

AGENDA
ALBION CITIZENS ADVISORY COMMITTEE
Monday, October 17, 2023,
ALBION CITY HALL – COUNCIL CHAMBERS; 5:00 P.M.

Chairperson Ed Knott called the meeting to order at 5:00pm. Roll was taken, members present were: Chairperson Knott, Stacy Gragert, Amy Zaruba, Shelley Lueken and Katie Score. Doug Young was absent. Member Jay Wolf arrived at 5:02pm. Secretary Maggie Smith was also present. The guests in attendance were Tony Levander and Andy Roberts from AEDC. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public. The meeting was recorded using an audio recording device and such recording is available for inspection at the office of the City Clerk.

Approve minutes of the August 7, 2023 Meeting

The minutes of the August 7, 2023 meeting were reviewed. Stacy Gragert **moved to approve the minutes as read**, seconded by Lueken.

Vote: (Yes) Knott, Wolf, Gragert, Zaruba, Lueken, Score (No) None (Absent) Young

Motion carried.

REVIEW THE REQUEST FOR AUTHORITY TO TRANSFER \$67,500 FOR PAYROLL EXPENSES FOR THE ECONOMIC DEVELOPMENT AND HOUSING DIRECTOR THROUGH SEPTEMBER 30, 2024. THE CITY TREASURER IS REQUESTING AUTHORITY TO TRANSFER A TOTAL OF \$67,500 TO BE RELEASED FROM THE HOUSING FUND ON A QUARTERLY BASIS AND RECONCILED AGAINST THE CITY'S BI-WEEKLY PAYROLL SCHEDULE THROUGH SEPTEMBER 30, 2024.

Chairperson Knott asked for discussion on the request. Administrator Devine updated the committee on the balance of the City of Albion Housing Initiative Fund, currently at \$128,336.71.

Knott asked Devine to remind the committee on how the director position is supported in salary and benefits and how each organization contributes. Devine relayed that the City covers all benefits and retirement. AEDC covers all travel, training, and program expenses. And the salary benefits and payroll taxes come from the Housing Initiative Fund. The Housing Initiative Fund is separate from any other funds, sales tax or AEDC. Knott asked to clarify where the money for the Fund has come from. Both Devine and Levander clarified that the money in the Housing Initiative Fund has come from an initial deposit from AEDC and then has continued to be grown by grant donations from the Mansfield Foundation, the Wolf Foundation and the Nebraska Community Foundation. Knott asked the group what the plan is for the sustainability of the funding for this position. Roberts cited keeping donors up to speed on projects and continuing to make progress on projects that fulfill the aim of the position as ways to continue to receive money from these supporters.

Wolf commented that he hopes AEDC will look at a new format for their Treasurer Reports. Levander and Roberts stated that Steven Ruzek has been given the authority to reformat the reporting structure and is looking into it already.

Jay Wolf moved to **recommend approval of the City Treasurer request for authority to transfer \$67,500 for payroll expenses for the Economic Development and Housing Director through September 30, 2024, a total of \$67,500 to be released from the Housing Fund on a quarterly basis and reconciled against the City's bi-weekly payroll schedule through September 30, 2024.** Seconded by Zaruba.

Vote: (Yes) Knott, Wolf, Gragert, Zaruba, Lueken, Score (No) None (Absent) Young

Motion carried.

Discuss recommendations for the City of Albion Economic Development Plan, and/or future activities.

Roberts mentioned that AEDC has worked diligently on housing. AEDC's award from the State of \$1 million has still not been released due to problems within the electronic system at NDED. As a result, the \$566,000 that was raised locally is also still not available for use. AEDC is one of only two communities who have requested to use funds so far out of 27 awards given. Zaruba asked what reason NDED is giving for why the funds are not being released. Smith stated that the AmpliFund system is being used for the RWHF grants for the first time this cycle and the request feature was only live the 2nd week of September and when AEDC put in a request for funds, it was discovered that the request feature was broken. Smith said that as of this meeting, the request feature is still broken and NDED is continuing to figure out a work around for requesting funds. Devine mentioned that AmpliFund seems to be a system that after all the bugs are worked out, functions quite well, however, the time to get all the fixes worked out for each grant seems to be a challenge. Roberts mentioned that our request made it to the State Auditor but was sent back due to our annual review being completed by our CPA and not an independent CPA. Smith stated Joe Pritchard of BEP CPA's from Spalding has been hired to complete the annual review of AEDC's last fiscal year and gave a completion window of October 23 – November 3.

