

**ACKNOWLEDGEMENT OF RECEIPT OF NOTICE OF MEETING  
OF THE MAYOR AND CITY COUNCIL OF  
THE CITY OF DAVID CITY, NEBRASKA**

The undersigned members of the governing body of the City of David City, Nebraska, hereby acknowledge receipt of advance notice of a regular meeting of said body and the agenda for such meeting to be held at 7:00 o'clock p.m. on the **13<sup>th</sup> day of March, 2019**, in the meeting room of the City Office, 557 North 4<sup>th</sup> Street, David City, Nebraska.

This agenda is available for public inspection in the office of the City Clerk and may be modified up to twenty-four hours prior to the opening of the meeting.

Dated this 5<sup>th</sup> day of March, 2019.

**AGENDA AS FOLLOWS:**

1. Roll Call;
2. Pledge of Allegiance;
3. Inform the Public about the location of the Open Meetings Act and the Citizens Participation Rules; \_\_\_\_\_  
Mayor Alan Zavodny
4. Minutes of the February 27<sup>th</sup>, 2019 meeting of the Mayor and City Council; \_\_\_\_\_  
Council President Kevin N. Hotovy
5. Consideration of Claims;
6. Consideration of Pay Estimate #5 to Eriksen Construction Co., in the amount of \$30,259.13 for the Wastewater Treatment Plant Project; \_\_\_\_\_  
Council member Thomas J. Kobus
7. Committee and Officer Reports;
8. Consideration of recessing the City Council meeting and convening as the Community Development Agency of the City of David City, Nebraska;
  - a. Consideration of Resolution No. 1 – 2019 CDA recommending approval of a redevelopment plan and making findings in regard thereto. \_\_\_\_\_  
Council member Patrick J. Meysenburg
  - b. Adjourn as the Community Development Agency of the City of David City. \_\_\_\_\_  
Council member John P. Vandenberg
9. Mayor Zavodny to declare the recessed City Council meeting back in session; \_\_\_\_\_  
Council member Gary D. Smith
10. Public Hearing to receive comments on the proposed GDC Properties, LLC Redevelopment Plan for property legally described as: Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition; \_\_\_\_\_  
City Clerk Joan E. Kovar
11. Consideration of Resolution No. 4 - 2019 approving the GDC Properties, LLC Redevelopment Plan, making findings with regard to such plan, and approving other action thereon;

12. Consideration of ORDINANCE NO. 1304, on the 3<sup>rd</sup> and Final reading, entitled: AN ORDINANCE TO EXTEND THE BOUNDARIES AND INCLUDE WITHIN THE CORPORATE LIMITS OF, AND TO ANNEX TO, THE CITY OF DAVID CITY, NEBRASKA, PART OF THE NORTHWEST QUARTER (NW¼) OF SECTION EIGHTEEN (18), TOWNSHIP FIFTEEN (15), NORTH, RANGE THREE (3), EAST OF THE 6<sup>th</sup> P.M., BUTLER COUNTY, NEBRASKA; TO PROVIDE BENEFITS THERETO; TO PROVIDE FOR SEVERABILITY; TO CONFIRM ZONING CLASSIFICATION; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE FOR AN EFFECTIVE DATE THEREOF; AND TO AUTHORIZE PUBLICATION IN PAMPHLET FORM, (Samuel J. Stara property);
13. Consideration of ORDINANCE NO. 1305, on the 3<sup>rd</sup> and Final reading, entitled: AN ORDINANCE TO EXTEND THE BOUNDARIES AND INCLUDE WITHIN THE CORPORATE LIMITS OF, AND TO ANNEX TO, THE CITY OF DAVID CITY, NEBRASKA, PART OF THE NORTHEAST ¼ OF SECTION 13, TOWNSHIP 15 N, RANGE 2 E OF THE 6<sup>th</sup> P.M., BUTLER COUNTY, NEBRASKA; TO PROVIDE BENEFITS THERETO; TO PROVIDE FOR SEVERABILITY; TO CONFIRM ZONING CLASSIFICATION; TO REPEAL CONFLICTING ORDINANCES; TO PROVIDE FOR AN EFFECTIVE DATE THEREOF; AND TO AUTHORIZE PUBLICATION IN PAMPHLET FORM, (Aurora Cooperative Elevator Company);
14. Public Hearing to consider amending the Future Land Use Map by changing the zoning classification from MDR – Medium Density Residential, to I – Industrial for the following real estate as requested by Carolee Svoboda, POA for Cyril Svoboda: Lots 1 - 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City;
15. Consideration of Ordinance No. 1307 amending the Future Land Use Map by changing the zoning classification of real estate described from MDR – Medium Density Residential, to I – Industrial for the following real estate: Lots 1 - 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City, and providing for publication in pamphlet form;
16. Public Hearing to consider amending the Official Zoning Map by changing the zoning classification from R-2 Two-Family Residential, to I-1 Light Industrial for the following real estate: Lots 1 - 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City;
17. Consideration of Ordinance No. 1308 amending the Official Zoning Map by changing the zoning classification of real estate described from R-2 Two-Family Residential to I-1 Light Industrial for the following real estate: Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City, and providing for publication in pamphlet form;
18. Public Hearing to consider the request of Carolee Svoboda, POA for Cyril Svoboda, to vacate the north part of the alley between Lots 1 – 6, Block 9, Will Thorpe & Perkins 2<sup>nd</sup> Addition to David City, located between “L” and “M” Streets and 3<sup>rd</sup> Street and the Burlington Northern Railroad;
19. Consideration of ORDINANCE NO. 1309, entitled: AN ORDINANCE VACATING THE NORTH HALF OF THE ALLEY LOCATED BETWEEN LOTS 1 – 6, BLOCK 9, WILL THORPE AND PERKINS 2<sup>ND</sup> ADDITION TO DAVID CITY, BUTLER COUNTY, NEBRASKA; BETWEEN “L” AND “M” STREETS AND 3<sup>RD</sup> STREET AND THE BURLINGTON NORTHERN RAILROAD; REPEALING ALL ORDINANCES OR PORTIONS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR AN EFFECTIVE DATE THEREOF; AND PROVIDING FOR PUBLICATION IN PAMPHLET FORM.
20. Consideration of the Interlocal Agreement between David City and Butler County for law enforcement services;
21. Consideration of Resolution No. 5 – 2019 increasing rental rates for the Auditorium, Schweser House, and Football Field/Track, and increasing bar charges, etc.;
22. Consideration of the service renewal for testing and calibrating the meters and

- equipment;
23. Consideration of advertising for an entry level employee for the water and sewer departments; Discussion / Consideration of the employment of John Kobus for the water/sewer position;
  24. Discussion concerning the Butler Public Power Wheeling Rate;
  25. Adjournment;

## CITY COUNCIL PROCEEDINGS

March 13, 2019

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 North 4<sup>th</sup> Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on March 7<sup>th</sup>, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agendas which are a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agendas, which were kept continuously current in the office of the City Clerk and were available for public inspection during regular office hours. No new items were added to the agendas during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Council President Kevin Hotovy, and Council members Tom Kobus, Dana Trowbridge, Pat Meysenburg, Gary Smith, and John Vandenberg, City Attorney Jim Egr, and City Clerk Joan Kovar. Mayor Alan Zavodny was absent.

Also present for the meeting were: Cory Vandenberg, Randy Svoboda, Planning Commission Member Pam Kabourek, Sheriff Tom Dion, Park/Auditorium Supervisor Bill Buntgen, Building Inspector Ray Sueper, and Interim Water Supervisor Aaron Gustin.

The meeting opened with the Pledge of Allegiance.

Council President Kevin Hotovy informed the public of the "Open Meetings Act" posted on the east wall of the meeting room asked those present to please silence their cell phones.

The minutes of the February 27<sup>th</sup>, 2019 meeting of the Mayor and City Council were approved upon a motion by Council member Trowbridge and seconded by Council member Kobus. Voting AYE: Council members Smith, Meysenburg, Vandenberg, Hotovy, Trowbridge, and Kobus. Voting NAY: None. The motion carried.

Council President Hotovy asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims and Council member Meysenburg seconded the motion. Voting AYE: Council members Kobus, Vandenberg, Meysenburg, Smith, Hotovy, and Trowbridge. Voting NAY: None. The motion carried.

Council member Trowbridge made a motion to approve Pay Estimate #5 to Eriksen Construction Co., in the amount of \$30,259.13 for the Wastewater Treatment Plant Project.

Council member Kobus seconded the motion. Voting AYE: Council members Meysenburg, Vandenberg, Kobus, Trowbridge, Smith, and Hotovy. Voting NAY: None. The motion carried.

Council President Hotovy asked for any comments or questions concerning the Committee and Officer Reports.

Building Inspector Ray Sueper stated: "I met with Alan Covault and was able to get his voluntary cooperation for the demolition of his rental house at 695 E Street. That will be torn down this Spring. Also, Alan is on a committee with the gal from the Opera House and we got him aimed in the direction for the committee to get some tuck pointing, and brick work done on that building. I am still waiting to hear from the Treats regarding their deadline and any offers that they may have received."

There being no further comments, Council member Meysenburg made a motion to accept the Committee and Officers Reports as presented. Council member Vandenberg seconded the motion. Voting AYE: Council members Trowbridge, Kobus, Vandenberg, Meysenburg, Smith, and Hotovy. Voting NAY: None. The motion carried.

Council member Trowbridge made a motion to recess the City Council meeting at 7:09 p.m. and convene as the Community Development Agency of the City of David City, Nebraska. Council member Kobus seconded the motion. Voting AYE: Council members Smith, Hotovy, Meysenburg, Trowbridge, Kobus, and Vandenberg. Voting NAY: None. The motion carried and Council President Hotovy declared the meeting in recess.

Council President Hotovy opened the meeting of the Community Development Agency at 7:09 p.m. Present for the meeting were: Tom Kobus, Gary Smith, Dana Trowbridge, Kevin Hotovy, Pat Meysenburg, and John Vandenberg.

Mike Bacon, of Bacon and Vinton, had notified City Clerk Kovar that he could not attend the meeting as he was just out of a 3-day stint in the hospital and could not travel yet this week. Mike stated that he would be available by phone during the meeting and asked that he be called so that he could do a short "presentation" on the redevelopment plan.

Mike Bacon stated: "I apologize for not being there this evening, I had an unintended stay in the hospital. What you have in front of you are two documents at this point, one is the redevelopment plan and the other is a Resolution to make a recommendation that City Council adopt this. The short version is, there's not a lot of development property available. In order for this to be developed it's going to have to be extensive infrastructure put in place, there is a proposed 16 lot subdivision, cost, purchase price, and all of the intended infrastructure necessary will be \$1.77 million, which is obviously a very high cost per lot just to break even. So, this redevelopment plan proposed is that, as each lot is developed, they will be able to capture the Tax Increment for a period of 15 years to help repay the development costs. There is a cost benefit analysis that says this should not have a negative impact in the community in terms of adding too many school kids, it's not intended that there would be a large manufacturing facility there, and that all of the infrastructure installations would be borne by the developer. There would be a series of phases for collecting the tax increment financing. We would not pledge all of the lots at the same time, similar as we have done in other projects, as each lot is developed that lot would start its fifteen-year period running for the tax diversion."

Council member Trowbridge asked: "Relative to the structuring of this over time as the lots are sold, how are the drawdowns handled against the estimated total project of \$1.77?"

Mike Bacon stated: "Good question. So, what would happen is that.....as I look at this I think the best way to do it is probably with a single fit bond, although I talked about multiple bonds, have a single fit bond that would have as it's principal the amount that is certified as the developer spends on the project, and then as each payment comes in, that would help pay down that debt. I don't think there's any way that he is going to be reimbursed for anything approaching all of the costs he'll have involved from tax increment financing, but we would prepare a redevelopment contract that says: here's the bonds, certifies all the costs, show us that you've actually paid for the people, first dollar figures, and then we'll endorse that on the bonds."

Council member Trowbridge stated: "Because I think this is the type of project that the saleability of the lots, that are the collateral, will depend upon how quickly the streets and all of the infrastructure develop. I don't see that it can be done in phases of installing infrastructure."

Mike Bacon stated: "No, I talked to Cory about that and he can address that, but basically he has to get it all in to get his building going. Cory, can you address that?"

Cory Vandenberg stated: "I am the first person to build on there and my lot is on the end of the line for water, electricity, everything. The paving would come straight across from Aquinas and it turns and goes south. My property is over there by the Dietrich property so I would have to have all the infrastructure, street, and everything done just to even get to my building. It would all be done right away and ready for...."

Council member Trowbridge stated: "Well that makes the rest of them more saleable as they can see completion."

Cory Vandenberg stated: "When people see that building started, that's when you trigger other people to, okay this is started, let's get lots. That's our goal anyway."

Council member Trowbridge stated: "Everybody needs to be clear that your company is on the line with this for \$1.77 million dollars whether you ever sell a lot or not."

Cory Vandenberg stated: "Correct. There is a lot better option probably for me but David City has not had a commercial lot to build on along the highway for my lifetime and it's time. We developed a lot of residential neighborhoods in the last fifteen years and the towns grown and I think there's a good opportunity to help the town attract more business. We're going to need some help with everyone involved to promote David City and help it grow, that's what this is all about."

Council member Trowbridge stated: "Good. Thank You."

