

March 31, 2020

The Wayne Community Redevelopment Authority met in regular session by way of telephone/video conference due to circumstances associated with the COVID 19 Pandemic on March 31~~Tuesday~~~~May 21~~~~June, 2020-5, 2018~~, at 4:00 o'clock P.M.

Chair Jill Brodersen called the meeting to order with the following in attendance: Members Jon Meyer, Corby Schweers, Nick Muir and Terry Sievers; City Attorney Amy Miller; City Administrator Wes Blecke; and City Clerk Betty McGuire. Absent: Members Mark Lenihan and Cale Giese.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on March 19, 2020, and a copy of the meeting notice and agenda were simultaneously given to the Chair and all members of the Community Redevelopment Authority. All proceedings hereafter shown were taken while the Authority convened in open session.

Chair Brodersen advised the public that a copy of the Open Meetings Act was located on the southwest wall of the Council Chambers, as well as on the City of Wayne website at cityofwayne.org/8/Government, and was available for public inspection. In addition, she advised the public that the Community Redevelopment Authority may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Member Muir made a motion, which was seconded by Member Schweers, to approve the minutes of the February 25, 2020, meeting. Chair Brodersen stated the motion, and the result of roll call being all Yeas, with the exception of Members Lenihan and Giese who were absent, the Chair declared the motion carried.

Member Muir made a motion, which was seconded by Member Meyer, to approve the following CRA Claims:

City of Wayne:	
Attorney Fees	\$800.00
Ads & Notices	\$101.25
Knutson Law Firm	
Quiet Title Action	\$196.00
Miller Law	
Pick Quiet Title Action	\$1,434.85

Chair Brodersen stated the motion, and the result of roll call being all Yeas, with the exception of Members Lenihan and Giese who were absent, the Chair declared the motion carried.

Matt Jones, Market President of F&M Bank, on behalf of Jason and Angie Beiermann, made a request for the CRA to subordinate its lien on their property – Lot 3, Southview Addition to the City of Wayne, and Lot 3A of Grainland Administrative Replat of Lots 3, 4, and 5, Southview Addition to the City of Wayne. F&M is doing a home loan for them, and the City has a 2nd lien filing.

Member Schweers made a motion, which was seconded by Member Meyer, approving the request of Matt Jones, Market President of F&M Bank, on behalf of Jason and Angie Beiermann, to subordinate the CRA’s lien on the following property owned by Jason and Angie Biermann: Lot 3, Southview Addition to the City of Wayne, and Lot 3A of Grainland Administrative Replat of Lots 3, 4, and 5, Southview Addition to the City of Wayne. Chair Brodersen stated the motion, and the result of roll call being all Yeas, with the exception of Members Lenihan and Giese who were absent, the Chair declared the motion carried.

Blake Otte has made a request to release the Deed of Trust that was filed against Lot 48, Western Ridge II Addition to the City of Wayne, Wayne County, Nebraska, on September 19, 2016, on Document No. 161167. He would like to sell this lot. At the time he purchased the lot, he was planning on building a house in Wayne, and he was working in Wayne at that time. His employment has now taken him to Norfolk, where he has built a home, and he no longer needs this lot.

Administrator Blecke stated that the CRA wants to make sure that the same restrictions are maintained on the property when it is sold to another party.

Attorney Miller stated the family who had originally purchased this lot sold it to Blake for \$7,200. The first people that purchased the lot had to sign an agreement saying that would build a house on it within 2 construction seasons. When they sold the lot to Blake, then Blake had to sign a Deed of Trust agreeing to the \$5,000 performance lien saying he would build on the lot within two construction seasons. When the property was replatted, Blake purchased a small piece to square off the lot for \$500. He now has \$7,700 into the lot. Chad Sebade is purchasing the lot now, and she believes he is willing to sign the performance lien giving him another 2 years to build on the lot. The purpose behind doing this is that these lots are offered at a discount. The CRA did not want to have people purchasing these lots and then reselling them for a profit, which was the reason for the two-year construction period. If Chad is willing to sign that Deed of Trust, now this lot has had three property owners with no property taxes out of it. The two-year construction period would start over with a new Deed of Trust.

Attorney Miller stated the alternative is that Mr. Otte can sell the lot, but he would have to pay the \$5,000 back to the City in order to release the Deed of Trust.

Member Lenihan arrived at 4:13 p.m.

Member Schweers made a motion, which was seconded by Councilmember Muir, approving the request of Blake Otte to release the Deed of Trust that was filed against Lot 48, Western Ridge II Addition to the City of Wayne, Wayne County, Nebraska, on the condition that the new purchaser, Chad Sebade, sign a new Deed of Trust. Chair Brodersen stated the motion, and the result of roll call being all Yeas, with the exception of Member Giese who was absent, the Chair declared the motion carried.

