

City of Scottsbluff, Nebraska

Monday, March 21, 2022

Regular Meeting

Item Reports2

Council to discuss and consider action on the Interlocal Agreement for the Scottsbluff Aquatic Center Agency and authorize the Mayor to sign the Agreement.

Staff Contact: Liz Loutzenhiser & Kevin Spencer Interim CM

SCOTTSSLUFF AQUATIC CENTER AGENCY INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement (this “Agreement”) is made between the City of Scottsbluff, Nebraska (the “City”) and the Community Redevelopment Authority of the City of Scottsbluff (the “CRA”). The City and the CRA are collectively referred to as the “Members”. This Agreement establishes a separate legal entity which shall be known as the Scottsbluff Aquatic Center Agency (the “Agency”).

Recitals:

a. The City is proposing to increase its municipal sales and use tax at a rate greater than one and one-half percent pursuant to §77-27,142(2) of the Nebraska Statutes (the “Additional Sales Tax”).

b. As per §77-27,142(3)(a), no such tax increase may be imposed unless the City is a party to an interlocal agreement pursuant to the Interlocal Cooperation Act, Neb. Rev. Stat. §13-801 et seq. (the “Act”) with a political subdivision within the municipality or the county in which the municipality is located, which interlocal agreement shall create a separate legal entity related to any public infrastructure project.

c. The CRA is a political subdivision within the City and is willing to enter into this Agreement with the City in order to create the Agency. The Members desire to enter into this Agreement for the purposes as provided for in this Agreement.

Agreement:

1. Purpose: The Agency is organized under and governed by the provisions of the Act. The purpose of this Agreement is as follows:

a. to provide for a means for the City and the CRA to gather information related to the impact of an infrastructure improvement to construct a municipal aquatic center and make recommendation to the City and the CRA related to the municipal aquatic center project.

b. to make efficient use of the powers of the Members by enabling them to cooperate with each other on a basis of mutual advantage with respect to the municipal aquatic center project.

c. to provide for the management and appropriate expenditure of funds allocated to the Agency by the City, utilizing a fiscal year budget commencing October 1 and terminating on September 30 of each succeeding year.

2. Effective Date and Duration: This Agreement shall be effective as of December 1, 2022, and shall continue in effect until terminated by the City; provided, however, the City shall not terminate this Agreement: (i) as long as the Additional Sales Tax is in effect, or (ii) until the

payment in full of any bonds issued where the Additional Sales Tax is pledged for payment of such bonds and any refunding bonds.

3. Management: The Agency shall be governed by a Board (the “Board”) which shall be made up of five (5) members, as follows:

a. Three (3) of the Board members shall be appointed by the Mayor of the City with the approval of the City Council. The CRA shall appoint two (2) members. Each party may also appoint at least one alternate member to serve on a temporary basis as needed. Board members do not have to be members of the governing body of the respective Agencies, but up to two (2) of the Board members may be City Council Members. The members of the Board shall serve at the pleasure of the appointing party and shall serve until the member resigns or is replaced by the appointing entity.

b. The Board shall elect a Chairperson and a Vice-Chairperson from its members. The Chairperson shall preside at all meetings of the Board. The Vice-Chairperson shall act in the absence of the Chairperson. The Board shall also elect a Secretary, who is not required to be a member of the Board. In the event that the Agency is responsible for any funds, the City Finance Director shall act as Ex Officio Treasurer of the Board.

c. The Board shall meet at such time and place as specified by call of the Chairperson or any two members. The Board may, by resolution or bylaw provide for regular meeting times. The Board shall meet at least once per year. Notice of all meetings shall be given as provided for by Nebraska law for political subdivisions.

d. A majority of the Board, to include at least one member representing each Member, shall constitute a quorum to conduct business at any meeting. The affirmative vote of a majority of those present at a meeting at which a quorum is present, and including the affirmative vote of at least one Board member representing the City, shall be required for the Board to act.

4. Board Duties: The Board shall be responsible for governing the actions of the Agency and expenditures of any funds allocated to the Agency. For the purposes of §77-27,142(3) of the Nebraska Statutes, the Board shall be a separate administrative entity relating to the municipal aquatic center project. The Board shall be responsible for evaluating and making recommendations for long term development of the municipal aquatic center project, in addition to any other benchmarks periodically established by the Board or Nebraska Legislature. The Agency and the Board shall have all powers as are provided for in the Act with respect to its purpose.