Council member Trowbridge made a motion to pass and approve Resolution No. 1 – 2019 CDA recommending approval of a Redevelopment Plan. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Smith, Hotovy, Meysenburg, Trowbridge, and Kobus. Voting NAY: None. The motion carried and Resolution No. 1-2019 CDA was passed and adopted as follows:

**RESOLUTION NO. 1 – 2019 CDA**

**RESOLUTION RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN OF THE CITY OF DAVID CITY, NEBRASKA; APPROVAL OF A REDEVELOPMENT PROJECT OF THE CITY OF DAVID CITY, NEBRASKA; AND APPROVAL OF RELATED ACTIONS**

**BE IT RESOLVED BY THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY, NEBRASKA:**

**Recitals:**

a. The Mayor and Council of the City of David City, Nebraska (the “City”), upon the recommendation of the City Planning Commission (the “Planning Commission”), and in compliance with all public notice requirements imposed by the Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the “Act”), has previously declared an area, including an area legally described on the attached Exhibit A (the “Redevelopment Area”), to be blighted and substandard and in need of redevelopment; and

b. Pursuant to and in furtherance of the Act, a Redevelopment Plan (the “Redevelopment Plan”), has been prepared by the Agency, in the form of the attached Exhibit B, for the purpose of redeveloping the Redevelopment Area; and

c. Pursuant to the Redevelopment Plan, the Agency would agree to incur indebtedness and make a grant for the project specified in the Redevelopment Plan (the “Project”), in accordance with and as permitted by the Act; and

d. Pursuant to Section 18-2113 of the Act, the Agency has conducted a cost benefit analysis of the Project (the “Cost Benefit Analysis”), which is included as a part of the Redevelopment Plan; and

e. The Agency has made certain findings and has determined that it is in the best interests of the Agency and the City to approve the Redevelopment Plan, approve the Redevelopment Project, and approve the transactions contemplated by the Redevelopment Plan.

**Resolved that:**

1. The Agency determines that the proposed land uses and building requirements in the Redevelopment Plan for the Redevelopment Area are designed with the general purposes of accomplishing, and in conformance with the general plan of the City, a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations or conditions of blight.

2. In accordance with the Act, the Agency has conducted a Cost Benefit Analysis for the Project, which is incorporated into the Redevelopment Plan, and finds (i) the Redevelopment Plan uses funds authorized in section 18-2147 of the Act, (ii) the redevelopment project in the Redevelopment Plan would not be economically feasible without the use of tax-increment financing, (iii) the redevelopment project would not occur in the community redevelopment area without the use of tax-increment financing, and (iv) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The Agency has documented that the Redevelopment Project is not economically feasible without the use of funds authorized in section 18-2147 of the Act in that the Redeveloper has neither the capital nor is able to acquire the capital to construct the project without the use of said funds.

3. In compliance with section 18-2114 of the Act, the Agency finds and determines as follows: a) the Redevelopment Area constituting the Redevelopment Project will not be acquired by the Agency and the Agency shall receive no proceeds from disposal to the Redeveloper; (b) the Redeveloper has acquired the Redevelopment Area; (c) the estimated cost of preparing the project site and related costs are set forth in the Redevelopment Plan (d) the method of acquisition of the real estate was by private contract by the Redeveloper and not by condemnation; (e) the method of financing the Redevelopment Project is set forth in the Redevelopment Plan; and (f) no families or businesses will be displaced as a result of the project.

4. The Agency recommends approval of the Redevelopment Plan, the Redevelopment Project, and the transactions contemplated in the Redevelopment Plan.

5. All prior resolutions of the Agency in conflict with the terms and provisions of this resolution are repealed to the extent of such conflicts.

6. This Resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED** on March 13, 2019

**COMMUNITY DEVELOPMENT AGENCY  
OF THE CITY OF DAVID CITY,  
NEBRASKA**

ATTEST:

---

Chair Kevin Hotovy

---

Secretary Joan Kovar

**EXHIBIT A**

**LEGAL DESCRIPTION OF REDEVELOPMENT AREA**

Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition to the City of David City, Butler County, Nebraska, legally described as follows:

A tract of land located in the East Half of the Southwest Quarter (E½ SW¼) of Section Thirty (30), Township Sixteen (15), North, Range Three (3), East of the 6<sup>th</sup> P.M., Butler County, Nebraska, described as follows:  
Commencing at the Northeast corner of said Southwest Quarter (SW¼), and assuming the East line of said Southwest Quarter (SW¼), to have a bearing of S1°08'18"E; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line of Nebraska Highway No. 15; thence S0°55'30"E, 1,334.83 feet, on said Westerly Highway right-of-way line;; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line; thence S9°51'02"E, 202.41 feet, on said Westerly Highway right-of-way line; thence N89°04'30"E, 5.00 feet, on said Westerly Highway right-of-way line; thence S1°08'18"E, 12.90 feet, on said Westerly Highway right-of-way line, to the Northeast corner of a parcel of land conveyed in Microfilm Book 03, page 2039; thence S89°20'30"W, 301.32 feet, on the North line of said parcel; thence S0°16'30"W, 213.14 feet, on the North line of said parcel; thence S89°51'20"W, 245.25 feet, to the Northwest corner of said parcel, said Point also being on the Easterly right-of-way line of the Burlington Northern Railroad; thence Northerly, 1,804 feet, more or less, on said Easterly Railroad right-of-way line, to a point on the North line of said Southwest Quarter (SW¼); thence N89°45'10"E, 841.08 feet, to the Point Of Beginning.

**EXHIBIT B**

**REDEVELOPMENT PLAN**

**REDEVELOPMENT PLAN FOR**

**GDC PROPERTIES, LLC, REDEVELOPMENT PROJECT**

**DAVID CITY, NEBRASKA**

**PREPARED JANUARY 2019  
FOR  
THE COMMUNITY DEVELOPMENT  
AGENCY OF  
DAVID CITY, NEBRASKA**



I. INTRODUCTION.

This Redevelopment Plan for a blighted and substandard area of the City of David City, Nebraska ("Redevelopment Plan") is a guide for redevelopment activities to remove or eliminate blight and substandard conditions within the City of David City, Nebraska ("City"). The Mayor and City Council of the City (the "Council"), recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, passed a resolution designating certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of section 18-2103 of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the "Act"). One of the areas designated by the Council as blighted and substandard and in need of redevelopment is described on Exhibit "1" (referred to herein as the "Redevelopment Area").

This Redevelopment Plan sets forth a phased redevelopment project in the Redevelopment Area consisting of sixteen commercial lots. A preliminary site plan of the Redevelopment Project is attached and incorporated herein as Exhibit "2".

II. REDEVELOPMENT PROJECT DESCRIPTION.

Commercial construction for the Redevelopment Project will begin in the spring of 2019. Current estimates indicate that full build out of the Redevelopment Project may require 8 full construction years (Phases).

GDC PROPERTIES, LLC ("Redeveloper"), anticipates that all lots in the proposed subdivision will consist of commercial structures. The initial commercial construction will be a commercial facility for an electrical contractor. Future development may consist of a hospitality facility, a convenience store and other stand-alone retail and office space.

After infrastructure installation, Redeveloper will construct commercial units in annual phases in the years 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026. An extension of the build out for an additional 4 years may be required due to market conditions.

All available evidence suggests that the Project Site has not attracted the private investment necessary to contribute to the wellbeing of the community, nor is it reasonably anticipated that the area would be developed without public action. To encourage private investment in the Project Site, this Redevelopment Plan has been prepared to set forth the Redevelopment Project, which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Project Site.

This Redevelopment Plan will require a number of years to implement and will be market driven. The phased development is intended to occur with lots combined into phases based on when construction is initiated on each lot (each collection of lots on which construction has been commenced in a given year, a "Phase"). In order to offer this development at marketable rates the Redeveloper seeks a TIF grant from the City pursuant to the Act, as part of a multi-step phased development project. Redeveloper is unable to undertake the construction of public improvements without assurance that Redeveloper can undertake construction on all lots. Redeveloper would not complete the initial public improvements for all Phases but-for the approval of the entire Redevelopment Project.

Accordingly, this Redevelopment Plan contemplates that the costs and expenses of all the public improvements for the Redevelopment Project are eligible TIF uses for each Phase of the Redevelopment Project (as allocated). As such, Redeveloper may apply the TIF revenues generated from each Phase of the Redevelopment Project toward the payment of the eligible expenses of the entire Redevelopment Project, if necessary. Initially, in 2019, Redeveloper will construct a \_\_\_\_ square foot commercial building on lot 9 of the subdivision. Thereafter, Redeveloper will market the remaining lots in the subdivision for commercial development. The significant costs of developing the Project Site will require the capture of TIF revenues from most, if not all of the lots in the Redevelopment Area.

Annually, Redeveloper may submit to the Community Development Agency of the City (the "Agency") an amendment to the "redevelopment contract" (as defined in the Act) for that year's Phase, if any. The redevelopment contract, and each amendment thereof, shall set forth the "effective date" and "Redevelopment Project Valuation" (as defined in the Act) for the pertinent Phase.

Redeveloper estimates \$1,777,000 in TIF-eligible costs for the Redevelopment Project. Redeveloper seeks a TIF grant in an amount not to exceed \$1,777,000 for the TIF-eligible costs that include, but are not limited to: site acquisition, site preparation and storm sewer, lift station and sanitary sewer, street paving and curb and gutter, electric lines and lighting, right of way landscaping, engineering, architecture and legal fees.

The Agency will issue a Tax Increment Revenue Bond ("TIF Bond") for each Phase of the development, the amount of which shall be calculated based on the expected amount of TIF revenues that such Phase will generate. The aggregate total of all TIF Bonds issued shall not exceed the sum of \$1,777,000 for all phases of the Redevelopment Project. No TIF Bond shall be issued, in any event after February 1, 2031. The interest rate on each such bond shall be determined by the Agency. Redeveloper will be required to purchase each TIF Bond from the Agency for the principal amount thereof. Redeveloper will be required to obtain a bank loan in order to purchase the TIF Bond, or in the alternative, at the request of the Redeveloper, each TIF Bond may be funded as an offset against the grant of TIF Bond proceeds to the Redeveloper. The maximum amount of the TIF Grant(s) shall not exceed \$1,777,000. Redeveloper will use the TIF Bond proceeds to pay for the TIF-eligible costs. The TIF Bonds will be limited obligations of the Agency, solely repayable from the incremental (increased) ad valorem real property taxes from the Redevelopment Project. Redeveloper and the Agency anticipate that the Agency will issue a series of TIF Bonds encapsulating the TIF-eligible expenses for the entire Project; provided, however, that the Phases may have different effective dates. The Agency and Redeveloper will provide a more detailed overview of the TIF Bonds and the issuance thereof in the redevelopment contract, or amendment thereof, or the resolution authorizing issuance of the TIF Bonds.

Real estate taxes levied on the Redevelopment Project Valuation (as defined in the Act) will continue to be paid to the normal taxing entities during the TIF Bond repayment period as prescribed by the Act. Upon the earlier of repayment of the TIF Bond or expiration of sixteen years after the effective date(s) provided in the redevelopment contract, or an amendment thereof, all increased taxes will be paid to the normal taxing entities.

### III. REDEVELOPMENT AREA; EXISTING CONDITIONS

Exhibit "1", attached hereto and incorporated herein, sets forth the boundaries of the Redevelopment Area. The Redevelopment Area has been previously declared blighted and substandard and in need of redevelopment.

#### IV. PROJECT SITE; EXISTING CONDITIONS.

This section of the Redevelopment Plan examines the existing conditions within the Project Site. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

A. Existing Land Use. The existing land use is shown on Exhibit "3". The land within the Project Site is currently undeveloped and classified as agricultural.

B. Existing Zoning. The Project Site is zoned FS, flexible space mixed use.

C. Existing Public Improvements. There are no paved streets or municipal water or sanitary sewer mains or electrical service serving the Project Site.

D. Existing Building Conditions/Blighting Influences. The Redevelopment Area has been declared substandard and blighted upon the findings of a Blight Study. The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Act. The Blight Study determined that the study area, which includes the Project Site, exhibited a number of deficiencies applicable to the consideration of a "substandard and blight" designation. The Planning Commission and City Council will hold public hearings pursuant to the Act prior to considering action on this Redevelopment Plan.

#### V. POST-REDEVELOPMENT CONDITIONS.

This section of the Redevelopment Plan examines the future conditions within the Project Site subsequent to completion of the Redevelopment Project. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing
- H. Procedure for Changes in the Approved Redevelopment Plan
- I. Relocation Plan

A. Proposed Land Use Plan. The proposed land use for the Project Site is conceptually shown on Exhibit "2". The land use will transition from agricultural to a commercial use.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with the Act, this Redevelopment Plan has been designed to conform to the City's adopted Comprehensive Plan. Currently zoned as FS

the Project Site will not require a change of zoning. Commercial development is contemplated and is a permitted use in the Redevelopment Area. The City Council finds that this Redevelopment Plan is feasible and in conformity with the Comprehensive Plan designation of the FS district as the plan furthers construction of a mixed use a range of commercial, office, light industrial, and production facilities. The Flex Space District is also intended to provide support uses, including complimentary office and retail use complementing the general land use pattern of the community and assisting the implementation of the adopted goals and policies of the community and as a whole conforms to the legislative declarations and determinations set forth in the Act.

C. Relationship to Local Objectives. This Redevelopment Plan was developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Project Site which is set forth in the FS mixed use zoning district. General goals, policies and actions relating to the community as a whole and for the Project Site are contained in the Comprehensive Plan. This Plan provides for the financing and installation of public infrastructure which is the primary condition precedent to the development in this FS zone.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Project Site should generally achieve the following requirements and standards:

1. Population Density. There are currently no residences located within the Project Site. Population density within the Project Site will not increase as no residences will be built on the Project Site.

2. Land Coverage and Building Density. Land coverage in the Project Site is approximately 24.29 acres. There are currently no buildings within the Project Site. Redeveloper contemplates that the commercial structure from 2,500 square feet to more than 20,000 square feet will be built on the proposed lots.

Land coverage will comply with all applicable zoning and land coverage requirements for the area.