Roberts reported on the AEDC purchase of three infill lots in Albion. He discussed that these lots were offered on a one-time opportunity and due to the fact that AEDC had been trying unsuccessfully to engage local builders to apply to the fund, it is necessary to buy for AEDC to become the developer of these projects. Local builders need to see that homes built at this price point are marketable and worth building. AEDC has reached out to Granville Custom Homes Co-Owner Steven Ramaekers to build on the two lots purchased at 11th and State. Ramaekers is very interested in the Albion market and is ready to build two homes for AEDC to see what type of homes are marketable in Albion. Roberts reported that with AEDC as the developer, building two homes allows us to enter the market slowly and learn the process, as well as build a relationship with Granville Custom homes for a potential future purchase of other lots or ground in Albion to develop more housing. Zaruba asked for clarification on the size of the homes. Roberts responded 1432 sq ft with a three-car garage. Zaruba stated that this is a great size for a house and very marketable. Smith mentioned that Ramaekers seemed very interested in Albion and all the facets of the housing market that could be addressed and that he showed excitement for future projects.

Wolf asked how many lots AEDC owns now. Roberts responded with three recently purchased and a potential 8-10 in the South Park Subdivision. Roberts mentioned that the committee will note that the

balance sheet for AEDC looks stretched. Knott asked how AEDC intends to fund development with the balance sheet as such. Roberts noted that Ramaekers is willing to bankroll the project until the Rural Workforce Housing Funds are released. Wolf asked how the remaining RWHF will be used after the approximately \$700,000 is utilized on the 11th and State build. Roberts mentioned that AEDC intends to roll the other properties into the RWHF, this will save on interest cost for the subdivision property and will right the balance sheet.

Knott asked if any of the lots had homes to be removed. Roberts said they are all bare lots. Wolf asked for the address of the three lots. Smith responded there are two lots at 11th and State, one lot at 7th and State and the potential 8-10 lots south of the the corner of 8th and South Streets. Discussion was had about the type of house and the inclusion of the unfinished basement. Wolf noted how the unfinished basement will allow for the homeowner to put in sweat equity and build on their investment. Roberts talked about how the balance sheet may be rearranged to support housing in the short term by reallocating funds away from projects that are not happening after several years. Smith clarified for Wolf that AEDC must begin revolving funds from the \$1.5 million within two years, not revolve all of it within two years. Smith also clarified that when workforce housing money touches land, the development clock starts and structures are required to be reasonable ready for occupancy in twenty-four months from that time. Devine confirmed that Granville Custom Homes would also be able to utilize and assessment district with the City if desired for the South Park Subdivision ground. Wolf asserted that he doesn't see much push back coming from local builders due to their lengthy timelines and desire for a higher margin.

Knott noted appreciation for AEDC taking the risk on these three lots and the two potential builds with Granville Custom Homes to create movement on housing in Albion. Knott asked if there would be any future requests. Roberts and Levander said they would be coming back with a request for some necessary maintenance on the AEDC headquarters building (tuck pointing brick) but that estimates were still being gathered.

Knott and Wolf asked for clarification on the process with lots being cleared and who ends up owning the lots. Devine explained procedures for assessing the costs of the necessary clearing to the lots and that the owner of the lot still owns the lot, but the city is essentially placing a lien on the property. He also explained that the condemnation of the structure is a completely different process than the clearing of junk. The condemnation and clearing process takes between 18 and 24 months in total.

Seeing all discussion exhausted, Chairman Knott announced the meeting adjourned at 5:40pm.