5. Funding of the Agency: It is not anticipated that the Agency will be funded initially. The City may, however, in the future fund the Agency from any legal funding source, as determined by the City.

6. Property: The Infrastructure Project shall be the property of the City. Otherwise, all real and personal property (“Property”) contributed to or acquired by the Agency shall be the property of the Agency unless conveyed by the Agency to one of the Members; provided, however, no property shall be conveyed to the CRA without the consent of the City. Upon termination of the Agency, all Property shall be distributed to the City, or as otherwise designated by the City.

7. Notices: All notices required or permitted under this Agreement shall be in writing and shall be deemed given at the addresses shown below, when (i) personally delivered, (ii) sent by electronic mail to the authorized representative of a Member, (iii) sent by nationally-recognized courier service with proof of delivery, or (iv) sent by registered or certified United States mail, return receipt requested, postage prepaid. A Member may change its email address or mailing address by delivering notice to the other Party. A notice shall be consider effective upon receipt.

City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69631
Att: City Manager

Community Redevelopment Authority
of the City of Scottsbluff
2525 Circle Drive
Scottsbluff, NE 69631
Att: Chairperson

8. Miscellaneous:

a. This Agreement is binding upon and inures to the benefit of the Members and their respective successors and permitted assigns; provided, however, no assignment of all or any portion of this Agreement shall relieve any Member of its obligations under this Agreement. This Agreement shall not be assignable by either Member without the consent of the other party.

b. The provisions of this Agreement shall be severable. If any of the provisions of this Agreement, or the application of any provision to any person, entity or circumstances, are held to be invalid, such invalidity shall not affect other provisions of or applications of this Agreement which can be given affect without the invalid provision or applications.

c. No waiver of any breach of any provision of this Agreement will be deemed a waiver of any other breach of this Agreement. No extension of time for performance of any act will be deemed an extension of the time for performance of any other act.

d. This Agreement may be executed in one or more counterparts, each of which may be considered as an original.

e. This Agreement shall be construed according to the laws of Nebraska.

f. This Agreement contains the entire agreement of the Members. This Agreement may be amended only in writing signed by both of the Members.

City of Scottsbluff, Nebraska

By _____
Mayor

Attest:

City Clerk

Community Redevelopment Authority of the
City of Scottsbluff, Nebraska,

By: _____
Chairperson

Community Redevelopment Authority Minutes
Regular Scheduled Meeting
~~February 16~~March 9, 2022
Scottsbluff, Nebraska

The Community Redevelopment Authority for the City of Scottsbluff met in a regular scheduled meeting on Wednesday ~~February 16~~March 9, 2022 at 12:00 p.m. in the Scottsbluff City Council Chambers at 2525 Circle Drive, Scottsbluff, Nebraska. A notice of the meeting had been published in the Star-Herald, a newspaper of general circulation in the City, on ~~February 11~~March 3, 2022. The notice stated the date, time, and location of the meeting, and that the meeting was open to the public, that anyone with a disability desiring reasonable accommodation to attend should contact City Hall. An agenda was kept current and available for public inspection at the Development Services office; provided, the Community Redevelopment Authority could modify the agenda at the meeting if the business was determined that an emergency so required. A copy of the agenda, was delivered to each Community Redevelopment Authority member.

ITEM 1: Chairman Bill Trumbull called the meeting to order at 12:00 PM. Roll call consisted of the following members being present: Bill Trumbull, ~~Robert Franco~~Katie Camacho, Bill Knapper, Mary Skiles. In attendance on behalf of the city were, Planning Administrator/Secretary Zachary Glaubius, Economic Development Director Starr Lehl, and Deputy City Attorney John Selzer.

ITEM 2: Chairman Trumbull informed all of those in attendance of the Nebraska Open Meetings Act and a copy of such is posted above the bookcase in the back area of the City Council Chambers, for those interested parties.

ITEM 3: Acknowledgment of any changes in the agenda: No changes.