3. Building Heights and Massing. Building heights and massing will comply with the FS district.

E. Proposed Changes and Actions. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The Project Site is zoned FS and is consistent with the planned commercial development. No codes or ordinances changes are required.

2. Traffic Flow, Street Layout and Street Grades. Access to the Project Site will be from Highway 15. Final design of street grades and paving installation will be subject to approval by the City's engineers. A preliminary rendering of the street locations is shown on Exhibit "2".

3. Parking Facilities. No public parking facilities are required for the Redevelopment Project. All anticipated commercial parking shall be off-street.

4. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Project Site, Redeveloper anticipates construction of the following: (1) Extension of water mains from the City water main and throughout the Project Site; (2) extension of a sanitary sewer main throughout the Project Site and a lift station will be required; (3) paving of streets and sidewalks; (4) installation of storm sewer and (5) electrical line installation throughout the Project Site

5. Site Preparation and Demolition. Site preparation for onsite infrastructure will be required. The Project Site will require site preparation and grading throughout to address drainage.

6. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Project Site include the construction of approximately up to 16 commercial buildings.

F. Cost-Benefit Analysis. A cost-benefit analysis for the Redevelopment Project is incorporated herein by this reference ("Cost-Benefit Analysis") and is shown on Exhibit "4". The Cost-Benefit Analysis complies with the requirements of the Act in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The Agency intends to negotiate a specific redevelopment contract with Redeveloper, outlining the proposed Redevelopment Project, and contributions from TIF which are necessary from the Agency. The redevelopment contract will include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City, Agency and Redeveloper to implement the Redevelopment Project.

Estimated TIF-eligible Redevelopment Project costs are shown below:

Site Acquisition	\$ 449,000
Site Preparation & Storm Sewer	\$ 285,000
Street Paving	\$ 245,000
Lift Station & Sanitary Sewer	\$ 385,000
Water Mains	\$ 245,000
Electric Distribution	\$ 125,000
Right of way landscaping	\$ 25,000
Legal	\$ 18,000
Total	\$1,777,000

The above figures are estimates and are subject to change. Final figures are subject to a specific site plan, design specifications, City approval and public regulations. A breakdown of all estimated sources and uses (including the TIF-eligible costs) is attached hereto and incorporated herein as Exhibit "5".

The Agency will not fund improvements that exceed the amount of funds available from TIF revenues for the Redevelopment Project. The Agency and Redeveloper estimate the amount of the available TIF revenues from the Redevelopment Project are significantly in excess of the eligible costs.

The TIF revenues are to be allocated under the terms of Section 18-2147(1)(b) of the Act for those tax years set forth in the redevelopment contract, or amendment(s) thereof. The real property ad valorem taxes on the taxable valuation of the Project Site for the year prior to redevelopment will continue to be paid to the applicable taxing bodies in accordance with the terms of Section 18-2147 of the Act.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property on the lots within the Project Site shall be divided, for a period not to exceed 15 years after the effective date(s) of the provision as determined pursuant to a redevelopment contract, or amendment thereof, between Redeveloper and the Agency, or in the resolution authorizing the TIF Bond.

Said taxes shall be divided as follows:

- a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the "redevelopment project valuation" (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and
- b. That portion of the ad valorem tax on real property in the Project Site in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Agency to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Agency for financing or refinancing, in whole or in part, the Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the Agency shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

Because the redevelopment plan proposes to use TIF funds as authorized in § 18-2147 of the Act, the City Council, sitting as the governing body of the Agency, finds as follows based upon the representations of Redeveloper:

- a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;
- b. the Redevelopment Project would not occur in the Project Site without the use of tax-increment financing; and
- c. the costs and benefits of the Redevelopment Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body

and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

H. Procedure for Changes in the Approved Redevelopment Plan. If the City or Redeveloper desires to substantially modify this Redevelopment Plan, it may do so after public hearing(s) on the proposed change in accordance with the Act.

I. Relocation Plan. No persons or businesses will require relocation as a result of this Redevelopment Plan or the Redevelopment Project.

J. Agency's Special Attorney's Fees. Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, the legal costs and fees incurred by the Agency in relation to the Redevelopment Project as follows: (1) upon the approval of this Redevelopment Plan, Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, a sum of \$18,000; and (2) if the Redevelopment Project requires the issuance of more than one TIF Bond, Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, a minimum of \$1,000 for each such issuance.

### **Exhibit "1"** **Project Site**

#### **Legal Description:**

Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition to the City of David City, Butler County, Nebraska, legally described as follows:

A tract of land located in the East Half of the Southwest Quarter (E½ SW¼) of Section Thirty (30), Township Fifteen (15), North, Range Three (3), East of the 6<sup>th</sup> P.M., Butler County, Nebraska, described as follows:

Commencing at the Northeast corner of said Southwest Quarter (SW¼), and assuming the East line of said Southwest Quarter (SW¼), to have a bearing of S1°08'18"E; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line of Nebraska Highway No. 15; thence S0°55'30"E, 1,334.83 feet, on said Westerly Highway right-of-way line;; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line; thence S9°51'02"E, 202.41 feet, on said Westerly Highway right-of-way line; thence N89°04'30"E, 5.00 feet, on said Westerly Highway right-of-way line; thence S1°08'18"E, 12.90 feet, on said Westerly Highway right-of-way line, to the Northeast corner of a parcel of land conveyed in Microfilm Book 03, page 2039; thence S89°20'30"W, 301.32 feet, on the North line of said parcel; thence S0°16'30"W, 213.14 feet, on the North line of said parcel; thence S89°51'20"W, 245.25 feet, to the Northwest corner of said parcel, said Point also being on the Easterly right-of-way line of the Burlington Northern Railroad; thence Northerly, 1,804 feet, more or less, on said Easterly Railroad right-of-way line, to a point on the North line of said Southwest Quarter (SW¼); thence N89°45'10"E, 841.08 feet, to the Point Of Beginning.





**Exhibit "3"**  
**Existing Condition**



**Exhibit "4"**  
**Statutory Cost-Benefit Analysis**

As under section 18-2147 of the Act, the Agency has analyzed the costs and benefits of the proposed Redevelopment Project, including:

**Redevelopment Project Sources and Uses.** Approximately \$1,777,000 in property tax receipts from TIF provided by the Agency is required to complete the proposed Redevelopment Project. Such a TIF grant by the Agency will leverage an estimated \$4,000,000 (all Phases) in other investment and financing; an investment of \$1.68 for every dollar of tax increment financing.

**Use of Funds.** A full schedule of proposed sources and uses of funds is attached as Exhibit "5" to the Redevelopment Plan.

**Tax Shifts.** The property to be redeveloped is anticipated to have a January 1, 2019, valuation of approximately \$140,205. Based on the 2018 levy this would result in a real property tax of approximately \$2,366. It is anticipated that the assessed value will increase by a minimum of \$4,000,000 when the Redevelopment Project is completed. This will result in an overall tax of approximately \$64,949 annually (all phases) based on the 2018 levy rate of 1.623745% for property inside the city limits. Of this increased annual amount, approximately \$116,381 represents the estimated tax increment that could be used to pay the TIF Bond issue. The tax increment gained from the Redevelopment Project would not be available for use by the taxing entities as general tax revenues, but would be used to pay the TIF Bond issued to pay for eligible improvements to enable this Redevelopment Project to be realized. To the extent a Redevelopment Project phase has not reached full value at the time taxes are divided, the amount of the annual tax increment will be less.

Estimated 2018 assessed value	\$ 140,205
Estimated after all phases assessed value	\$ 4,140,205
Tax Levy	1.623745
Increment value	\$ 4,000,000
Annual Increment	\$ 64,949
Initial TIF Bond issue Based on Phase #1	\$ 50,000

The development will take a number of years to fill all lots with new structures. As an example of creating the entire increment in 2019 of \$4,000,000 the TIF Bond would equal approximately \$580,000, which is far short of the total eligible costs.

**Public Infrastructure and Community Public Service Impacts.** The Redevelopment Project requires extensive public infrastructure installation. Onsite infrastructure totals an estimated \$1,043,000 in addition to required site preparation. Paving, sewer and water extension throughout the Project Site will be installed by the redeveloper pursuant to public bid. Fire and police protection are considered adequate and no additional personnel or equipment is contemplated.

**Impact on Employers and Employees within the Project Site.** Employment within the Project Site is expected to increase during infrastructure installation and commercial construction. These jobs will be temporary.

**Impact on Employers and Employees in the City outside the Project Site.** The construction of up to 16 commercial properties over the build-out period will provide incremental local sales to support construction workers during that time. This will result in modest upward pressure for jobs in the service and retail sector. The lots are sized such that significant employment in the redevelopment project area is unlikely.

**Local Tax Impacts.** The Redevelopment Project will require substantial purchases of materials during commercial building construction. With respect to all Phases and assuming construction cost is approximately 80% of the sale price, approximately 40 percent of the cost may be allocated toward materials. Construction materials delivered to the construction site in the City is subject to local sales tax of 1.5%.

**Impacts on student populations.** The addition of school age children as a result of this Redevelopment Project will have minimal impact on the David City School District. . Assuming 3 **new** jobs per lot are created, 48 new jobs over the full development period. The latest census data shows that the City's population per household is 2.52 persons. Assuming each possible new job resulted in one new residence in the City and further assuming each possible new residence was occupied by a traditional family unit, the student population could increase by 24 students over the full build out period. However, it is speculative, at best to assume a population or student increase of significant numbers as a result of a commercial build out of 16 lots. The school district will not receive taxes from the commercial structures during the time the increased taxes are utilized to pay the TIF Bond.

**Other Impacts.** The Project Site is blighted and contains substandard conditions that are a detriment to the City as a whole. The Redevelopment Project will revitalize and occupy a vacant space without negatively impacting the surrounding businesses or straining the public infrastructure. There are no other material impacts determined by the Agency relevant to the

consideration of the cost or benefits arising from the Redevelopment Project. As such, the costs of the Redevelopment Project are outweighed by its benefits.

**Exhibit "5"**  
**Sources and Uses of Funds**

Sources of Funds:

Maximum TIF Grant Possible	\$1,777,000
<u>Loan and Equity (estimated full build)</u>	<u>\$4,000,000</u>
Total	\$5,777,000

Council member Kobus made a motion to adjourn the Community Development Agency of the City of David City. Council member Smith seconded the motion. Voting AYE: Council members Trowbridge, Meysenburg, Hotovy, Vandenberg, Kobus, and Smith. Voting NAY: None. The motion carried and Council President Hotovy declared the meeting of the Community Development Agency of the City of David City adjourned at 7:19 p.m.

Council President Hotovy declared the recessed City Council meeting back in session at 7:19 p.m.

Council President Hotovy declared the public hearing open at 7:19 p.m. to receive comments on the proposed GDC Properties, LLC, Redevelopment Project, that includes Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition to the City of David City, Butler County, Nebraska, legally described as follows:

A tract of land located in the East Half of the Southwest Quarter (E½ SW¼) of Section Thirty (30), Township Fifteen (15), North, Range Three (3), East of the 6<sup>th</sup> P.M., Butler County, Nebraska, described as follows:  
Commencing at the Northeast corner of said Southwest Quarter (SW¼), and assuming the East line of said Southwest Quarter (SW¼), to have a bearing of S1°08'18"E; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line of Nebraska Highway No. 15; thence S0°55'30"E, 1,334.83 feet, on said Westerly Highway right-of-way line; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line; thence S9°51'02"E, 202.41 feet, on said Westerly Highway right-of-way line; thence N89°04'30"E, 5.00 feet, on said Westerly Highway right-of-way line; thence S1°08'18"E, 12.90 feet, on said Westerly Highway right-of-way line, to the Northeast corner of a parcel of land conveyed in Microfilm Book 03, page 2039; thence S89°20'30"W, 301.32 feet, on the North line of said parcel; thence S0°16'30"W, 213.14 feet, on the North line of said parcel; thence S89°51'20"W, 245.25 feet, to the Northwest corner of said parcel, said Point also being on the Easterly right-of-way line of the Burlington Northern Railroad; thence Northerly, 1,804 feet, more or less, on said Easterly Railroad right-of-

way line, to a point on the North line of said Southwest Quarter (SW¼); thence N89°45'10"E, 841.08 feet, to the Point Of Beginning.

Mike Bacon stated: "One piece that I would offer is that, for the public's input, this is a properly zoned area, it's part of the comprehensive plan that a subdivision like this occur, it should not negatively impact any of the surrounding property, and there is no risk to the City or its taxpayers as the redeveloper is going to absorb all of the costs and will allow expansion of commercial and retail activity in the community and Cory can explain what he hopes to get in there in the future. So, that's all the input I have."

Cory Vandenberg stated: "As I said, I'm just here to promote David City, get some business rolling into town, retail would be great, anything we can do, any ideas we are open to the public, we've got a realtor on it so hopefully things move forward. This is pretty much the final hurdle for us, once this goes then it's all in the public, and like I said when the Spring breaks we look to start getting infrastructure installed."

There being no further comments, Council President Hotovy declared the public hearing closed at 7:22 p.m.

