

WEST HAYMARKET JOINT PUBLIC AGENCY (JPA)
Board Meeting
March 25, 2021

Meeting Began At: 2:31 P.M.

Meeting Ended At: 3:06 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 February 25, 2021.

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

Item 4 - Approval of February 2021 Payment Register and Review of February 2021 Expenditure Reports.

David Young, Interim Finance Director and JPA Treasurer, stated in reviewing the February 2021 payment register the operating budget had \$484,062.40 in operating expenditures with the major payments consisting of \$18,785.00 and \$3,875.00 to MTZ Construction for concrete replacement; \$10,114.34 to Empire Netting and Fence to install fencing and gates around the old railroad bridge; \$6,630.00 to BKD LLP for the WHJPA audit; \$55,265.00 to City Controller for 2020-2021 festival lot maintenance and DLA maintenance of Arena Drive; a DEC payment of \$218,052.00 of which 69% or \$151,944.80 is billed to the West Haymarket private customers; \$135,261.01 for parking deck management for January 2021; \$26,035.92 to Pinnacle Bank Arena for arena repair and maintenance; and \$6,280.10 to Pinnacle Bank Arena for a DirecTV satellite receiver.

Clare asked if the payments to MTZ, for the festival lot maintenance, and for Arena Drive repairs could be paid for out of the endowment. Young explained the MTZ payments were reimbursed from the endowment.

Jane Kinsey, Watch Dogs of Lincoln Government, asked what was wrong with the stoop? Young explained that the concrete was repaired due to deterioration from the weather. Kinsey asked if the PBA has received the \$2 million from the government. Young stated he believes it will be booked on next month's report.

There being no further discussion or public comment, Ward moved approval of the payment register. Clare seconded the motion. Motion carried 3-0.

Item 5 – WH 21-6 Resolution to approve Amendment No. 1 to Purchase Agreement between the West Haymarket JPA and South Canopy, LLC. (Chris Connolly)

Chris Connolly, Chief Assistant City Attorney, stated in early 2019 the JPA entered into an agreement with WRK to purchase Block 2. There were numerous conditions with that agreement such as paying \$1.5 million over the course of three years for the property which WRK completed. The agreement originally called for them to start with a building permit this year, 2021, and that the foundation and footings would be completed by spring of 2022. If they did not meet these goals, then the JPA would be able to purchase the property back. Since that time, WRK has approached us and stated that the pandemic has affected their business and their ability to get tenants and asked for an extension of time to complete the project. An extension of seven years was negotiated. This means they will be given seven years of additional time to begin the project. All of the other terms and conditions will remain the same. In the event that they do not meet all of the milestones by June of 2029, then the JPA can take the property back and pay them the original purchase price with no interest. The Amendment No. 1 reflects these changes and also includes a new deed that would need to be executed according to the amended terms.

Will Scott, Principal of WRK and South Canopy LLC, stated the reason for this request for extension is primarily because of the craziness of the pandemic. He explained their goal has been mission driven to enhance the district. They would love to see Hudl continue to grow, and their headquarters to remain in Lincoln. Right now, from an office space standpoint, it is hard to tell if people will continue working from home or if they will need more office space. He stated they have a lot of money invested and their motivation is to get the project going as soon as possible. The last thing they want to do is hurry up and build something that the City is not proud of that meets the general requirements but falls short of the goals for the area. Their goal is to enhance the district and continue to add jobs, keep talent here, and be more attractive to those who wouldn't normally look at Lincoln as a potential place to start a family. This extension gives them time to create an iconic project.

Clare commented that he spoke with Will ahead of time, along with other parties involved, and that he is a big supporter for loyalty. They discussed the development and what it could mean for Lincoln. He is in support of this project and with the extension itself.

Kinsey asked why is there such a long time for this and commented a lot can happen between now and then. Connolly stated that Urban Development thought that this was an appropriate amount of time for the area to recover in general and still give WRK an adequate opportunity to complete the project. Kinsey commented that the company has had trouble meeting their obligations before. Their tenants have not been happy with them and they have had lawsuits for not opening their books to their tenants. She stated there is reason to be skeptical on whether they will follow through as this is a long time to give them.

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 21-7 Resolution to waive all fees due under contracts for premium seats for the fiscal year 2020-2021. (Chris Connolly)

Connolly stated people have had concerns about paying large sums of money for premium seats that they can't use because of the course of the pandemic. Discussions occurred last summer on how to deal with these situations. We started an informal policy to not collect the fees on these particular seats as we felt that it wasn't fair to these people to be charged the full amount for these seats and not getting any use out of them. We want to keep them as customers. They are very good customers and we wanted to do something to try and help them out. This informal policy went into the fall and now we felt there was a need to formalize a structure to recognize the loyalty of the seat holders and to give them a break going forward with the hope that once we are able to open up in the entirety that they will be able to use them, and we will be able to start generating revenues. With this resolution we are committing to not collecting fees for the balance of this fiscal year or through August 31, 2021 for Suite and Loge Boxes. They will not have to pay for a full year and then we will begin to collect payments based on what their scheduled contract payments are including any appropriate increases included in the contracts.

Kinsey asked if this was the City's idea or was this a request by the patrons. Connolly explained there were patrons that were calling and asking what was going to happen with the seats and expressing concerns that they were paying money for something they didn't get to use. Staff was cognizant of it so we tracked it the best we could and tried to make our best projections with what we thought might happen with the arena in terms of when it might reopen. We felt that this was the best arrangement. Kinsey asked if anyone has defaulted. Connolly stated that no one has defaulted.

Clare commented he will abstain from voting due to a conflict. There being no further discussion or public comment, Ward moved approval of the resolution. Gaylor Baird seconded the motion, Clare abstained. Motion carried 2-0.

Item 7 – WH 21-8 Resolution to authorize staff to renegotiate all contracts for club seats. (Chris Connolly)

Connolly stated we are proposing that the price on the club seats be rolled back to the original price of \$750 per seat, per year as they are more difficult to market and they will stay that way for the balance of their contracts. Many, if not most of these seats, will come up again in a couple of years so the price reduction will not have a huge impact. There are a handful of contracts that will run 5-7 years. In discussing this with staff, we believe the financial impact on those few seats won't be that large and this is a good way to help the customers get some use out of their seats. New contracts will be limited to three years unless authorized by the Treasurer.

Kinsey asked how long the contract was for before. Connolly explained there are different terms that are negotiated with each individual. She asked if new contracts will be for seven years. Connolly explained that new contracts will be for three years unless authorized by the Treasurer for a longer term. Kinsey asked if this happened because of the pandemic. Connolly confirmed the pandemic had a big effect on this. Kinsey asked why people wanted to get out of their contracts. Connolly stated he does not know the reasons why people chose not to renew their contracts.

There being no further discussion or public comment, Ward moved approval of the resolution. Clare seconded the motion. Motion carried 3-0.

Item 8 - Set Next Meeting Date.

The next meeting will be Thursday, April 29, 2021 at 2:30 p.m. in Council Chambers, First Floor of the County-City Building.

Young approached the Board and stated for a point of clarification the \$2 million was received this month and has been booked.

Item 9 – Motion to Adjourn

Ward moved to adjourn. Motion seconded by Clare. The meeting adjourned at 3:06 p.m.