that it is in the best interest of the City and of the Downtown to work with the developer in some manner to move this project forward.

The CRA could appoint a committee to work with the developer on developing a TIF application and financing package that would ultimately restore and renovate this building.



*Life safety*

## **Facade Improvement Program Application**

### **Project Redeveloper Information**

- I. Applicant Name: Anson Investment & Development (AID)  
Address: 217 N Locust 1703 W 17<sup>th</sup>  
Telephone No.: 391-0934  
Contact: Charles Anson
- II. Legal Street Address of Project Site: 217 N Locust
- III. Zoning of Project Site: Commercial
- IV. Current and Contemplated Use of Project: Commercial & Residential
- V. Present Ownership of Project Site: AID
- VI. Proposed Project: Describe in detail; attach plans and specifications:  
see Attached  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- VII. Estimated Project Costs
- Acquisition Costs:
- A. Land \$ -
- B. Building \$ -

Construction Costs:

A. Renovation or Building Costs Attributable  
to Life Safety ~~Facade~~ Improvements (attach detail):

\$ 261,325

B. Other Construction Costs:

\$ 670,000

**VIII. Source of Financing:**

A. Developer Equity:

\$ 60,000

B. Commercial Bank Loan:

\$ \_\_\_\_\_

C. Historic Tax Credits:

\$ \_\_\_\_\_

D. Tax Increment Assistance:

\$ \_\_\_\_\_

E. Other (Describe \_\_\_\_\_)

\$ \_\_\_\_\_

**IX. Name & Address of Architect, Engineer and General Contractor:**

see attached  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**X. Project Construction Schedule:**

A. Construction Start Date: ASAP

B. Construction Completion Date: 6 months

**Financing Request Information**

**I. Describe Amount and Purpose for Which Façade Improvement Program Funds are Requested:**

see attached  
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**II. Statement Identifying Financial Gap and Necessity for use of Façade Improvement Program Funds or Proposed Project:** see attached

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**III. Application of Grant Funds:**

261,325 Grant to Redeveloper; or  
Interest Rate Buy-Down

Post Office Box 1968  
Grand Island, Nebraska 68802-1968  
Phone: 308 385-5240  
Fax: 308 385-5423  
Email: cnabity@grand-island.com

**VI Proposed Project:**

Install a second staircase and fire sprinklers from the basement to the fifth floor. A sprinkler company will be hired to design and install the fire sprinkler system, making provisions for development at a later date on the sixth and seventh floor. The staircase will be designed to fit into the inside of the structure and will meet all of the City Of Grand Island's current codes. There will be 14' x 9' openings cut through the floors of one, two, three, four and five. The structural loads will be picked up by 8" block and non structural walls will be constructed of steel studs and two layers of drywall on each side along with 2 hour rated fire doors. The stairs will be constructed of non combustible building materials. A continuous steel handrail will be fabricated and installed by a local welding company. The project includes hiring an engineer to check the structural implications of cutting the 14' x 9' openings in the floor. As we are not changing the occupancy of the building at this point, so there is no need for an architect at this time.

**IX Name and address of Engineer and General Contractor:**

Structural engineer: Scott Burney with Olsson Associates

GC: FAmos Construction Inc.

<b>Permits, Insurance,</b>	
<b>Interest</b>	\$ 6,000
<b>Demo</b>	\$ 8,815
<b>Materials</b>	\$ 44,033
<b>Carpentry</b>	\$ 46,020
<b>Block</b>	\$ 22,576
<b>Electric</b>	\$ 21,395
<b>Professional services</b>	\$ 5,400
<b>Fire sprinklers, Service</b>	\$ 73,000
<b>Contractor Fee</b>	\$ 34,086
<b>Total</b>	\$ 261,325