Council member Trowbridge introduced Resolution No. 4 - 2019 and moved for its passage and adoption. Council member Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Smith, Hotovy, Meysenburg, and Trowbridge. Voting NAY: None. The motion carried and Resolution No. 4 - 2019 was passed and adopted as follows:

#### **RESOLUTION NO. 4 - 2019**

#### **RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, APPROVING A REDEVELOPMENT PLAN; APPROVING A REDEVELOPMENT PROJECT; AND APPROVING OF RELATED ACTIONS**

**BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:**

#### **Recitals:**

a. The City of David City, Nebraska, a municipal corporation (the "City"), has determined it to be desirable to undertake and carry out urban redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment;

b. The Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "Act"), prescribes the requirements and procedures for the planning and implementation of redevelopment projects;

c. The City has previously declared an area, which includes an area legally described in Exhibit A (the "Redevelopment Area"), to be blighted and substandard and in need of redevelopment pursuant to the Act;

d. The Community Development Agency of the City of David City, Nebraska (the "Agency") has prepared a Redevelopment Plan (the "Redevelopment Plan") for the benefit of GDC Properties, LLC (the "Redeveloper"), in the form attached as Exhibit B, for the redevelopment of the Redevelopment Area;

e. The Planning Commission of the City (the "Planning Commission") has reviewed the Redevelopment Plan, published and mailed notices of a public hearing regarding the Commission's recommendation on the Redevelopment Plan pursuant to the Act, held a public hearing on the Redevelopment Plan and recommended its approval by the Mayor and Council of the City;

f. The Agency has conducted a cost benefit analysis, pursuant to Section 18-2113 of the Act, of the project set forth in the Redevelopment Plan (the "Redevelopment Project"), reviewed the Redevelopment Plan, and recommended approval of the Redevelopment Plan by the Mayor and Council of the City;

g. The City published and mailed notices of a public hearing regarding the consideration of the approval of the Redevelopment Plan pursuant to the Act, and has on the date of this Resolution held a public hearing on the proposal to approve the Redevelopment Plan; and

h. The City has reviewed the Redevelopment Plan and determined that the proposed land uses and building requirements described in it are designed with the general purpose of accomplishing a coordinated, adjusted, and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency in economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provisions for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities, and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary or unsafe dwelling accommodations, or conditions of blight.

**Resolved that:**

1. The Redevelopment Plan is determined to be feasible and in conformity with the general plan for the development of the City as a whole, and the Redevelopment Plan is in conformity with the legislative declarations and determinations set forth in the Act. The City hereby documents that the Redevelopment Project is consistent with the general plan for the City as it is in an area specifically zoned for the multiuse function contemplated in the Redevelopment Plan and has not been improved since it was first annexed. It is found and determined, based on the analysis conducted by the Agency, that (a) the redevelopment project described in the Redevelopment Plan would not be economically feasible without the use of funds tax-increment financing, (b) the Redevelopment Project would not occur without the use of tax-increment financing, and (c) the costs and benefits of the redevelopment project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the City and have been found to be in the long-term best interest of the community impacted by the redevelopment project. The City acknowledges receipt of the recommendations of the Agency and the Planning Commission with respect to the Redevelopment Plan. The Agency and the City have documented, in writing, that the Redevelopment Project is not financially feasible without the use of funds mentioned in Section

18-2147 of the Act as the Redeveloper does not have and is unable to acquire sufficient capital to complete the Project without the use of tax increment financing.

2. The Redevelopment Plan is approved in substantially the form attached as Exhibit B.

3. In accordance with Section 18-2147 of the Act, the City provides that any ad valorem tax on real property in the City of David City, Nebraska, more fully described on Exhibit A, attached hereto, for the benefit of any public body be divided for a period of 15 years after the effective date as provided in Section 18-2147 of the Act, which effective date shall be determined in a Redevelopment Contract or a Redevelopment Contract amendment entered into between the Redeveloper and the Agency. Said tax shall be divided as follows:

(a) That proportion of the ad valorem tax which is produced by levy at the rate fixed each year by or for each public body upon the Redevelopment Project Valuation (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as all other taxes collected by or for the bodies; and

(b) That proportion of the ad valorem tax on real property in the Project Area in excess of such amount (the Redevelopment Project Valuation), if any, shall be allocated to, is pledged to, and, when collected, shall be paid into a special fund of the Agency to pay the principal of, the interest on, and any premiums due in connection with the bonds, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, such Agency for financing or refinancing, in whole or in part, the Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premium due have been paid, the Agency shall so notify the County Assessor and County Treasurer and all ad valorem taxes upon real property in the Redevelopment Project Area shall be paid into the funds of the respective public bodies.

4. The Mayor and Clerk are authorized and directed to execute such documents and take such further actions as are necessary to carry out the purposes and intent of this Resolution and the Redevelopment Plan.

5. This Resolution shall become effective immediately upon its adoption.

**PASSED and APPROVED** on March 13, 2019.

---

Council President Kevin Hotovy

ATTEST:

---

City Clerk Joan Kovar

(Seal)

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF REDEVELOPMENT AREA**

Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition to the City of David City, Butler County, Nebraska, legally described as follows:

A tract of land located in the East Half of the Southwest Quarter (E½ SW¼) of Section Thirty (30), Township Sixteen (15), North, Range Three (3), East of the 6<sup>th</sup> P.M., Butler County, Nebraska, described as follows:

Commencing at the Northeast corner of said Southwest Quarter (SW¼), and assuming the East line of said Southwest Quarter (SW¼), to have a bearing of S1°08'18"E; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line of Nebraska Highway No. 15; thence S0°55'30"E, 1,334.83 feet, on said Westerly Highway right-of-way line;; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line; thence S9°51'02"E, 202.41 feet, on said Westerly Highway right-of-way line; thence N89°04'30"E, 5.00 feet, on said Westerly Highway right-of-way line; thence S1°08'18"E, 12.90 feet, on said Westerly Highway right-of-way line, to the Northeast corner of a parcel of land conveyed in Microfilm Book 03, page 2039; thence S89°20'30"W, 301.32 feet, on the North line of said parcel; thence S0°16'30"W, 213.14 feet, on the North line of said parcel; thence S89°51'20"W, 245.25 feet, to the Northwest corner of said parcel, said Point also being on the Easterly right-of-way line of the Burlington Northern Railroad; thence Northerly, 1,804 feet, more or less, on said Easterly Railroad right-of-way line, to a point on the North line of said Southwest Quarter (SW¼); thence N89°45'10"E, 841.08 feet, to the Point Of Beginning.

## **EXHIBIT B**

### **REDEVELOPMENT PLAN**

#### **REDEVELOPMENT PLAN FOR**

#### **GDC PROPERTIES, LLC, REDEVELOPMENT PROJECT**

#### **DAVID CITY, NEBRASKA**

**PREPARED JANUARY 2019**

**FOR**

**THE COMMUNITY DEVELOPMENT**

**AGENCY OF**

**DAVID CITY, NEBRASKA**

## I. INTRODUCTION.

This Redevelopment Plan for a blighted and substandard area of the City of David City, Nebraska ("Redevelopment Plan") is a guide for redevelopment activities to remove or eliminate blight and substandard conditions within the City of David City, Nebraska ("City"). The Mayor and City Council of the City (the "Council"), recognizing that blighted and substandard conditions are a threat to the continued stability and vitality of the City, passed a resolution designating certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of section 18-2103 of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the "Act"). One of the areas designated by the Council as blighted and substandard and in need of redevelopment is described on Exhibit "1" (referred to herein as the "Redevelopment Area").

This Redevelopment Plan sets forth a phased redevelopment project in the Redevelopment Area consisting of sixteen commercial lots. A preliminary site plan of the Redevelopment Project is attached and incorporated herein as Exhibit "2".

## II. REDEVELOPMENT PROJECT DESCRIPTION.

Commercial construction for the Redevelopment Project will begin in the spring of 2019. Current estimates indicate that full build out of the Redevelopment Project may require 8 full construction years (Phases).

GDC PROPERTIES, LLC ("Redeveloper"), anticipates that all lots in the proposed subdivision will consist of commercial structures. The initial commercial construction will be a commercial facility for an electrical contractor. Future development may consist of a hospitality facility, a convenience store and other stand-alone retail and office space.

After infrastructure installation, Redeveloper will construct commercial units in annual phases in the years 2019, 2020, 2021, 2022, 2023, 2024, 2025 and 2026. An extension of the build out for an additional 4 years may be required due to market conditions.

All available evidence suggests that the Project Site has not attracted the private investment necessary to contribute to the wellbeing of the community, nor is it reasonably anticipated that the area would be developed without public action. To encourage private investment in the Project Site, this Redevelopment Plan has been prepared to set forth the Redevelopment Project, which is considered to be of the highest priority in accomplishing the goal of revitalizing and strengthening the Project Site.

This Redevelopment Plan will require a number of years to implement and will be market driven. The phased development is intended to occur with lots combined into phases based on when construction is initiated on each lot (each collection of lots on which construction has been commenced in a given year, a "Phase"). In order to offer this development at marketable rates the Redeveloper seeks a TIF grant from the City pursuant to the Act, as part of a multi-step phased development project. Redeveloper is unable to undertake the construction of public improvements without assurance that Redeveloper can undertake construction on all lots. Redeveloper would not complete the initial public improvements for all Phases but-for the approval of the entire Redevelopment Project. Accordingly, this Redevelopment Plan contemplates that the costs and expenses of all the



public improvements for the Redevelopment Project are eligible TIF uses for each Phase of the Redevelopment Project (as allocated). As such, Redeveloper may apply the TIF revenues generated from each Phase of the Redevelopment Project toward the payment of the eligible expenses of the entire Redevelopment Project, if necessary. Initially, in 2019, Redeveloper will construct a \_\_\_\_square foot commercial building on lot 9 of the subdivision. Thereafter, Redeveloper will market the remaining lots in the subdivision for commercial development. The significant costs of developing the Project Site will require the capture of TIF revenues from most, if not all of the lots in the Redevelopment Area.

Annually, Redeveloper may submit to the Community Development Agency of the City (the "Agency") an amendment to the "redevelopment contract" (as defined in the Act) for that year's Phase, if any. The redevelopment contract, and each amendment thereof, shall set forth the "effective date" and "Redevelopment Project Valuation" (as defined in the Act) for the pertinent Phase.

Redeveloper estimates \$1,777,000 in TIF-eligible costs for the Redevelopment Project. Redeveloper seeks a TIF grant in an amount not to exceed \$1,777,000 for the TIF-eligible costs that include, but are not limited to: site acquisition, site preparation and storm sewer, lift station and sanitary sewer, street paving and curb and gutter, electric lines and lighting, right of way landscaping, engineering, architecture and legal fees.

The Agency will issue a Tax Increment Revenue Bond ("TIF Bond") for each Phase of the development, the amount of which shall be calculated based on the expected amount of TIF revenues that such Phase will generate. The aggregate total of all TIF Bonds issued shall not exceed the sum of \$1,777,000 for all phases of the Redevelopment Project. No TIF Bond shall be issued, in any event after February 1, 2031. The interest rate on each such bond shall be determined by the Agency. Redeveloper will be required to purchase each TIF Bond from the Agency for the principal amount thereof. Redeveloper will be required to obtain a bank loan in order to purchase the TIF Bond, or in the alternative, at the request of the Redeveloper, each TIF Bond may be funded as an offset against the grant of TIF Bond proceeds to the Redeveloper. The maximum amount of the TIF Grant(s) shall not exceed \$1,777,000. Redeveloper will use the TIF Bond proceeds to pay for the TIF-eligible costs. The TIF Bonds will be limited obligations of the Agency, solely repayable from the incremental (increased) ad valorem real property taxes from the Redevelopment Project. Redeveloper and the Agency anticipate that the Agency will issue a series of TIF Bonds encapsulating the TIF-eligible expenses for the entire Project; provided, however, that the Phases may have different effective dates. The Agency and Redeveloper will provide a more detailed overview of the TIF Bonds and the issuance thereof in the redevelopment contract, or amendment thereof, or the resolution authorizing issuance of the TIF Bonds.

Real estate taxes levied on the Redevelopment Project Valuation (as defined in the Act) will continue to be paid to the normal taxing entities during the TIF Bond repayment period as prescribed by the Act. Upon the earlier of repayment of the TIF Bond or expiration of sixteen years after the effective date(s) provided in the redevelopment contract, or an amendment thereof, all increased taxes will be paid to the normal taxing entities.

### III. REDEVELOPMENT AREA; EXISTING CONDITIONS

Exhibit "1", attached hereto and incorporated herein, sets forth the boundaries of the Redevelopment Area. The Redevelopment Area has been previously declared blighted and substandard and in need of redevelopment.

#### IV. PROJECT SITE; EXISTING CONDITIONS.

This section of the Redevelopment Plan examines the existing conditions within the Project Site. This section is divided into the following subsections: existing land use, existing zoning, existing public improvements, and existing building condition/blighting influences.

- A. Existing Land Use. The existing land use is shown on Exhibit "3". The land within the Project Site is currently undeveloped and classified as agricultural.
- B. Existing Zoning. The Project Site is zoned FS, flexible space mixed use.
- C. Existing Public Improvements. There are no paved streets or municipal water or sanitary sewer mains or electrical service serving the Project Site.
- D. Existing Building Conditions/Blighting Influences. The Redevelopment Area has been declared substandard and blighted upon the findings of a Blight Study. The evaluation and subsequent findings of the Blight Study were based upon the criteria outlined in the Act. The Blight Study determined that the study area, which includes the Project Site, exhibited a number of deficiencies applicable to the consideration of a "substandard and blight" designation. The Planning Commission and City Council will hold public hearings pursuant to the Act prior to considering action on this Redevelopment Plan.

#### V. POST-REDEVELOPMENT CONDITIONS.

This section of the Redevelopment Plan examines the future conditions within the Project Site subsequent to completion of the Redevelopment Project. This section is divided into the following subsections:

- A. Proposed Land Use Plan
- B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations
- C. Relationship to Local Objectives
- D. Building Requirements and Standards after Redevelopment
- E. Proposed Changes and Actions
- F. Cost-Benefit Analysis
- G. Proposed Cost and Financing
- H. Procedure for Changes in the Approved Redevelopment Plan
- I. Relocation Plan

A. Proposed Land Use Plan. The proposed land use for the Project Site is conceptually shown on Exhibit "2". The land use will transition from agricultural to a commercial use.