ITEM 4: Citizens with items not scheduled on regular agenda: None

ITEM 5: The minutes ~~from of January 10~~February 16, 2022 were reviewed. **Conclusion:** Motion made by Knapper to accept the minutes, seconded by Skiles. "Yeas": ~~Franco~~, Trumbull, Knapper, Skiles "Nays": None "Absent": ~~Camacho~~Franco "Abstain": Camacho

ITEM 6: Trumbull ~~moved Item 6 to the end of the agenda as Javier Parra was not present to present the El Torito Restaurant Redevelopment Project.~~ introduced Item 6 regarding the CRA reviewing and approving an Interlocal Agreement with the City of Scottsbluff regarding LB357, and authorize the chairperson to sign the agreement. Trumbull stated LB357 proposal will be on the November 2022 ballot for an aquatic center in the city. Trumbull stated he spoke with the aquatic center advisory group regarding the project. Knapper stated he has attended two of the three meetings. Trumbull stated the advisory group will need to determine who will operate the center. Trumbull stated the City Council approved an option agreement for land north of the old Albertson's at the March 7, 2022 regular meeting. Lehl stated staff was reviewing the land as there were existing covenants that need reviewed.

Camacho inquired about the former TLC landscape business as a potential site. Lehl stated that land near the river was considered. Skiles stated the issue with the land near the river was the water table. Skiles stated the aquatic center is needed in the community especially since there are few places for swimming lessons in the community. Knapper stated the school formerly had swimming lessons when the Splash Arena was open. Skiles and Knapper concurred on the importance of swimming lessons from a safety standpoint.

Trumbull stated the agreement states the CRA and City Council will create a board known as the Scottsbluff Aquatic Center Agency. Trumbull stated the agency would be comprised of three City Council members and two CRA members. Trumbull stated the agency would manage the funds for the project. Trumbull stated the agency would not be created unless the LB 357 proposal passes. Selzer stated that the agency is a requirement of LB 357 to create a one half cent sales tax. Selzer stated the City of Scottsbluff would own the facility. Trumbull stated the agency would only exist for ten years. Camacho inquired if the one-half sales tax would strictly go to the aquatic center and Selzer stated it would. Lehl stated a sales tax would not place the sole burden on the city's residents, but rather all those who purchase in the city. Trumbull stated the advisory board estimated the tax to raise \$15-18 million over 10 years, and the aquatic center is presently estimated to cost around \$22 million.

ITEM 7A: Trumbull introduced Item 7A regarding the review and consideration of unfinished façade improvement grants from 2021. Jared Whiting requested an extension as his company has been busy doing jobs for customers that he has not had time to work on his own building. Trumbull asked if time would continue to be an issue and that the deadline is September 1, 2022. Whiting stated he hoped to have it completed by April.

Conclusion: Motion by Skiles grant a façade grant extension to Jared Whiting for the building at 1401 Avenue B, seconded by Knapper. "Yeas": Franco, Trumbull, Knapper, Skiles "Nays": None "Absent": Camacho

Trumbull introduced the second façade grant extension request by RP Empire Holdings, LLC for property at 1605 Avenue A. No representative for RP Empire Holdings, LLC was present. Trumbull stated that Glaubius had contacted the business but has not heard back. Glaubius stated there is \$7,900 of the originally granted \$10,000 remaining. Franco inquired if this was the second time the business has been asked to be present and request an extension. Glaubius stated the business requested an extension in September 2021. Franco motioned to suspend the remaining \$7,900 and Skiles seconded. Knapper stated he was not in favor of suspending the funds as it has not been expressed that the owner, Ralph Paez, needed to attend the meeting. Trumbull stated that it was relayed to Paez that he needed to be present in order to be considered for a grant extension. Skiles inquired if Paez has been contacted at least three times since the original meeting. Glaubius stated he has contacted Mr. Paez at least three times. Franco stated the applicants are aware they must come before the board to request an extension, and that Paez has failed to complete the project within both the original time and first extension. Trumbull inquired if Paez has been reimbursed for work completed. Glaubius stated Paez has been reimbursed \$2,100. Selzer inquired what work had been completed, and Glaubius stated the sidewalk on the southside of the building has been replaced. Knapper inquired if Paez could reapply if

the remaining grant funds for 1605 Avenue were suspended and rescinded. Trumbull stated that after today's meeting there would be no funding left in the Façade Grant Improvement Program.

