

**WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)**  
**Board Meeting**  
**July 23, 2020**

Meeting Began At: 2:32 P.M.

Meeting Ended At: 3:02 P.M.

Members Present: Leirion Gaylor Baird, Tim Clare, and Tammy Ward

**Item 1 - Introductions and Notice of Open Meetings Law Posted by Door**

Gaylor Baird advised that this is a public meeting subject to the open meetings act posted at the back of the room.

**Item 2 - Public Comment and Time Limit Notification**

Gaylor Baird advised members of the public are given five minutes for public comment on specific items listed on today's agenda and those testifying should identify themselves for the record.

**Item 3 – Approval of the minutes from the JPA meeting held June 25, 2020**

Clare moved approval of the minutes as presented. Ward seconded the motion. Motion carried 3-0.

**Item 4 - Approval of June 2020 Payment Register and Review of June 2020 Expenditure Reports. (Brandon Kauffman)**

Brandon Kauffman, JPA Treasurer, stated in reviewing the June 2020 payment register, the operating budget had \$8,007,334.42 in operating expenditures with the major payments consisting of the interest payments totaling \$7,407,526.93; UNL settlement payment in the amount of \$10,777.00; 3<sup>rd</sup> Quarter City staff payment of \$100,377.75; April parking garage management of \$155,412.32; Olsson Streetscape project of \$107,377.50; DEC payment of \$205,840.50 for heating and cooling of which the JPA pays about 31%; and arena maintenance and repair items for \$10,001.89 and \$4,913.97. Clare asked if the interest payments for the debt are pursuant to the terms and conditions in the bond documents. Kauffman confirmed this to be correct and explained the first principal payments will start on December 15, 2020. Clare asked for documentation showing City staff time and commented that they need to maintain a fiduciary duty to make sure they are paying the City staff fairly for the work being done. Kauffman stated this is looked at on an annual basis through the budget process and there are different metrics used. He explained legal is tracking their time, finance has an accountant that is 95% dedicated to the JPA, treasury staff are collecting all of the occupation taxes and charge off for investments, and 5% of Kauffman's time is dedicated to the JPA to adequately charge for the time he is dedicating to the JPA.

Kauffman stated the financial reports for the JPA for the period ending June 30, 2020 reflect revenues of \$27.7 million and expenditures of \$32.7 million, for a deficit of \$5 million and an ending balance of \$39.6 million. He explained this will improve as we move forward, but for the current year we are expecting a \$3 million deficit due to the losses in parking revenue, occupation taxes, and potential losses in the premium seat revenue collections.

Jane Kinsey, Watchdogs of Lincoln Government, asked if the employees at the arena are city employees or SMG employees. Kauffman stated all employees at the arena are SMG employees. Kinsey asked if they could be laid off to save money. Kauffman stated he believes this discussion has occurred with SMG but he cannot speak to any specific actions they have taken at this time. There being no further discussion or public comment, Ward moved approval of the payment registers. Clare seconded the motion. Motion carried 3-0.

**Item 5 – WH 20-17 Resolution to approve Amendment No. 2 to the West Haymarket Redevelopment Agreement between the City, the West Haymarket JPA, and TDP Phase One, LLC to amend the land use restrictions applicable throughout the Project Site. (Tim Sieh)**

Tim Sieh, City Law Department, stated this is an amendment to the West Haymarket Redevelopment Agreement. This agreement was originally approved by the Board in 2012, Amendment No. 1 was done in 2015, and this is the second amendment to that agreement. This amendment will change one of the use restrictions in the agreement. The existing use restriction requires that 85% of the first floor leasable space have tenants with minimum hours of operation from 11:00 am to 8:00 pm, Monday through Saturday. This has proven to be a challenge in terms of keeping tenants in the area and therefore new language was proposed that will reduce the requirements to 50% of first floor leasable space throughout the private improvements, but is limited to those improvements that either face the Railyard or the west side of Canopy Street. It only requires 50% of those users be bar or restaurant users. This will allow the developer to open up some of the spaces for additional types of tenants to continue to fill in the space downtown. There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