B. Conformance with the Comprehensive Plan; Conformance with the Community Development Law Declarations. In accordance with the Act, this Redevelopment Plan has been designed to conform to the City's adopted Comprehensive Plan. Currently zoned as FS the Project Site will not require a change of zoning. Commercial development is contemplated and is a permitted use in the Redevelopment Area. The City Council finds that this Redevelopment Plan is feasible and in conformity with the Comprehensive Plan designation of the FS district as the plan furthers construction of a mixed use a range of commercial, office,

light industrial, and production facilities. The Flex Space District is also intended to provide support uses, including complimentary office and retail use complementing the general land use pattern of the community and assisting the implementation of the adopted goals and policies of the community and as a whole conforms to the legislative declarations and determinations set forth in the Act.

C. Relationship to Local Objectives. This Redevelopment Plan was developed on the basis of the goals, policies and actions adopted by the City for the community as a whole and for the Project Site which is set forth in the FS mixed use zoning district. General goals, policies and actions relating to the community as a whole and for the Project Site are contained in the Comprehensive Plan. This Plan provides for the financing and installation of public infrastructure which is the primary condition precedent to the development in this FS zone.

D. Building Requirements and Redevelopment Standards. The redevelopment of the Project Site should generally achieve the following requirements and standards:

1. Population Density. There are currently no residences located within the Project Site. Population density within the Project Site will not increase as no residences will be built on the Project Site.

2. Land Coverage and Building Density. Land coverage in the Project Site is approximately 24.29 acres. There are currently no buildings within the Project Site. Redeveloper contemplates that the commercial structure from 2,500 square feet to more than 20,000 square feet will be built on the proposed lots.

Land coverage will comply with all applicable zoning and land coverage requirements for the area.

3. Building Heights and Massing. Building heights and massing will comply with the FS district.

E. Proposed Changes and Actions. This section describes the proposed changes needed, if any, to the zoning ordinances or maps, street layouts, street levels or grades, and building codes and ordinances, and actions to be taken to implement this Redevelopment Plan.

1. Zoning, Building Codes and Ordinances. The Project Site is zoned FS and is consistent with the planned commercial development. No codes or ordinances changes are required.

2. Traffic Flow, Street Layout and Street Grades. Access to the Project Site will be from Highway 15. Final design of street grades and paving installation will be subject to approval by the City's engineers. A preliminary rendering of the street locations is shown on Exhibit "2".

3. Parking Facilities. No public parking facilities are required for the Redevelopment Project. All anticipated commercial parking shall be off-street.

4. Public Redevelopments, Improvements, Facilities, Utilities and Rehabilitations. In order to support the new land uses in the Project Site, Redeveloper

anticipates construction of the following: (1) Extension of water mains from the City water main and throughout the Project Site; (2) extension of a sanitary sewer main throughout the Project Site and a lift station will be required; (3) paving of streets and sidewalks; (4) installation of storm sewer and (5) electrical line installation throughout the Project Site

5. Site Preparation and Demolition. Site preparation for onsite infrastructure will be required. The Project Site will require site preparation and grading throughout to address drainage.

6. Private Redevelopment, Improvements, Facilities and Rehabilitation. The private improvements anticipated within the Project Site include the construction of approximately up to 16 commercial buildings.

F. Cost-Benefit Analysis. A cost-benefit analysis for the Redevelopment Project is incorporated herein by this reference ("Cost-Benefit Analysis") and is shown on Exhibit "4". The Cost-Benefit Analysis complies with the requirements of the Act in analyzing the costs and benefits of the Redevelopment Project, including costs and benefits to the economy of the community and the demand for public and private services.

G. Proposed Costs and Financing; Statements. The Agency intends to negotiate a specific redevelopment contract with Redeveloper, outlining the proposed Redevelopment Project, and contributions from TIF which are necessary from the Agency. The redevelopment contract will include a site plan, Redevelopment Project description, specific funding arrangements, and specific covenants and responsibilities of the City, Agency and Redeveloper to implement the Redevelopment Project.

Estimated TIF-eligible Redevelopment Project costs are shown below:

Site Acquisition	\$ 449,000
Site Preparation & Storm Sewer	\$ 285,000
Street Paving	\$ 245,000
Lift Station & Sanitary Sewer	\$ 385,000
Water Mains	\$ 245,000
Electric Distribution	\$ 125,000
Right of way landscaping	\$ 25,000
Legal	\$ 18,000
Total	\$1,777,000

The above figures are estimates and are subject to change. Final figures are subject to a specific site plan, design specifications, City approval and public regulations. A breakdown of all estimated sources and uses (including the TIF-eligible costs) is attached hereto and incorporated herein as Exhibit "5".

The Agency will not fund improvements that exceed the amount of funds available from TIF revenues for the Redevelopment Project. The Agency and Redeveloper estimate the amount of the available TIF revenues from the Redevelopment Project are significantly in excess of the eligible costs.

The TIF revenues are to be allocated under the terms of Section 18-2147(1)(b) of the Act for those tax years set forth in the redevelopment contract, or amendment(s) thereof. The

real property ad valorem taxes on the taxable valuation of the Project Site for the year prior to redevelopment will continue to be paid to the applicable taxing bodies in accordance with the terms of Section 18-2147 of the Act.

Pursuant to Section 18-2147 of the Act, any ad valorem tax levied upon real property on the lots within the Project Site shall be divided, for a period not to exceed 15 years after the effective date(s) of the provision as determined pursuant to a redevelopment contract, or amendment thereof, between Redeveloper and the Agency, or in the resolution authorizing the TIF Bond.

Said taxes shall be divided as follows:

a. That portion of the ad valorem tax which is produced by the levy at the rate fixed each year by or for each such public body upon the "redevelopment project valuation" (as defined in the Act) shall be paid into the funds of each such public body in the same proportion as are all other taxes collected by or for the body; and

b. That portion of the ad valorem tax on real property in the Project Site in excess of such amount, if any, shall be allocated to and, when collected, paid into a special fund of the Agency to be used solely to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans, notes, or advances of money to, or indebtedness incurred by, whether funded, refunded, assumed, or otherwise, the Agency for financing or refinancing, in whole or in part, the Redevelopment Project. When such bonds, loans, notes, advances of money, or indebtedness, including interest and premiums due, have been paid, the Agency shall so notify the county assessor and county treasurer and all ad valorem taxes upon taxable real property in such Redevelopment Project shall be paid into the funds of the respective public bodies.

Because the redevelopment plan proposes to use TIF funds as authorized in § 18-2147 of the Act, the City Council, sitting as the governing body of the Agency, finds as follows based upon the representations of Redeveloper:

a. the Redevelopment Project in the plan would not be economically feasible without the use of tax-increment financing;

b. the Redevelopment Project would not occur in the Project Site without the use of tax-increment financing; and

c. the costs and benefits of the Redevelopment Project, including costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and been found to be in the long term best interest of the community impacted by the Redevelopment Project.

H. Procedure for Changes in the Approved Redevelopment Plan. If the City or Redeveloper desires to substantially modify this Redevelopment Plan, it may do so after public hearing(s) on the proposed change in accordance with the Act.

I. Relocation Plan. No persons or businesses will require relocation as a result of this Redevelopment Plan or the Redevelopment Project.

J. Agency's Special Attorney's Fees. Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, the legal costs and fees incurred by the Agency in relation to the Redevelopment Project as follows: (1) upon the approval of this Redevelopment Plan, Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, a sum of \$18,000; and (2) if the Redevelopment Project requires the issuance of more than one TIF Bond, Redeveloper shall reimburse the Agency, or pay directly to the Agency's special counsel, a minimum of \$1,000 for each such issuance.

**Exhibit "1"**  
**Project Site**

**Legal Description:**

Lots One through Sixteen, inclusive, Zegers 1<sup>st</sup> Addition to the City of David City, Butler County, Nebraska, legally described as follows:

A tract of land located in the East Half of the Southwest Quarter (E½ SW¼) of Section Thirty (30), Township Fifteen (15), North, Range Three (3), East of the 6<sup>th</sup> P.M., Butler County, Nebraska, described as follows:

Commencing at the Northeast corner of said Southwest Quarter (SW¼), and assuming the East line of said Southwest Quarter (SW¼), to have a bearing of S1°08'18"E; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line of Nebraska Highway No. 15; thence S0°55'30"E, 1,334.83 feet, on said Westerly Highway right-of-way line;; thence N89°45'10"W, 75.71 feet, on the North line of said Southwest Quarter (SW¼), to the Point Of Beginning, said Point being on the Westerly right-of-way line; thence S9°51'02"E, 202.41 feet, on said Westerly Highway right-of-way line; thence N89°04'30"E, 5.00 feet, on said Westerly Highway right-of-way line; thence S1°08'18"E, 12.90 feet, on said Westerly Highway right-of-way line, to the Northeast corner of a parcel of land conveyed in Microfilm Book 03, page 2039; thence S89°20'30"W, 301.32 feet, on the North line of said parcel; thence S0°16'30"W, 213.14 feet, on the North line of said parcel; thence S89°51'20"W, 245.25 feet, to the Northwest corner of said parcel, said Point also being on the Easterly right-of-way line of the Burlington Northern Railroad; thence Northerly, 1,804 feet, more or less, on said Easterly Railroad right-of-way line, to a point on the North line of said Southwest Quarter (SW¼); thence N89°45'10"E, 841.08 feet, to the Point Of Beginning.



**Exhibit "3"**  
**Existing Condition**



**Exhibit "4"**  
**Statutory Cost-Benefit Analysis**

As under section 18-2147 of the Act, the Agency has analyzed the costs and benefits of the proposed Redevelopment Project, including:

**Redevelopment Project Sources and Uses.** Approximately \$1,777,000 in property tax receipts from TIF provided by the Agency is required to complete the proposed Redevelopment Project. Such a TIF grant by the Agency will leverage an estimated \$4,000,000 (all Phases) in other investment and financing; an investment of \$1.68 for every dollar of tax increment financing.

**Use of Funds.** A full schedule of proposed sources and uses of funds is attached as Exhibit "5" to the Redevelopment Plan.

**Tax Shifts.** The property to be redeveloped is anticipated to have a January 1, 2019, valuation of approximately \$140,205. Based on the 2018 levy this would result in a real property tax of approximately \$2,366. It is anticipated that the assessed value will increase by a minimum of \$4,000,000 when the Redevelopment Project is completed. This will result in an overall tax of approximately \$64,949 annually (all phases) based on the 2018 levy rate of 1.623745% for property inside the city limits. Of this increased annual amount, approximately \$116,381 represents the estimated tax increment that could be used to pay the TIF Bond issue. The tax increment gained from the Redevelopment Project would not be available for use by the taxing entities as general tax revenues, but would be used to pay the TIF Bond issued to pay for eligible improvements to enable this Redevelopment Project to be realized. To the extent a



Redevelopment Project phase has not reached full value at the time taxes are divided, the amount of the annual tax increment will be less.

Estimated 2018 assessed value	\$ 140,205
Estimated after all phases assessed value	\$ 4,140,205
Tax Levy	1.623745
Increment value	\$ 4,000,000
Annual Increment	\$ 64,949
Initial TIF Bond issue Based on Phase #1	\$ 50,000

The development will take a number of years to fill all lots with new structures. As an example of creating the entire increment in 2019 of \$4,000,000 the TIF Bond would equal approximately \$580,000, which is far short of the total eligible costs.

**Public Infrastructure and Community Public Service Impacts.** The Redevelopment Project requires extensive public infrastructure installation. Onsite infrastructure totals an estimated \$1,043,000 in addition to required site preparation. Paving, sewer and water extension throughout the Project Site will be installed by the redeveloper pursuant to public bid. Fire and police protection are considered adequate and no additional personnel or equipment is contemplated.

**Impact on Employers and Employees within the Project Site.** Employment within the Project Site is expected to increase during infrastructure installation and commercial construction. These jobs will be temporary.

**Impact on Employers and Employees in the City outside the Project Site.** The construction of up to 16 commercial properties over the build-out period will provide incremental local sales to support construction workers during that time. This will result in modest upward pressure for jobs in the service and retail sector. The lots are sized such that significant employment in the redevelopment project area is unlikely.

**Local Tax Impacts.** The Redevelopment Project will require substantial purchases of materials during commercial building construction. With respect to all Phases and assuming construction cost is approximately 80% of the sale price, approximately 40 percent of the cost may be allocated toward materials. Construction materials delivered to the construction site in the City is subject to local sales tax of 1.5%.

**Impacts on student populations.** The addition of school age children as a result of this Redevelopment Project will have minimal impact on the David City School District. . Assuming 3 **new** jobs per lot are created, 48 new jobs over the full development period. The latest census data shows that the City's population per household is 2.52 persons. Assuming each possible new job resulted in one new residence in the City and further assuming each possible new residence was occupied by a traditional family unit, the student population could increase by 24 students over the full build out period. However, it is speculative, at best to assume a population or student increase of significant numbers as a result of a commercial build out of 16 lots. The school district will not receive taxes from the commercial structures during the time the increased taxes are utilized to pay the TIF Bond.

**Other Impacts.** The Project Site is blighted and contains substandard conditions that are a detriment to the City as a whole. The Redevelopment Project will revitalize and occupy a vacant space without negatively impacting the surrounding businesses or straining the public infrastructure. There are no other material impacts determined by the Agency relevant to the consideration of the cost or benefits arising from the Redevelopment Project. As such, the costs of the Redevelopment Project are outweighed by its benefits.