Conclusion: Motion by Franco to suspend and rescind the remaining \$7,900 of the original \$10,000 façade improvement grant to RP Empire Holdings, LLC for the property at 1605 Avenue A, seconded by Skiles. "Yeas": Franco, Trumbull, Knapper, Skiles "Nays": None "Absent": Camacho

ITEM 7B: Trumbull introduced Item 7B regarding new façade grant applications. Trumbull stated with the additional \$7,900, there is now \$41,028 for available for façade improvement grants. Trumbull informed all present applicants that the total requested grant funds for this meeting are over \$64,000. Trumbull stated the board would review all façade grants and then decide on the distribution of grant funds. Trumbull stated the applications are in order as they were submitted.

Trumbull introduced the first grant application regarding a \$9,900 grant request by Gary Schaub Testimonial Trust for 202 E. Overland Drive. Applicant Terry Schaub stated he wanted to replace the stucco and paint the building. Schaub stated he and his business partners would renovate the inside of the building and outdoor lighting, however these are not included in the grant request.

Trumbull introduced the second grant application regarding a \$10,000 grant request by Gary Schaub Testimonial Trust for 1125 ½ 3rd Avenue. Schaub stated the building at the property has been used as storage, however he would like to renovate it and rent it out. Schaub stated the awnings would be replaced, broken windows would be replaced, and the building will be painted. Schaub stated he would also be renovating the interior and replacing the roof with his own money. Schaub stated this is his major project.

Trumbull introduced the next façade grant application regarding a \$10,000 request by Maren Chaloupka for 1906 Broadway. Chaloupka stated she had recently started her own law firm and selected 1906 Broadway in order to be located downtown. Chaloupka stated she wanted remove the existing awning at the building and replace the windows. Chaloupka stated it appeared the windows were original to the building and had bullet holes. Chaloupka stated the entry door would be replaced as well, and she will donate the awning to the Riverside Discovery Center.

Trumbull introduced the next façade grant application regarding a \$10,000 request by Kersch for 1721 Broadway. Applicant Kerri Schaff stated she had just purchased the building and are substantially renovating the building. Schaff stated the grant application is for the installation of a sidewalk café and uplighting. Selzer inquired where the property line was. Schaff stated the sidewalk is the property line, and the café would be located in the 18th Street Plaza. Schaff stated the sidewalk café obstruction license agreement was on the upcoming City Council meeting for approval. Glaubius confirmed this. Franco asked if there are any issues with the approval of the license agreement. Glaubius stated he did not, but the decision is ultimately up to City Council. Glaubius suggested adding a condition on the approval. Selzer stated this was not necessary since the façade grant would be null if the license agreement was be denied.

Trumbull introduced the next façade grant application regarding a \$4,098.42 request by Champion Realty for 1904 1st Avenue. Applicant Trista DeLunger stated she and her partners wanted to improve lighting around the building, sign replacement, and security cameras. Skiles asked if the lighting was all exterior lighting. DeLunger stated the existing exterior fixtures were old and in need of replacement.

Trumbull introduced the next façade grant application regarding a \$10,000 grant request by Brian Hafeman for 30 E. 16th Street. Hafeman stated he had recently purchased the building and is in the process of renovating the inside. Hafeman stated the grant is for removing the brick where a door and window was formerly located on the 16th Street side of the building as well as painting the second story windows. Trumbull inquired if the Masonic Lodge signs would remain or not. Hafeman stated they would be removed. Knapper inquired about replacing masonry along the second story of the building. Hafeman stated that they would look into renovating that in the future.

Trumbull introduced the next façade grant application regarding a \$10,000 grant request by Sterling Huff for 20 E. 16th Street. Huff stated he wanted to renovate the façade of the building as the cedar shakes are falling off the building and the front surface needs restoration. Huff stated he wanted to install a new door and window as well as replacing the sidewalk. Huff stated he desired to put in a heated sidewalk as the ice builds up in front of the building.