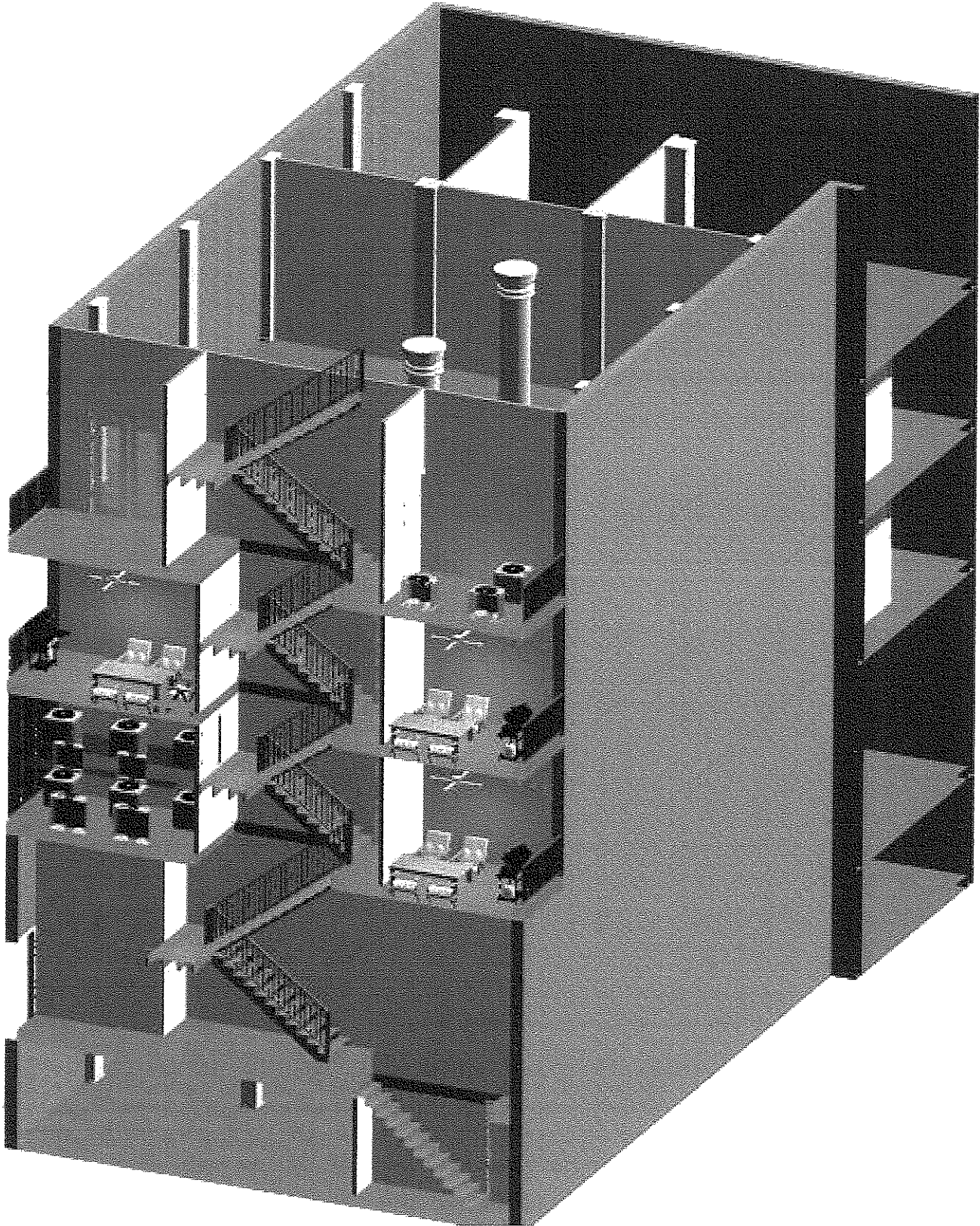
**I Amount and purpose for which life safety program funds are requested:**