**Exhibit "5"**  
**Sources and Uses of Funds**

Sources of Funds:

Maximum TIF Grant Possible	\$1,777,000
<u>Loan and Equity (estimated full build)</u>	<u>\$4,000,000</u>
Total	\$5,777,000

-----

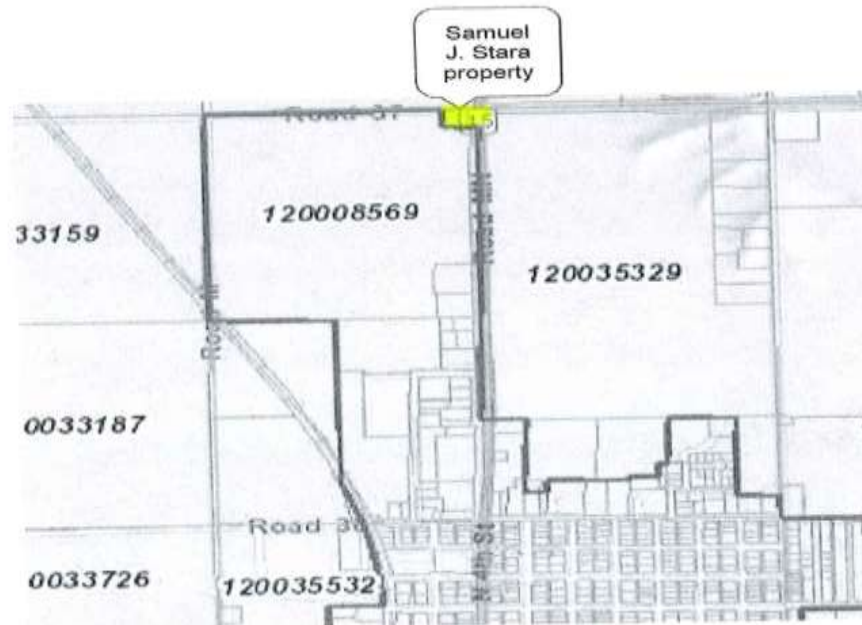
Ordinance No. 1304 was introduced and passed on 1<sup>st</sup> reading February 13, 2019, and on 2<sup>nd</sup> reading February 27<sup>th</sup>. Council member Trowbridge made a motion to pass Ordinance No. 1304 on the third and final reading. Council member Meysenburg seconded the motion. Voting AYE: Council members Smith, Kobus, Vandenberg, Hotovy, Trowbridge, and Meysenburg. Voting NAY: None. The motion carried and Ordinance No. 1304 was passed on 3<sup>rd</sup> and final reading as follows:

**ORDINANCE NO. 1304**

AN ORDINANCE TO EXTEND THE BOUNDARIES AND INCLUDE WITHIN THE CORPORATE LIMITS OF, AND TO ANNEX TO, THE CITY OF DAVID CITY, NEBRASKA, A TRACT OF LAND LOCATED IN THE NW ¼ OF SECTION 18 T15N R3E OF THE 6<sup>TH</sup> P.M., BUTLER COUNTY, NEBRASKA, LEGALLY DESCRIBED BELOW, REPEALING ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBING THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

WHEREAS, a majority of the City Council of the City of David City, Nebraska, favors the annexation of the following described real property and the extension of the city limits to include said property, as follows:

Commencing at the Northeast Corner of said Northwest Quarter; thence N 90°00'00" W (assumed bearing) on the North Line of said Northwest Quarter, a distance of 89.01 feet to a point on the westerly right-of-way line of State Highway No. 15, said point also being the point of beginning; thence S 06°11'15" E on said westerly right-of-way line, a distance of 221.29 feet; thence N 90°00'00" W parallel with said North Line, a distance of 253.85 feet; thence N 00°00'00" E perpendicular to said North Line, a distance of 220.00 feet to a point on said North Line; thence S 90°00'00" E on said North Line, a distance of 230.00 feet to the point of beginning, containing 1.22 acres, more or less;



NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the boundaries of the City of David City, Nebraska, be amended and changed in order to include the above described property.

Section 2. That this Ordinance be filed with the Office of the County Assessor and County Clerk of Butler County, Nebraska, and that the City Clerk be directed to amend the plat filed in her office to show the inclusion of the real estate listed above and that the boundary of David City as amended by this Ordinance be certified and placed on record in the office of the City Clerk of David City, Nebraska.

Section 3. That any Ordinance, setting or establishing boundaries of the City of David City, Nebraska, which is in conflict with this Ordinance be and the same is hereby repealed.

Section 4. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage as provided by law.

Passed and approved this 13th day of March, 2019.

\_\_\_\_\_  
Council President Kevin Hotovy

ATTEST:

\_\_\_\_\_  
City Clerk Joan E. Kovar

Ordinance No. 1305 was introduced and passed on 1<sup>st</sup> reading February 13, 2019, and on 2<sup>nd</sup> reading February 27th. Council member Meysenburg made a motion to pass Ordinance No. 1305 on the third and final reading. Council member Trowbridge seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Smith, Hotovy, Trowbridge, and Meysenburg. Voting NAY: None. The motion carried and Ordinance No. 1305 was passed on 3<sup>rd</sup> and final reading as follows:

**ORDINANCE NO. 1305**

AN ORDINANCE TO EXTEND THE BOUNDARIES AND INCLUDE WITHIN THE CORPORATE LIMITS OF, AND TO ANNEX TO, THE CITY OF DAVID CITY, NEBRASKA, A TRACT OF LAND LOCATED IN THE NE ¼ OF SECTION 13 T15N R2E OF THE 6<sup>TH</sup> P.M., BUTLER COUNTY, NEBRASKA, LEGALLY DESCRIBED BELOW, REPEALING ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBING THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

WHEREAS, a majority of the City Council of the City of David City, Nebraska, favors the annexation of the following described real property and the extension of the city limits to include said property, as follows:

Commencing at the Northeast Corner of Section 13, Township 15 North, Range 2 East, said point being the point of beginning; thence on an assumed bearing of S 00°00'00" E, along the East line of said Northeast Quarter, a distance of 2,350.33 feet to a point being on the Easterly right-of-way line of Burlington Northern Santa Fe Railroad; thence N 30°51'10" W, along said Easterly right-of-way line, a distance of 2,723.50 feet to a point on the North line of said Northeast Quarter; thence N 89°29'53" E, along said North line, a distance of 1,396.76 feet to the point of beginning, containing 2.785 acres, more or less;



NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the boundaries of the City of David City, Nebraska, be amended and changed in order to include the above described property.

Section 2. That this Ordinance be filed with the Office of the County Assessor and County Clerk of Butler County, Nebraska, and that the City Clerk be directed to amend the plat filed in her office to show the inclusion of the real estate listed above and that the boundary of David City as amended by this Ordinance be certified and placed on record in the office of the City Clerk of David City, Nebraska.

Section 3. That any Ordinance, setting or establishing boundaries of the City of David City, Nebraska, which is in conflict with this Ordinance be and the same is hereby repealed.

Section 4. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage as provided by law.

Passed and approved this 13<sup>th</sup> day of March, 2019.

---

Council President Kevin Hotovy

ATTEST:

---

City Clerk Joan E. Kovar

Council President Hotovy declared the Public Hearing open at 7:26 p.m. to consider amending the Future Land Use Map by changing the zoning classification from MDR – Medium Density Residential, to I – Industrial for the following real estate as requested by Carolee Svoboda, POA for Cyril Svoboda: Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City.

Council member Trowbridge stated: “Normally I would be against changes of this nature, but this particular property is relatively unique in where and how it is situated in David City. It does not have a north boundary street, it does not have a west boundary street, it has an alley that serves lots that are all vacant and have been forever. The best use of this property likely is what the Svoboda family is suggesting to do with it, depending upon in my mind, how much is open storage versus how much is closed storage, because at times large open storage lots turn into things that look like junk yards.”

Randy Svoboda stated: "In time the house will be cleared, I believe the fire department is on board to do it as a training session, the trees will be cleared, land will be leveled, in time we will put up storage units. I don't have a definite plan, I envision a horseshoe type situation with enclosed storage and a horseshoe for open storage: campers, boats, vehicles, inside the horseshoe with a fence closing that area off. It is all speculation at this point, I don't have anything drawn up."

There being no further comments, Council President Hotovy declared the Public Hearing closed at 7:29 p.m.

Council member Vandenberg introduced Ordinance No. 1307 amending the Future Land Use Map by changing the zoning classification of real estate described from MDR – Medium Density Residential, to I – Industrial for the following real estate: Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City. Council President Hotovy read Ordinance No. 1307 by title. Council member Trowbridge made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Smith seconded the motion. Voting AYE: Council members Hotovy, Kobus, Vandenberg, Meysenburg, Trowbridge, and Smith. Voting NAY: None. The motion carried.

Council member Smith made a motion to pass and adopt Ordinance No. 1307 on the third and final reading. Council member Vandenberg seconded the motion. Voting AYE: Council members Hotovy, Trowbridge, Meysenburg, Kobus, Smith, and Vandenberg. Voting NAY: None. The motion carried and Ordinance No. 1307 was passed on 3<sup>rd</sup> and final reading as follows:

#### **ORDINANCE NO. 1307**

AN ORDINANCE TO AMEND THE FUTURE LAND USE MAP BY CHANGING THE ZONING CLASSIFICATION FROM MDR – MEDIUM DENSITY RESIDENTIAL TO I – INDUSTRIAL, FOR THE FOLLOWING REAL ESTATE: LOTS 1 - 6, BLOCK 9, WILL THORPE AND PERKINS 2<sup>ND</sup> ADDITION TO DAVID CITY; REPEALING ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBING THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the Future Land Use Map be amended as follows:

- a. To amend the following property from MDR – Medium Density Residential to I – Industrial for Lots 1 - 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City.



Section 2. That any ordinance or section of any ordinance passed and approved prior to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

Section 3. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Passed and adopted this 13<sup>th</sup> day of March, 2019.

---

Council President Kevin Hotovy

---

City Clerk Joan E. Kovar

Council President Hotovy declared the Public Hearing open at 7:32 p.m. to consider amending the Official Zoning Map by changing the zoning classification from R-2 Two Family Residential, to I-1 Light Industrial for the following real estate: Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City.

There being no comments, Council President Hotovy declared the Public Hearing closed at 7:33 p.m.

Council member Vandenberg introduced Ordinance No. 1308 amending the Official Zoning Map by changing the zoning classification of real estate described from R-2 Two-Family Residential to I-1 Light Industrial for the following real estate: Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City. Council President Hotovy read Ordinance No. 1308 by title. Council member Trowbridge made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Meysenburg seconded the motion.

Voting AYE: Council members Hotovy, Smith, Kobus, Vandenberg, Meysenburg, and Trowbridge. Voting NAY: None. The motion carried.

Council member Trowbridge made a motion to pass and adopt Ordinance No. 1308 on the third and final reading. Council member Meysenburg seconded the motion. Voting AYE: Council members Kobus, Smith, Vandenberg, Hotovy, Meysenburg, and Trowbridge. Voting NAY: None. The motion carried and Ordinance No. 1308 was passed on 3<sup>rd</sup> and final reading as follows:

**ORDINANCE NO. 1308**

AN ORDINANCE TO AMEND THE OFFICIAL ZONING MAP BY CHANGING THE ZONING CLASSIFICATION OF REAL ESTATE DESCRIBED BELOW FROM R-2 TWO-FAMILY RESIDENTIAL TO I-1 LIGHT INDUSTRIAL, FOR THE FOLLOWING REAL ESTATE DESCRIBED AS LOTS 1 – 6, BLOCK 9, WILL THORPE AND PERKINS 2<sup>ND</sup> ADDITION TO DAVID CITY; REPEALING ANY ORDINANCES IN CONFLICT HEREWITH; DESCRIBING THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT, AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. That the Official Zoning Map be amended as follows:

- a. To amend the zoning classification of real estate from R-2 Two-Family Residential to I-1 Light Industrial, for the following real estate: Lots 1 - 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City.



Section 2. That any ordinance or section of any ordinance passed and approved prior to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby repealed.



Section 3. This ordinance shall be published in pamphlet form and shall be in full force and effect from and after its passage, approval, and publication as provided by law.

Passed and adopted this 13<sup>th</sup> day of March, 2019.

---

Council President Kevin Hotovy

---

City Clerk Joan E. Kovar

Council President Hotovy declared the Public Hearing open at 7:34 p.m. to consider the request of Carolee Svoboda, POA for Cyril Svoboda, to vacate the north part of the alley between Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City. This block is located between “L” and “M” and 3<sup>rd</sup> and the Burlington Northern Railroad.

Council member Trowbridge stated: “The request makes complete sense and it’s something that needs to be done to effectuate what they want to do with the property.”

There being no further comments, Council President Hotovy declared the Public Hearing closed at 7:35 p.m.

Council member Trowbridge introduced Ordinance No. 1309 vacating the north half of the alley between Lots 1 – 6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City. Council President Hotovy read Ordinance No. 1309 by title. Council member Trowbridge made a motion to suspend the statutory rule that requires an Ordinance be read on three separate days. Council member Meysenburg seconded the motion. Voting AYE: Council members Kobus, Smith, Vandenberg, Trowbridge, Hotovy, and Meysenburg. Voting NAY: None. The motion carried.