Trumbull opened discussion on how to award the façade grants. Knapper stated this challenge had come up before. Trumbull stated the CRA had always reviewed grant applications in the order received, however the board has the authority to accept, deny, or change the amount awarded. Skiles inquired if any additional grant money is anticipated. Trumbull stated that there is not for this fiscal year. Selzer inquired if there was East Overland Improvement Grant money available. Lehl stated it has already been combined with the current façade grant improvement program. Trumbull stated that typically there is not a challenge about awarding grants, however there is not enough funding for all the grant requests now. Franco stated it is an unfortunate situation as there were many quality applicants and proposed improvements at the meeting. Trumbull stated it has been a good program and had taken a while to catch on with the community. Skiles asked Chaloupka about the estimate totals. Skiles stated the total estimate came to \$18,936 and not \$20,000. Chaloupka stated her math must have been off. Skiles updated the Chaloupka grant request to \$9,468 instead of \$10,000. Skiles asked DeLunger about the inclusion of cameras on the building. DeLunger confirmed there would be two cameras installed. Skiles stated she did not believe cameras are an eligible expense. DeLunger stated they should not have included the cameras, and their main goal is to replace the signage. Trumbull stated the removal of the security cameras updated the Champion Realty grant request to \$2,985. Chaloupka informed the board that the dump fee for the awning should be removed as the awning is being donated to the zoo. Skiles updated the Chaloupka request to \$9,308.

Trumbull suggested one of the Schaub applications be removed, award the full grant amount to all except the last two grant applications (Huff and Hafeman), which the grant would be split. Franco asked Schaub which application was priority, and Schaub stated the 1125 ½ 3rd Avenue is his preferred

application. Franco inquired if Huff and Hafeman would each receive around \$5,000 each. Trumbull confirmed. Knapper stated he saw two solutions with one being going down the list until the money was gone or each applicant would receive their percentage of the remaining funds depending on the percentage of their request to the total requested. Knapper stated each applicant would receive 64% of their request grant amount. Knapper stated they have been funding everyone else fully as they come in. Knapper stated with that precedent the board should fund the applicants fully until money runs out. Selzer updated the CRA that the Chaloupka grant request is \$9,308 rather than \$9,468. Selzer recommended the board ask applicants if the applicants would proceed with the project if they received less than requested. DeLunger stated it would probably stop Champion Realty from replacing the sign. Skiles stated with the changes, the funding was still around \$11,000 short, which excluded the 202 E. Overland Drive grant request. Skiles stated the decision is difficult as she would like to help everyone, however she agrees with Knapper that it should follow the first come first serve process. Franco stated it would be an easier decision if the board knew if the program would resume in the future. Franco stated he felt all projects were worthwhile and would like to see all applicants receive some funding. Knapper agreed with Franco. Trumbull stated the two options for the board were either first come first serve or pro-rated grants. Skiles she likes the first come, first serve but agreed with Franco on wanting to see everyone receive some funding. Skiles inquired about Trumbull's suggestion. Trumbull stated the 202 E. Overland grant would be removed; the remaining applicants would be fully funded with exception of the final two who would receive approximately half of the request grant amount. Knapper stated he was not in favor of this as some applicants would be fully funded while others would not, and he did not see the fairness. Knapper stated 202 E. Overland had received a façade grant in the past. Knapper stated he would like to see a protocol for this situation if the program would renew. Knapper made a motion to award grants fully until funding runs out. Huff inquired if applicants were informed the grants would be issued on a first come first serve basis. Trumbull stated he believed this was stated in the media releases regarding the program. Huff stated he was not aware of this when he applied, and he was only aware of the deadline to apply. Trumbull asked Lehl how the program was advertised. Lehl stated she would have to review the past media releases. Selzer stated he would expect most applicants to wait until the last minute to apply in order to have accurate bids. Selzer stated the order of submittal did not matter at past meetings as there was sufficient funding. Schaub stated he would withdraw his façade grant application for 202 E. Overland Drive in order for other applicants to receive more funding. Trumbull accepted the withdrawal. Motion by Knapper expires for lack of a second. Selzer stated on grant the application, it is stated the application must be submitted one week before the meeting. Selzer stated this implies all façade grant applications will be reviewed as long as they meet the deadline.