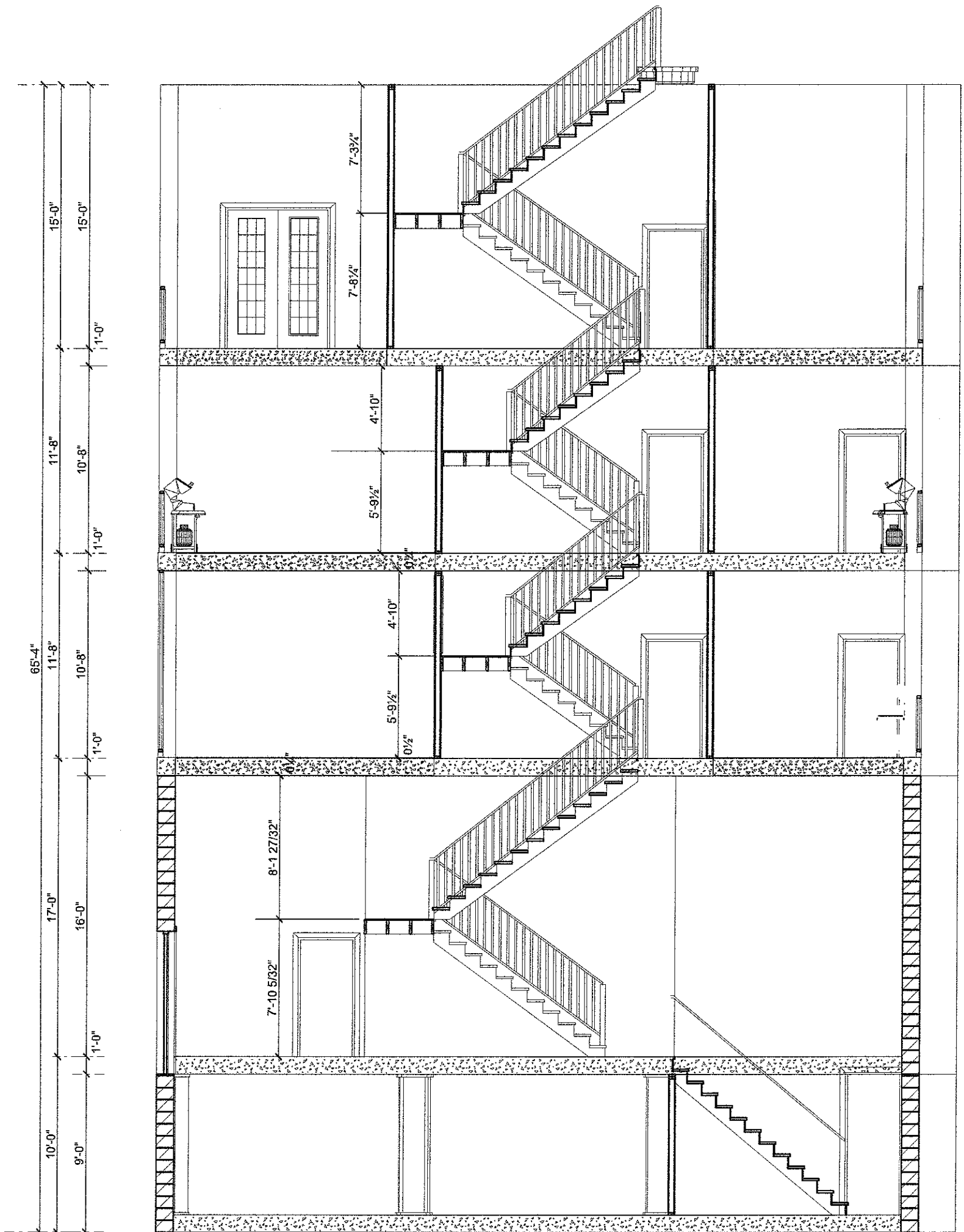
The amount being asked for the life safety issues is \$261,325. The project has been designed around a life safety study done on the building by the previous tenant. The CRA paid for said study and retained the rights. Based on that study, it has been determined that a second staircase and fire sprinklers are required to bring the building up to code. AID (Anson Investment & Development) is asking a special request from the CRA. In the past the CRA has required the owner to put in their equity before the grant is issued. Due to the difficult nature of the current banking regulations, AID is asking for the grant money up front. In exchange for the grant money up front, the CRA would have the first position lien against the building. If the future development doesn't happen, the CRA would end up with the building. This seems an acceptable avenue as the CRA currently owns "undeveloped" property (the old desert rose) and this project would be of similar nature.