Council member Smith made a motion to pass and adopt Ordinance No. 1309 on the third and final reading. Council member Kobus seconded the motion. Voting AYE: Council members Vandenberg, Trowbridge, Meysenburg, Hotovy, Kobus, and Smith. Voting NAY: None. The motion carried and Ordinance No. 1309 was passed on 3<sup>rd</sup> and final reading as follows:

#### **ORDINANCE NO. 1309**

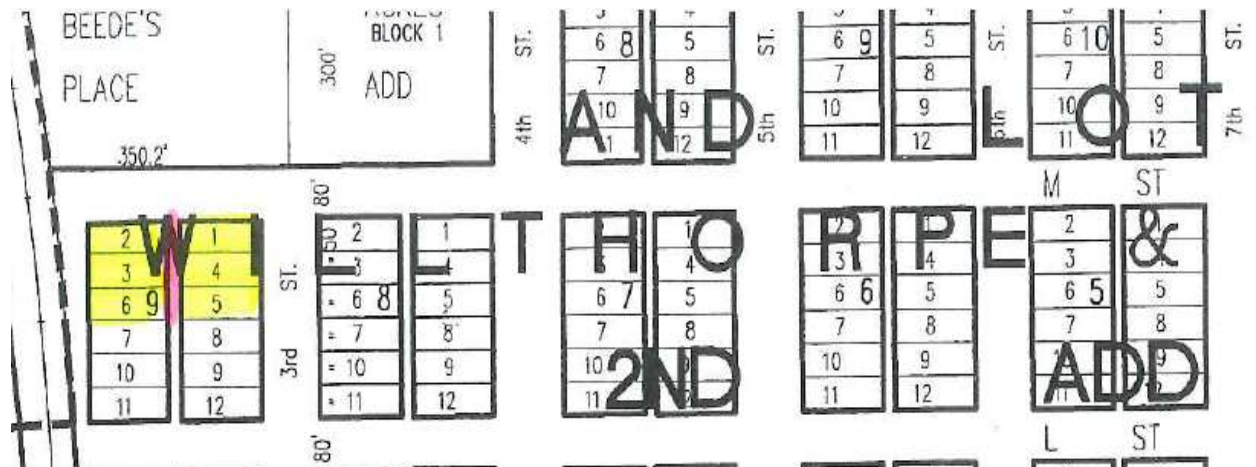
AN ORDINANCE VACATING THE NORTH HALF OF THE ALLEY LOCATED BETWEEN LOTS 1 - 6, BLOCK 9, WILL THORPE AND PERKINS 2<sup>ND</sup> ADDITION TO DAVID CITY, BUTLER COUNTY, NEBRASKA; BETWEEN “L” AND “M” STREET IN THE BLOCK LOCATED BETWEEN 3<sup>RD</sup> STREET AND THE BURLINGTON NORTHERN RAILROAD; REPEALING ALL ORDINANCES OR PORTIONS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM; AND PROVIDING FOR A TIME WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

SECTION 1. That Carolee Svoboda, POA for Cyril Svoboda has requested that the north half of the alley located between Lots 1-6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City, Butler County, Nebraska be vacated. That the portion of the vacated alley shall revert to the abutting property owners.

SECTION 2. The Mayor and City Council have found and determined that it is in the best interest of the City and is expedient for the public good to vacate the alley located between Lots 1-6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City, Butler County, Nebraska.

SECTION 3. That the north half of the alley located between Lots 1-6, Block 9, Will Thorpe and Perkins 2<sup>nd</sup> Addition to David City, Butler County, Nebraska, is hereby vacated.



SECTION 4. That the City of David City, and its franchisees, shall retain an easement to all existing and future utilities located within said vacated street.

SECTION 5. Any and all ordinances, or sections thereof, passed and approved prior to the passage, approval and publication or posting of this ordinance, and in conflict with its provisions, are hereby repealed.

SECTION 6. This ordinance shall be published in pamphlet form and shall be in full force and effect following its passage, approval, and publication as provided by law and city ordinance.

PASSED AND APPROVED this 13<sup>th</sup> day of March, 2019.

\_\_\_\_\_  
 Council President

Kevin Hotovy

\_\_\_\_\_  
 City Clerk Joan E. Kovar

City Attorney Jim Egr presented the corrected interlocal agreement between David City and Butler County for law enforcement services as a result of a meeting with the County Board on March 4, 2019. The second paragraph of enumerated paragraph 9 is the only paragraph that was changed. City Attorney Egr stated: "This clarifies a couple of things, before we had been paying for both health insurance and dental because the County has always considered it as one thing. The original agreement only made reference to health insurance, so dental has been added. This corrects the actual amount of the contract and it also clarifies that any increase in the amount of the contract would be based solely on any increase, or the health & dental insurance, for three (3) officers. This had all been agreed upon orally but not properly put in the contract."

Sheriff Tom Dion stated: "We currently have seven (7) officers, one (1) is at the academy right now, so then eight (8). We have made sure that David City gets the coverage it needs."

Council member Trowbridge made a motion to approve the corrected and restated agreement, between Butler County and the City, for the County to provide law enforcement services. Council member Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Kobus, Smith, Hotovy, Meysenburg, and Trowbridge. Voting NAY: None. The motion carried.

**CORRECTED AND RESTATED  
AGREEMENT BETWEEN  
BUTLER COUNTY, NEBRASKA  
AND  
THE CITY OF DAVID CITY, NEBRASKA  
TO PROVIDE LAW ENFORCEMENT SERVICES**

**THIS CORRECTED AND RESTATED AGREEMENT** is made and entered into this 13<sup>th</sup> day of March, 2019 to correct an error in the Agreement Between Butler County, Nebraska and the City of David City, Nebraska to Provide Law Enforcement Services dated the 6<sup>th</sup> day of September, 2016.

**WHEREAS**, the City of David City, State of Nebraska, hereinafter referred to as the "City" desires to contract and does contract with the County of Butler, State of Nebraska, hereinafter referred to as the "County" for Law Enforcement Services within the City's boundaries supported by the manpower and equipment of the Butler County Sheriff's Office; and

**WHEREAS**, such contracts are authorized by the Interlocal Cooperation Act, Neb. Rev. Stat. § 13-801, *et.seq.*, and,

**WHEREAS**, the City and the County first entered into an Interlocal Agreement for such services on September 4, 2012 for period of four years and on September 6, 2016 said Interlocal Agreement was renewed for another four years, however, the payment terms were incorrectly set forth in the September 6, 2016 agreement; and

**WHEREAS**, the County and the City are desirous of correcting and restating the September 6, 2016 agreement to reflect the accurate payment terms,

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the County and City agree as follows:

1. The County agrees to provide law enforcement services within the corporate limits of the City to the extent and in the manner hereinafter set forth. Said services shall encompass duties and functions of the type coming within the jurisdiction of, and customarily rendered by the Butler County Sheriff, pursuant to the statutes of the State of Nebraska.
2. The Butler County Sheriff shall provide 120 hours per week of law enforcement services in the City. The times of said services shall be determined solely by the Sheriff, such services being contingent upon the availability of manpower and the nature of the Sheriff's duties in other parts of the County.
3. The nature of the services provided hereunder, the standards of performance, the discipline of officers, and other matters incidental to the performance of these services and the control of personnel so employed shall remain with the County. In the event of a dispute between the parties as to the extent or nature of the services to be provided hereunder, the determination made by the Butler County Sheriff shall be final and conclusive as between the parties hereto.
4. Services to be performed hereunder shall include traffic enforcement, security of businesses, and other services in the field of public safety as are provided by the Sheriff in unincorporated areas of the County. Such services shall include the enforcement of State Statutes and Municipal Law Enforcement Ordinances of the City. It is understood that the Sheriff may enforce City Law Enforcement Ordinances or violations thereof that occur in his presence, however, there shall be no duty imposed to seek out such violations. Prosecution of City Ordinances shall be the sole responsibility of the City.
5. For purposes of performing said functions, the County will furnish and supply all necessary labor, supervision, equipment, communication services, office space, furniture and furnishings, office supplies, telephone, light, water, and other utilities and supplies necessary to maintain the level of service to be rendered hereunder.
6. The City specifically agrees to furnish at its own expense a current City Ordinance book for use by the deputy during each tour of duty. The City shall be responsible for all animal impound fees associated with the enforcement of animal City Ordinances. The City shall be responsible for all towing and impoundment fees for all vehicles towed within City Limits. It is further agreed that if special supplies, including stationary, notices, forms, and the like, must be issued in the name of the City, the same shall be supplied by the City at its own cost and expense.
7. All persons assigned to duties created by this Agreement shall be members of the Butler County Sheriff's Office, trained by the Sheriff and under the direction and exclusive control of the Butler County Sheriff. Compensation to persons providing services created hereunder and provisions for bonds, fringe benefits, insurance, and workman's compensation shall be the sole responsibility of the County.

8. The City shall, at its own expense, provide liability insurance to indemnify itself in the event it becomes liable for the payment of a judgment based on the acts or omissions of a deputy in the enforcement of a City Ordinance or State Statute, as provided in Neb. Rev. Stat. §13-1802, Reissue 2007. The County, its officers, and employees, shall not be deemed to assume any liability for intentional or negligent acts of the City or any officer or employee thereof. The City, its officers and employees shall not be deemed to assume any liability for intentional or negligent acts of the County or any officer or employee thereof. The County will indemnify and hold the City harmless from any claims for causes of action resulting from the intentional or negligent acts of the County, its officers, or employees in regards to activities undertaken pursuant to this Agreement.
9. The City shall pay to the County as consideration for the Law Enforcement services set forth herein the total sum of two hundred seventy-nine thousand six hundred ninety-eight dollars (\$279,698) for the first year of this contract period, payable in twelve equal monthly payments of \$23,308.17 due on or before the first business day of each month for twelve months commencing on November 1, 2016.

The base sum and monthly payments set forth above shall be increased in the second, third and fourth year of this contract by the increase in health and dental insurance premium costs paid by the County associated with three full time deputies employed by the County to fulfill the law enforcement hours provided to the City under this contract. If there is no increase in the health and/or dental insurance premium costs paid by the County or if the health and/or dental insurance premium costs paid by the County is reduced, the base sum paid by the City shall stay equal to what is currently being paid. The County shall notify the City of any increase in the health and dental insurance premium costs within thirty days after the County receives notification from its health insurance provider of such increase. The monthly payment shall be increased (if applicable) effective July 1 of each year.

The monthly payments due to the County hereunder shall be due and payable from the City to the County on the first business day of each month and shall be delinquent ten (10) days thereafter. If payment is not received by the County within sixty (60) days, the County may satisfy such indebtedness from any funds of the City on deposit with the County without giving further notice to the City of the County's intention to do so.

10. The City shall provide the funding necessary for the purchase of one (1) Patrol Vehicle necessary to maintain the level of service to be rendered hereunder and in accordance with the current State Bid Contract at the time of purchase. Such funding will be provided every other year beginning June 2017.
11. No later than the tenth day of each month, the Sheriff shall submit a report to the City that shows the services performed during the previous month.
12. This Agreement shall become effective November 1, 2016, and shall remain in force for four (4) years thereafter.
13. Either party to this Agreement shall have the right to terminate this Agreement upon sixty (60) days written notice of that party's intention to terminate. Notices provided to the County

hereunder shall be either hand delivered or sent to the Butler County Sheriff's Department, 451 5th Street, David City, Nebraska and the Butler County Board of Supervisors, c/o Butler County Clerk, 452 5th Street, David City, Nebraska 68632. Notices provided to the City hereunder shall be either hand delivered or sent to the City Clerk, 557 N 4th Street, David City, Nebraska 68632.

The City of David City, State of Nebraska by resolution duly adopted by its City Council has caused this Corrected and Restated Agreement to be signed by its Mayor and attested by its Clerk. The County of Butler, State of Nebraska, by resolution its Board of Supervisors, has caused this Corrected and Restated Agreement to be signed by the Chairman of said Board, all on the date and year first above written.

**CITY OF DAVID CITY, NEBRASKA**

By: \_\_\_\_\_  
Kevin Hotovy, Council President

ATTEST:

\_\_\_\_\_  
Joan Kovar, David City Clerk

Date: March 13, 2019

**BUTLER COUNTY, NEBRASKA**

\_\_\_\_\_  
David W. Mach, Chairman  
Butler County Board of Supervisors

ATTEST:

\_\_\_\_\_  
Vicki L. Truksa, County Clerk

Date: \_\_\_\_\_

**BUTLER COUNTY SHERIFF'S  
DEPARTMENT, BUTLER COUNTY  
NEBRASKA**

\_\_\_\_\_  
Tom Dion, Sheriff

Council member Kobus made a motion to pass and approve Resolution No. 5 – 2019 and Council member Trowbridge seconded the motion. Voting AYE: Council members Smith, Vandenberg, Hotovy, Meysenburg, Kobus, and Trowbridge. Voting NAY: None. The motion carried.

**RESOLUTION NO. 5 – 2019**

**WHEREAS**, the City has determined a need to increase some of the David City Municipal Auditorium, Schweser House, Campground, Football Field, etc., charges.

**NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA**, that the following list of charges, for the use of the City Municipal Auditorium, Schweser House, Campground, Football Field, etc., be hereby adopted.

**Municipal Auditorium Rental**

Lower Level 8 a.m. to 6 p.m. ....	\$275.00
after 6 p.m. (per hour) .....	\$ 50.00
Dance .....	\$200.00
Preparation Time (1/2 day) .....	\$ <b>50.00</b>
Auctions .....	\$ <b>300.00</b>
Preparation time (1/2 day) .....	\$ <b>50.00</b>
Table Coverings (per table).....	\$ 1.00
Cleanup Fee .....	\$100.00
(Cleanup Fee must be paid up front when auditorium is rented and is returned only if renter cleans up following the event. The Park/Auditorium Supervisor needs to sign off that the cleanup meets his specifications before clean up fee is returned.)	
Deposit (applied towards rental fee) .....	50% of total Rental fee

**Municipal Auditorium - Bar Charges**

*\* Renters must use the city bartenders*

*\* All liquor and beer must be purchased from the city – even for the reception*

<b>Beer</b> .....	\$ <b>3.00 / beer</b>
Whiskey .....	<b>\$35.00 / liter - minimum price</b> Prices vary according to Brands
Vodka .....	
Rum .....	
Peach Schnapps .....	
<b>Pop</b> .....	\$ <b>.50</b>
<b>Keg of Beer</b> .....	\$ <b>200.00 / keg</b>
<b>Beer / mixed drinks with rental agreement for reception</b> .....	\$ <b>2.75 / drink</b>

**Schweser House and Campground**

Schweser House	10:00 a.m. - 6 p.m. ....	\$40.00
	10:00 a.m. – 10:00 p.m.....	\$55.00
Campground .....		\$15.00 / day

**Municipal Gym Rental**

Per hour charge .....	\$20.00 / hr.
-----------------------	---------------

**Football Field Rental**

Varsity Football Field .....	\$300.00
Junior Varsity - Freshmen and Middle School:.....	\$100.00
Practice Scrimmage .....	\$100.00
Playoff Games .....	\$325.00
Non-local School .....	\$400.00
Clean-up Fee .....	\$75.00 *
Gym Rental - Before Game - Half Time .....	\$20.00 ***

\* If city personnel are involved in clean-up, a \$75.00 fee will be charged. If groups or individuals clean up after the event, no fee will be charged.