The CRA reviewed the Redevelopment Plan for the Chad Sebade/Sebade Housing LLC Project for sufficient completeness with regard to Section 18-2111 and other relevant sections of the Community Development Law.

Mike Bacon, the City's Tax Increment Financing Attorney, was present to go over the Redevelopment Plan for the Chad Sebade/Sebade Housing LLC Project. This project includes the demolition of two-single family homes and the construction of an eight-apartment unit building. The redevelopment project area currently has an estimated valuation of \$63,815. The proposed redevelopment will create additional valuation of \$630,000. Tax shifts will equal an estimated \$167,900 comprised of \$100,000 in principal and \$67,900 in interest. The developer wants to start the project in July and complete the same in May, 2021.

Joel Hansen, Street and Planning Director/Zoning Administrator, noted that the reference to the "conditional use permit" in the Redevelopment does not apply. He stated that Wayne's conditional use is a little different than other communities. A lot of communities call it a conditional use; we call it a use by exception, so that is what requires the actual public hearing. This conditional use just has the conditions already listed in the code, and as long as he meets it, he doesn't have to apply for a special permit of any kind. Mr. Bacon stated he would modify that language in Subparagraph D in the Redevelopment Plan to reflect that.

The allowable costs total \$137,503. Currently those properties are paying \$1,100 in taxes and that would go up by \$11,777. Included in the packet is a letter, which is part of this project, from the lender saying that they are not going to lend on the project unless Mr. Sebade receives tax increment financing. The CRA might wish to also take a look at an analysis to see what his return on investment is going to be with and without tax increment financing. If you were audited in the future, the auditor may ask why did you do this and does it meet the "but for" test? One of the ways to do that is to have not only the banker's letter, but also the rate of return on this project. Mr. Bacon's opinion is that this is a classic TIF project.

Member Lenihan noted he thought having both the letter and the return on investment document in the file is a good idea. Any documentation the CRA can have to support what we are doing is a good thing.

Chad Sebade was present to answer questions and also stated he would have no problem providing the return on investment document.

It was noted that the project is located at the corner of 8th and Nebraska Streets.

Mr. Bacon also noted that an additional requirement now is that proof of payment of the eligible expenses has to be provided. The developer is required to keep all of his documentation on all of his costs for 18 years. In addition, the following should be kept in the City's file: bond, along with payments (copies of cancelled checks, invoices) should the auditor come to look to see if the City has justified the dollars. Mr. Sebade must provide proof of his expenditures.

Member Schweers left the meeting at 4:28 p.m.

Member Muir introduced CRA Resolution No. 2020-1 and moved for its approval; Member Meyer seconded.

CRA RESOLUTION NO. 2020-1

A RESOLUTION FORWARDING A REDEVELOPMENT PLAN OF THE CITY OF WAYNE, NEBRASKA, TO THE PLANNING COMMISSION OF THE CITY OF WAYNE FOR PURPOSES OF ITS REVIEW AND RECOMMENDATION REGARDING SAID PLAN'S CONFORMITY WITH THE COMPREHENSIVE PLAN OF THE CITY OF WAYNE (CHAD SEBADE/SEBADE HOUSING LLC PROJECT),

with the note that Chad Sebade prepare and submit the return on investment documentation to the CRA.

Chair Brodersen stated the motion, and the result of roll call being all Yeas, with the exception of Member Giese who was absent and Member Schweers who had left the meeting, the Chair declared the motion carried.

Attorney Miller updated the CRA on Tax Lot 22 in the Northwest Quarter of the Southwest Quarter of Section 18, Township 26 North, Range 4, East of the 6th P.M., Wayne County, Nebraska. Trial is set for April 1, 2020, at 1:30 p.m.

Discussion took place regarding other potential properties of interest.

Attorney Bacon recommended having a "Workforce Housing Study" done for the City. That expands your ability to make projects like this happen. This is one of the new changes to the

TIF law. The study has to be no less than 24 months old. The last one Wayne had done was in 2016. The CRA can ask the Council to undertake the study. He noted it can make a lot of things happen.

The CRA wanted to reschedule a time to have Attorney Bacon come to Wayne to do an education session on tax increment financing.

Luke Virgil, Director Wayne Area Economic Development, brought forward the properties owned by Brent Pick for possible consideration to developing.

There being no further discussion, Chair Brodersen declared the meeting adjourned at 5:01 p.m.