Conclusion: Motion by Skiles to awarded pro-rated grant amounts to the applicants with the exception of the withdrawn application for 202 E. Overland, seconded by Knapper. Selzer stated this would be around 77% of the requested amount. Trumbull requested Glaubius calculate the percentage and notify the applicants of the awarded amount following the meeting.* "Yeas": Franco, Trumbull, Knapper, Skiles "Nays": None "Absent": Camacho

~~*Following the meeting the applicants were notified of the awarded grant totals (approximately 78.5% of request amounts). See table below:~~

- ~~●—Champion Realty: \$2,341.62~~
- ~~●—Gary Schaub Testimonial Trust: \$7,845.93 (1125 ½ 3rd Avenue)~~
- ~~●—Maren Chaloupka: \$7,302.99~~
- ~~●—Kersch: \$7,845.93~~
- ~~●—Sterling Huff: \$7,845.93~~
- ~~●—Brian Hafeman: \$7,845.93~~

~~**ITEM 6:** Trumbull introduced Item 6 regarding the El Torito Redevelopment Project. The applicant Javier Parra was not present. Selzer stated the location of the project is along Avenue I at the property commonly known as 2809 Avenue I. The majority of the TIF will go towards the acquisition of the property. Selzer stated no public infrastructure is needed, and no effects on employment are anticipated. Selzer stated the project meets both the existing C-2 principal permitted use and is consistent with the Comprehensive Plan. Selzer stated the Planning Commission made a positive recommendation on the application on February 14, 2022. Selzer stated the CRA board needed to review and approve the resolution which approved the redevelopment plan, confirm the cost-benefit analysis, forwarded the Planning Commission recommendation to the City Council, and forward and recommend approval of the redevelopment plan to City Council.~~

~~**Conclusion:** Motion by Knapper, seconded by Skiles to approve the resolution.~~

~~“Yeas”: Franco, Trumbull, Knapper, Skiles “Nays”: None “Absent”: Camacho~~

~~Trumbull requested a motion to review and approve the resolution which approves the redevelopment contract for the El Torito Restaurant Redevelopment Project with Javier and Martha Parra, and to authorize the issuance of Tax Increment Financing Note conditional upon the City Council's approval of the redevelopment plan and subject to the terms of the redevelopment contract.~~

~~**Conclusion:** Motion by FranceCamacho, seconded SkilesKnapper to approve and authorize the chairperson to sign the agreementthe resolution. “Yeas”: FranceCamacho, Trumbull, Knapper, Skiles “Nays”: None “Absent”: CamachoFranco~~

ITEM 78: Trumbull introduced Item 8 regarding staff reports. Skiles asked Lehl if the Small Business Outreach/ Public Relations Coordinator had resigned. Lehl stated the individual had resigned. Lehl stated interviews were underway to fill the position. Glaubius stated there will be an upcoming interlocal agreement for LB 357 at a future CRA meeting. Selzer stated there has to be a interlocal agreement with two entities for the bill. Selzer stated the CRA is considered a separate entity to the city. Trumbull inquired about the use of the LB 357. Lehl stated she did not know. Trumbull requested more information about LB 357. Selzer stated the LB 357 will be used entirely for an aquatics center. Trumbull inquired about the participation of the school district and YMCA with LB 357. Selzer stated those two

~~entities are proposed to help operate the facility, however the city would build and own the aquatic center. Selzer stated LB 357 requires projects to be joint venture. Selzer stated the City of Gering is doing the same process for its LB 357 process.~~

~~Franco and Trumbull discussed coming up with a procedure on how to grant requests exceeding the available funding. The CRA board then discussed on how to proceed with the façade grant improvement program if the program resumes in the future.~~

ITEM 9: Other Business: None

ITEM 10: Closed Session: None

ITEM 11: The next Community Redevelopment Authority regular meeting was confirmed to be held on ~~March 9~~April 13, 2022 at noon.

ITEM 12: Chairman Trumbull asked for a motion to adjourn the meeting at ~~1:24~~12:17 PM. Motion to adjourn made by Skiles, seconded by Franco “Yeas”: Franco, Trumbull, Knapper, Skiles “Nays”: None “Absent”: Camacho

Bill Trumbull, Chairman

Zachary Glaubius, Secretary