**Item 6 – WH 20-18 Resolution to approve Amendment No. 1 to the West Haymarket Redevelopment Agreement (TDP Project) between the City, the West Haymarket JPA, and TDP Phase Three, LLC to amend the land use restrictions applicable to the Project Site. (Tim Sieh)**

Sieh stated the first amendment was to the railyard and the area immediately to the west of the railyard across Canopy Street. This is an amendment to a subsequent agreement that was put in place for the Hudl building through the West Haymarket Redevelopment Agreement TDP Project. This amendment creates an exception that allows the anchor tenant of the building to use what would otherwise be retail space on the first floor of the building as a corporate reception area and lobby to make use of the first floor space. Clare asked if all other parties are in agreement. Sieh stated the developers are in agreement with this and the City Council approved this amendment on Monday. Kinsey commented it is probably wise to do this because retail has not gone over well down there and asked how much space this is for. Sieh stated the previous use restriction is for 10,000 square feet of retail space. He commented, how it is going to be divided is up to the developer. This opens up flexibility within the building. Gaylor Baird commented it's nice to see some flexibility as we want to activate those first floor spaces down in the West Haymarket. There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

**Item 7 - WH 20-19 Resolution to approve Change Order No. 4 to the Contract Agreement between the West Haymarket JPA and Nemaha Landscape Construction (WH01123) for Olsson Streetscape Improvements, pursuant to Bid No. 19-245, for an additional amount of \$910.00 to add 140 square feet of new sidewalk bringing the total contract amount to \$226,960.00. (Adam Hoebelheinrich)**

Adam Hoebelheinrich, PC Sports, stated this is a change order for a sidewalk connector to connect the sidewalk to the existing streetscape. It's a small amount of sidewalk for \$910.00. He further stated the second change order for WH 20-20 is a deductive change. He explained that they had specified a certain size of tree and they were unable to get those trees at that time so they went with a smaller tree and gave us credit for it. These two changes combined bring the total net increase to the contract of \$1,974.00. As part of the agreement with Oscar 2.0 there was a certain amount of money provided to handle this project and right now we are sitting at about \$50,000 under budget. Kinsey asked if this is something extra. Hoebelheinrich stated the \$910.00 was an additional change order to complete the project and meet City standards in the West Haymarket. The \$186.00 credit was a deduct from the contractor for work that they adjusted. He stated the \$1,974.00 is the total increase from the starting value of the contract to the closing value. There being no further discussion or public comment, Clare moved approval of the resolution. Ward seconded the motion. Motion carried 3-0.

**Item 8 - WH 20-20 Resolution to approve Change Order No. 5 to the Contract Agreement between the West Haymarket JPA and Nemaha Landscape Construction (WH01123) for Olsson Streetscape Improvements, pursuant to Bid No. 19-245, for a net increase in the amount of \$1,974.00 bringing the total contract amount to \$226,773.66. (Adam Hoebelheinrich)**

See discussion above for Item 7 – WH 20-19. There being no further discussion or public comment, Clare moved approval of the resolution. Ward seconded the motion. Motion carried 3-0.

**Item 9 - WH 20-21 Resolution to approve the Letter Agreement to engage BKD to perform an audit of the West Haymarket Joint Public Agency financial statements in accordance with generally accepted auditing standards for the year ended August 31, 2020. (Brandon Kauffman)**

Kauffman stated in the packet is the engagement letter from BKD. This is an annual process that is done to approve the engagement letter which outlines what they look at in the audit for internal controls and review of financial procedures. This is the sixth year for BKD to do the audit. Initially this was done by an RFP as a four year contract with an additional four year extension. This will be the sixth year out of the eight years for conducting the annual audit. They are independent auditors that are hired to review the financial statements on an annual basis. This is required by the Board and by State Statute to guarantee the financials. There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

**Item 10 - Set Next Meeting Date**

The next meeting date will be Thursday, August 27, 2020 at 2:30 p.m. in the County-City Building, Council Chambers, First Floor.

**Item 11 – Motion to Adjourn**

Ward moved to adjourn. Motion seconded by Clare. The meeting adjourned at 3:02 p.m.

**Prepared by: Kasey Simonson, City Law Department**