

COMMUNITY DEVELOPMENT AGENCY

The Community Development Agency of the City of Norfolk, Nebraska, met in the Council Chambers, 309 N 5th Street, Norfolk, Nebraska, on Monday, May 1, 2023, beginning at 5:15 p.m.

Chairman Moenning called the meeting to order.

Roll call found the following Agency members present: Frank Arens, Shane Clausen, Corey Granquist, Kory Hildebrand, Andrew McCarthy, Thad Murren, Justin Snorton, Justin Webb (5:19 p.m.), and Josh Moenning. Absent: None.

City staff members present were City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, Finance Officer Randy Gates, City Clerk Brianna Duerst, Public Works Director Steve Rames, Economic Developer Candice Alder, Communications Manager Nick Stevenson, Director of Administrative Services Lyle Lutt and City Planner Val Grimes.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and the notice of the meeting was given to the Chairman and all members of the Agency prior to the meeting.

The Chairman presided and the Secretary recorded the proceedings.

The Chairman informed the public about the location of the current copy of the Open Meetings Act posted in the meeting room and accessible to members of the public.

Agenda

Granquist moved, seconded by Arens, to approve the agenda as printed. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, McCarthy, Murren, Snorton and Moenning. Nays: None. Absent: Webb. Motion carried.

Minutes

(April 3, 2023 CDA Minutes)

Murren moved, seconded by Granquist to approve the minutes of the April 3, 2023, Agency meeting as printed. Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, McCarthy, Murren, Snorton and Moenning. Nays: None. Absent: Webb. Motion carried.

Resolution No. 2023-7

(Kensington Building Redevelopment HCI Real Estate Company Contract)

Hildebrand moved, seconded by Snorton to approve the Redevelopment Contract with HCI Real Estate Company for the Kensington Building Redevelopment Project

Agency Treasurer Randy Gates provided information to agency members. On April 17, 2023, the City Council approved the Redevelopment Plan for the Kensington Building Redevelopment

Project. Resolution No. 2023-7 approves the Redevelopment Contract with HCI Real Estate Company to implement this project.

This Redevelopment Project will consist of the restoration and redevelopment of the Kensington into a boutique hotel with approximately 62 rooms, restaurant, meeting space, a fitness room, and a business center. Total project costs is expected to be over \$14 million with tax increment financing providing \$1,950,000 of this cost.

Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, McCarthy, Murren, Snorton and Moenning. Nays: None. Absent: Webb. Resolution 2023-7 was adopted.

Cornhuskers Auto Redevelopment Project

(Cornhuskers Auto Redevelopment Plan authorize to forward to Planning Commission)

Granquist moved, seconded by Murren to accept the Redevelopment Plan for the Cornhuskers Auto Redevelopment Project and authorization to forward to the Planning Commission for recommendation.

Agency Treasurer Randy Gates provided information to agency members. On February 17, 2023, Cornhusker Auto Center, Inc. submitted a TIF application for property located 2125 Krenzien Drive that formerly housed Office Max. On March 20, 2023 the Economic Development Subcommittee reviewed the application and voted unanimously to move forward with acceptance of a Redevelopment Plan for this project.

The Project site is approximately 5.5 acres, consisting of paved parking areas and an approximately 30,670 square foot box store building. The Redevelopment Project will consist primarily of renovation and rehabilitation of the building for use as a Nissan dealership.

The Redeveloper acquired the project site late last year and will use TIF for reimbursement of part of the acquisition cost. Total project costs, including renovation and rehabilitation, is expected to be over \$6 million.

The Redeveloper is requesting TIF of \$417,468. The project is not economically feasible without TIF. Without TIF, the projected return on investment is approximately 8.2%. With TIF, the anticipated return on investment is approximately 10.4%. While the spread between the two projections is relatively narrow, the additional return (with TIF) allows Redeveloper to increase the size of the facility by 10%-15%, which, according to the Redeveloper, is a critical component of the Redevelopment Project's viability.

Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, McCarthy, Murren, Snorton, Webb and Moenning. Nays: None. Absent: None. Motion carried.

Resolution No. 2023-8
(Phillip Avenue Apartments Redevelopment Plan)

Granquist moved, seconded by Hildebrand to approve the Redevelopment Contract with HCI Real Estate Company for the Kensington Building Redevelopment Project

Agency Treasurer Randy Gates provided information to agency members. On January 17, Phillip Avenue Apartments, LLC submitted a TIF application for property located at the NE corner of Phillip Avenue and 5th Street. On February 21, the Economic Development Subcommittee reviewed the application and voted unanimously to move forward with acceptance of a Redevelopment Plan for this project. On April 3 the Community Development Agency accepted the Redevelopment Plan and forwarded it to the Planning Commission for recommendation. The Planning Commission held a hearing on this redevelopment plan at their April 18 meeting, and recommended approval of the plan on a 7-0 vote.

The project site is approximately .8 of an acre with both paved and non-paved surfaces and a vacant building. The Redevelopment Project will consist of demolishing the building and removal of the surfaces to build a 30-unit apartment complex on the property with green space. It is anticipated that this project will provide housing for Wayne State students participating in the Growing Together Initiative.

Redeveloper has purchased property and will incur additional TIF eligible costs such as site preparation in removing concrete and the building, dirt work, extension of utilities along with engineering and legal fees. TIF-eligible costs are expected to be over \$500,000. Total project costs, is expected to be more than \$5 million. The comprehensive plan designates this area for mixed use which encompasses a wide variety of uses, including apartment buildings. Higher density residential development is encouraged in mixed use areas. The comprehensive plan indicated the best example of a mixed use development in Norfolk is downtown. This project is located in the downtown area as designated in the comprehensive plan. This project is in conformance with the comp plan and will assist in carrying out the objectives of the comprehensive plan. The project site is appropriately zoned R-3 for multifamily residential.

The Redeveloper is requesting TIF of \$445,000. The project is not economically feasible without TIF. Without TIF, the average return on investment over the first ten years is 0.55%. With TIF, the average return on investment over the first ten years is 5.86%.

Roll call: Ayes: Arens, Clausen, Granquist, Hildebrand, McCarthy, Murren, Snorton, Webb and Moenning. Nays: None. Absent: None. Resolution 2023-8 was adopted.

There being no further business the Mayor adjourned the meeting at 5:23 p.m.

ATTEST:

Josh Moenning, Chairman

Brianna Duerst, Secretary

(S E A L)