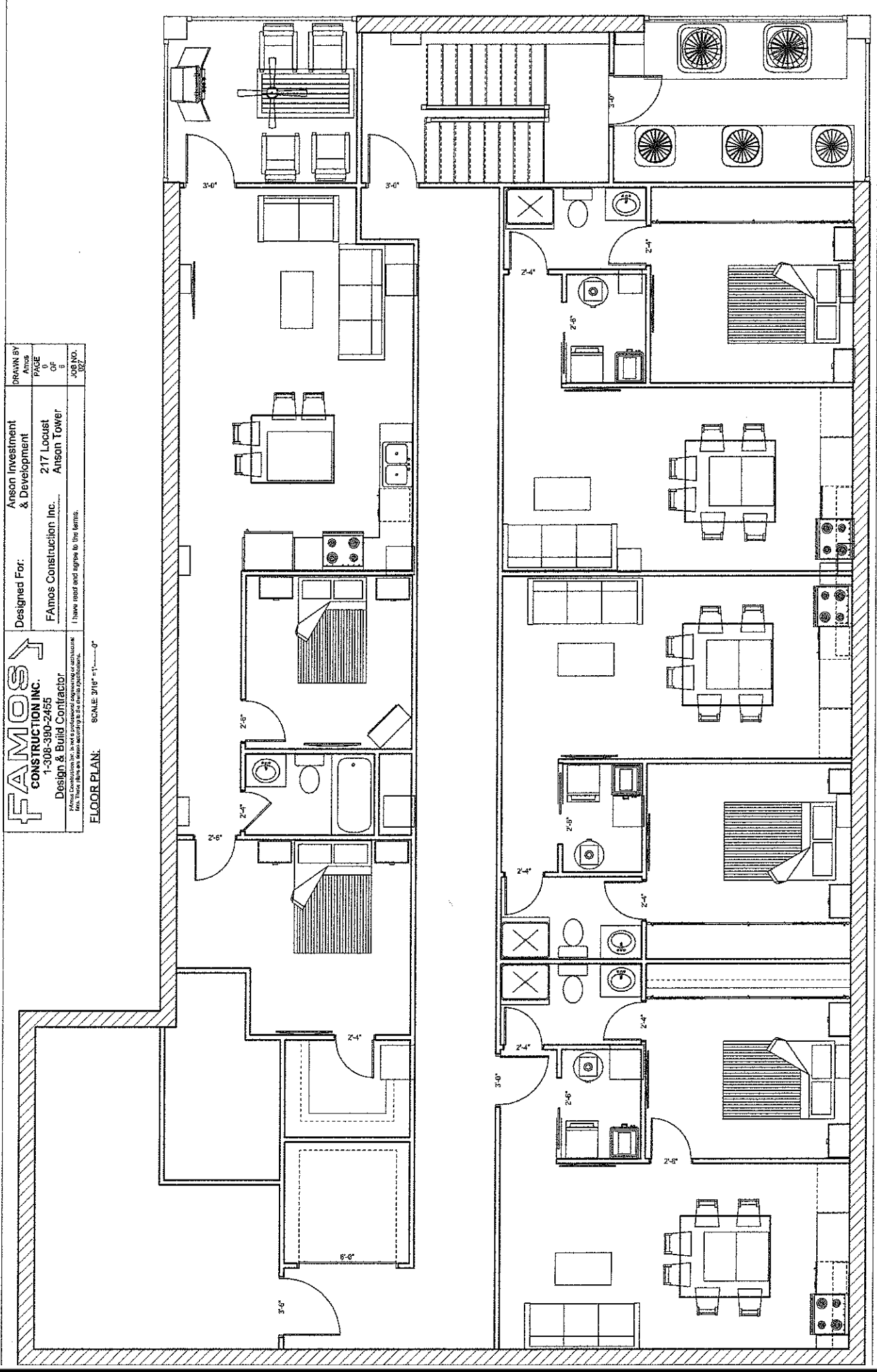
**II Statement identifying financial gap and necessity for use of life safety improvement program funds of proposed project:**

As most people know, the cost to bring the building up to code has caused many a developer to shy away from purchasing or developing the building. With the life safety issues addressed with this grant, AID (or, worst case scenario, a future tenant) will be much better positioned to move to phase two of the project. Phase two would include the development of floor two and three into eight residential "lofts". Based on the previous residential study done by the CRA, the future lofts are projected to bring in approximately \$5,600 a month in rent (\$1 per s.f.). The build out is currently projected to be \$670,000. If you add the purchase price (\$60,000), the build out (\$670,000) and the life safety issues (\$261,325), they add up to \$991,325. Based on the common assumption that rent should be 1% of the loan, that would mean the residential units should bring in \$9,913 to pay the bills. That is a deficit of \$4,313. With the life safety issues addressed by the CRA, that deficit would come down to \$1,700. With the fourth floor legally able to be used and the main floor and roof more appealing to commercial tenants, the income from the main floor, roof and fourth floor should be able to make up for the \$1,700 deficit.







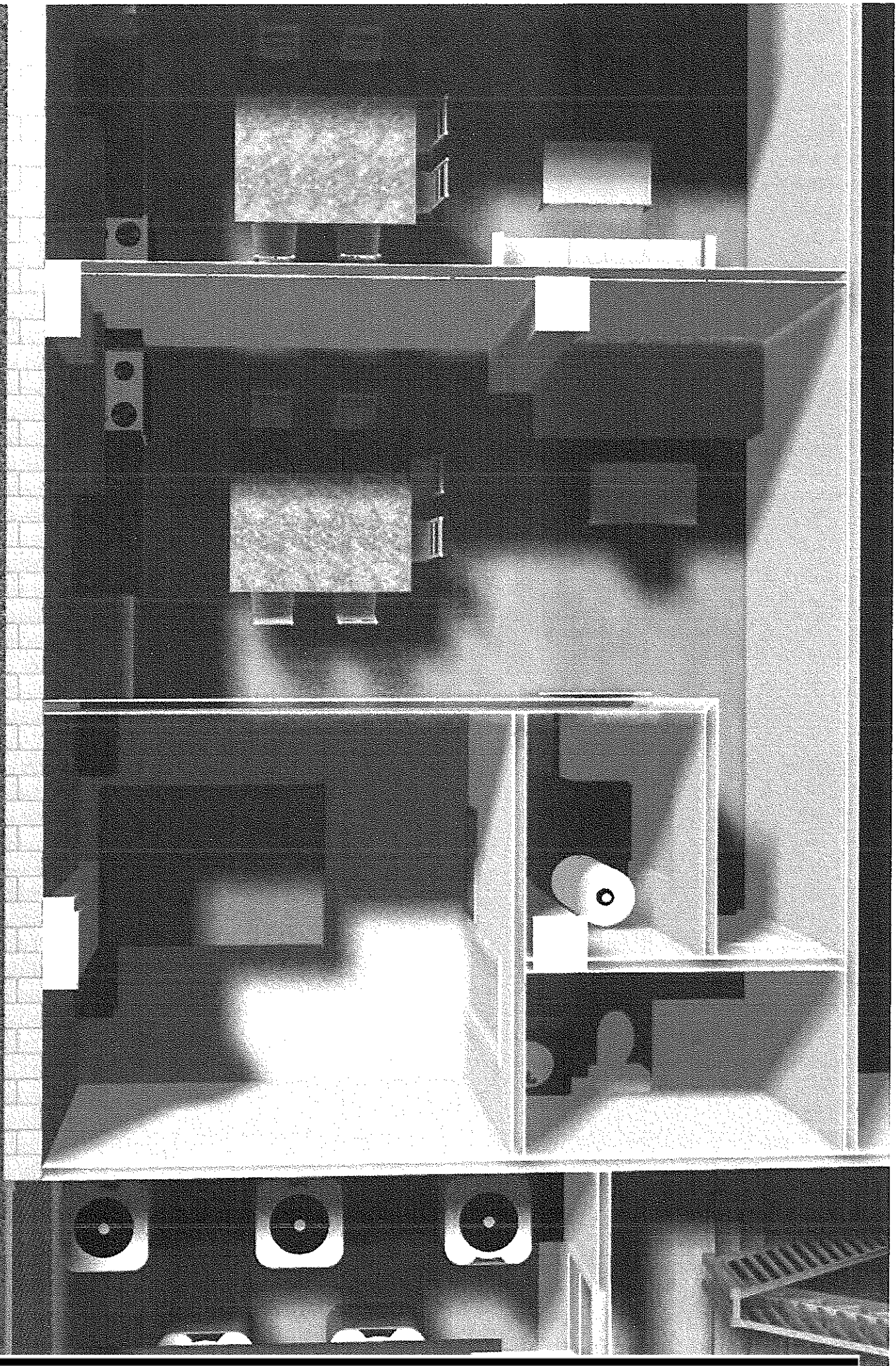


<b>FAMOS</b> <b>CONSTRUCTION INC.</b> 1-308-390-2455 Design & Build Contractor <small>Please Consultation for, is not a professional engineering or architectural firm. These plans are drawn according to the client's specifications.</small>	Designed For:	Anson Investment & Development	DRAWN BY	Amos
	Famos Construction Inc.	217 Locust	PAGE	0
		Anson Tower	JOB NO.	107

I have read and agree to the terms.  
 SCALE: 3/16" = 1' = 0"

FLOOR PLAN





FLOOR PLAN: SCALE: 3/16" = 1' - 0"