Cleaning involves picking up trash around the football field and the area of the football field stands. Trash to be put in park department trash cans.

If concession stand and press box needs clean-up, there will be an additional \$50.00 charge.

\*\*\* If auditorium gym is to be used there will be an additional \$20.00 per hour charge.

**Municipal Running Track Rental**

Practice (per season) .....	\$500.00
(Use of locker rooms would be additional)	
Track Meets: Dual, Triangular .....	\$125.00
District, Invitational, Conference .....	\$250.00



**Football Practice Field**

Football Practice Field - per hour; Locker Room .....\$20.00

Dated this 13<sup>th</sup> day of March, 2019.

Council President Kevin Hotovy

City Clerk Joan E. Kovar

Interim Water Supervisor Aaron Gustin stated that he did some research regarding the aging equipment at the Water Treatment Plant and received a quote from Miller Mechanical Specialties, Inc. for a turbidity module, head unit, and sensor, which does not require any chemicals, then \$1,200 every 6 months for calibration. Aaron stated this is whether or not the council would want to look into the equipment charge, installation, and training in regards to that equipment which comes to approximately \$8,000.00. This would save approximately \$986.00 annually from the system they are currently using.

Council member Kobus made a motion to accept the following quote by Miller Mechanical Specialties, Inc. and Council member Trowbridge seconded the motion. Voting AYE: Council members Smith, Vandenberg, Hotovy, Meysenburg, Trowbridge, and Kobus. Voting NAY: None. The motion carried.

**QUOTATION**  
Page: 1

**Quotation From:**  
 MILLER MECHANICAL SPECIALTIES, INC.  
 PO BOX 1613  
 \*\*\* ORDERS@MMSINCONLINE.COM \*\*\*  
 DRB MOHNS TA 80305-1613  
 Ph: (515) 243-4267 Fx: (515) 243-7313

**Quotation For:**  
 Davis City Water/Wastewater  
 1220 E. St.  
 Davis City MO 64632  
 Ph: (402) 367-3132 Fx:

**Quotation#:** 1904040  
**Revision#:**  
**Date:** 03/06/19  
**Print Quote#:** 2005131321

**Attn:** AARON TP E-Mail: cawatortsup@indotrcs.net  
**Ref:** QUOTE FOR TURBIDITY SENSOR

**Please Address Order To:**  
**SHIP TO:** FACTORY  
**Shipment:** 7 WORKING DAYS  
**Salesman:** JAMISON VAN'T HUL  
**Validity:** 30 DAYS  
**Terms:** NET 30 DAYS

**ADDRESS + HAUSER CO.**  
 C/O MILLER MECHANICAL SPECIALTIES, INC.  
 PO BOX 1613  
 \*\*\* ORDERS@MMSINCONLINE.COM \*\*\*  
 DRB MOHNS TA 80305-1613

**REFERENCE:**  
 We are pleased to propose the following items for your consideration. If you have any questions regarding our proposal, please contact us.

Item	Qty	Part#/Description	Unit Price	Total Price
1	1	CM444-2BK0/0 R-H CM444-2BK0/0  Liquidline CM444 Transmitter liquid analysis MULTIPARAMETER + MULTICHANNEL applicable for process control, PH/ORP, conductivity, turbidity cyanide(CN), chloride, SAC, nitrate ammonia. Digital sensors: Sensors protocol, Navigator+softkeys, graphical display Plug&Play for sensors+modules, 2D-plot data logger, alarm relay IP66-IP67, NEMA Type 4X enclosure, easy to use, simple to maintain! + Use of precalibrated sensors + Modular concept + Easily extendable  (CM444-FAMSTARPI11HAA) D10: Approval: AA: Non-hazardous area D30: Sensor Input: M4: 4x digital sensor D25: Digital Communication: L: HART D30: Analogue Output: A1: 4x 0/5...20mA D40: Additional features: PI: 2x relay, 2x digital input, 2x digital output D50: Power Supply: I: 100...230VAC (50/60Hz) D60: Cable Entry Housing: I: NPT D65: Power Jack Fieldbus Communication: HA: W/O D70: Cable Entry Set. ***** CONTINUED ON PAGE 2 *****	3,985.90	3,985.90

## QUOTATION

Page: 2

Quotation#: 1904040  
 Revision#:   
 Date: 03/06/19

Item	Qty	Part#/Description	Unit Price	Total Price
------	-----	-------------------	------------	-------------

A: Enclosed

Delivery is production time plus Shipping  
 Production time: 5 Working Days

2	1	C USS52D-1061/0 E+H CUS52D-1061/0	3,966.99	3,966.99
---	---	--------------------------------------	----------	----------

Turbimax CUS52D  
 Turbidity sensor according for low  
 turbidity in clear water applications  
 (drinking water, process water).  
 In accordance to ISO 7027  
 For all applications in the water plant  
 ::inline and immersions  
 ::based on Memosens-technology  
 ::compatible with Liquiline CM44

(CUS52D-AA1BA3)  
 010: Approval:  
 AA: Non-hazardous area  
 020: Measuring Method:  
 1: ISO 7027, IR  
 030: Process Connection:  
 B: Clamp 2"  
 040: Adaption Cable:  
 A: Fixed cable, crimp sleeves  
 050: Cable Length:  
 3: 7m

Delivery is production time plus Shipping  
 Production time: 7 Working Days

3	1	TRAINING AND START UP FREE CLASS BEFORE START-UP DATE AND ALSO WILL ASSIST WITH INTIAL STARTUP AND CHECK OUT		
---	---	--	--	--

**Quote Total: 7,952.89**

PLEASE PROVIDE FEEDBACK ON YOUR CUSTOMER EXPERIENCE, VISIT [ENDRESSLISTENS.COM](http://ENDRESSLISTENS.COM)

Please email your order to: [orders@mmsinonline.com](mailto:orders@mmsinonline.com). Should you wish more information on our products or services, visit our website at [mmsinonline.com](http://mmsinonline.com)

By: JAMISON VAN'T HUL

## QUOTATION

Page: 1

**Quotation From:**

MILLER MECHANICAL SPECIALTIES, INC.  
 PO BOX 1613  
 \*\*\* ORDERS@MMSINONLINE.COM \*\*\*  
 DES MOINES IA 50305-1613  
 Ph: (515) 243-4287 Fx: (515) 243-7313

**Quotation For:**

David City Water/Wastewater  
 1220 E St  
 David City NE 68632  
 Ph: (402) 367-3132 Fx:

Quotation#: 1904080  
 Revision#: 0  
 Date: 03/07/19  
 Prin Quote#:

Attn: Erin . E-Mail: [dcwatersup@windstream.net](mailto:dcwatersup@windstream.net)  
 Ref: QUOTE FOR CALIBRATION SERVICE

**Please Address Order To:**

MILLER MECHANICAL SPECIALTIES, INC.  
 PO BOX 1613  
 \*\*\* ORDERS@MMSINONLINE.COM \*\*\*  
 DES MOINES IA 50305-1613

FOB: FACTORY  
 Shipment: N/A  
 Salesman: JAMISON VAN'T HUL  
 Validity: 30 DAYS  
 Terms: NET 30 DAYS

REFERENCE:  
 We are pleased to propose the following items for your consideration. If you have any questions regarding our proposal, please contact us.

Item	Qty	Part#/Description	Unit Price	Total Price
------	-----	-------------------	------------	-------------

1	1	CALIBRATION SERVICE SERVICE TRIP FOR CALIBRATION AND VERIFICATION ON LIQUID ANALYSIS SYSTEM	1,200.00	1,200.00
---	---	---	----------	----------

**Quote Total: 1,200.00**

PLEASE PROVIDE FEEDBACK ON YOUR CUSTOMER EXPERIENCE, VISIT [ENDRESSLISTENS.COM](http://ENDRESSLISTENS.COM)

Please email your order to: [orders@mmsinonline.com](mailto:orders@mmsinonline.com). Should you wish more information on our products or services, visit our website at [mmsinonline.com](http://mmsinonline.com)

By: Eric Hessing for JAMISON VAN'T HUL

Council President Hotovy stated the next agenda item was consideration of advertising for an entry level employee for the Water and Sewer Departments and also discussion and consideration of the employment of John Kobus for the Water / Sewer position.

Interim Water Supervisor Aaron Gustin stated: "John is willing to go get any certifications he is required to have. Coming to the meetings, paperwork, the computer, and administrative stuff he isn't too thrilled about."

Council President Hotovy stated: "I guess the biggest question I have is what level employee would we be considering in the employment of John Kobus for the water/sewer position? Would that be the supervisor role, or what position would that be, I don't know. I almost wonder if the Mayor and two council members should really meet with John and discuss potential employment."

Discussion followed. It was noted that there were several issues that needed to be discussed in more detail. Kevin Hotovy and Pat Meysenburg volunteered to meet with Mayor Zavodny and John Kobus to discuss this further.

Council President Hotovy made a motion to table consideration of advertising for an entry level employee for the water and sewer departments and discussion and consideration of the employment of John Kobus for the Water / Sewer Position to the next Council Meeting which will be on March 27<sup>th</sup>. This will provide time for a committee of two or three to sit down and actually visit with John prior to the next meeting. Council member Meysenburg seconded the motion. Voting AYE: Council members Vandenberg, Smith, Meysenburg, and Hotovy. Voting NAY: None. Council members Kobus and Trowbridge abstained. The motion carried.

City Clerk Kovar stated: "We do need to get them help though; two people cannot run the water and sewer departments. When we start doing the slip lining, they said they need someone available on site, so that will take one employee there. C.J. (Novak) is usually busy at the Wastewater Treatment Plant, Gil (Frey) is only part-time so that leaves us with one employee checking on water meter readings, or anything else we may need, dealing with water main breaks, the Water Treatment Plant, the water tower and everything else. They need help."

Council member Trowbridge distributed hand-outs dated 2009 concerning the wheeling charge of Butler Public Power District.

Council member Trowbridge stated: "What I am handing out to you is something we will talk about in a minute, but we received the comment that our wheeling charges were going to increase by 70% a couple meetings ago. I don't know that we were consulted in that however, but we were informed that was what was coming and I have significant concerns as to how that came about because in April of 2009, the City of David City was talking about possibly going to methane gas generation of electricity. At that point in time we would work with NPPD to bring a line in from their sub northeast of David City and we would put in our own substations and that way we don't need Butler for anything and Gary Westphal, the General Manager, took a different approach to that and wrote me a letter that we still have in file, and he eludes that cost effectiveness will be a key to factor in the decision that the Council makes. In the yellow highlighted area, he questions the 40-year payback, he tells us that technology is advancing at

a rate that he's confident it will bring better and lower cost options, he tells us that we have benefits from them through the use of their system, he goes on to tell us that "wheeling rate increases most likely will be less than 1%, I assume that is annually, in fact with significant additional load, total costs could be spread over more billing units, thereby lowering wheeling costs". I have checked with the District and I have found out that they have picked up significant additional load since April of 2009. Gary closes by saying "I hope you'll consider all the above information before burdening the City's residents with costs that are currently being shared by all". So, ten years ago we were told to expect a 1% maximum, probably lower if they had significant improvement in their unit distribution which happened, and now we get a 70% bump. I am not happy. I am not happy. The council voted to not go to the Power Review Board with the bump we got in April, 2009, to \$10,000 a month for wheeling. It'll go to \$17,000 before we are done with this price bump. I feel I'm here to represent the people, the ratepayers and the taxpayers in Ward 1, and that's what I'm doing to the best of my ability. Page 2 of the handout I gave you, was attached to Mr. Westphal's letter. They are gray lines on this form, they are orange lines on the original, those are comments inserted by Mr. Westphal and he says "wheeling rates should be flat in the future as more billing units (Pump Station) will support these costs". Well, that didn't come to pass so my question is, who's lying to us? Was it Gary Westphal in 2009 or is it Mark Kirby today? I don't know, but I'm not happy with this. We don't use the district like Prague does and like Brainard does. They are the Pat Hoeft to Brainard, they are the Pat Hoeft to Prague. When the lights go out in those two communities the district goes out and takes care of it. In our case, they don't come take care of it, they simply run our power through their line and the substations that, for the record, and I'd like all of you to understand, when those substations were built a long time ago, the City of David City paid for half of them and they put them on our property. When NPPD jumped out of serving the Prague's, and the Brainard's of the world, they ratcheted this over and the district took it over and I don't know what all those agreements were, but the City of David City was never given the opportunity to buy the substations that we paid half of. So, these are the things that I find distressing and I'm not ready to accept that bump even if it's only a third of it this year. If we need to look at legal remedy, I think we should look at legal remedy. Or, we look at somebody that can give us a hell of a lot better explanation that we've gotten so far, so that's my comment on that subject for the evening. Any questions? John, I apologize, that's your employer and I understand and respect where you come from."

Council member Vandenberg stated: "Not my area."

Council President Hotovy stated: "I will say, I went to the Butler Public Power meeting Monday (March 11<sup>th</sup>) morning. Their Board met for their monthly meeting and I was able to speak on this item and share that the City of David City, really, what I requested was 90 days for us to really research this because we were on basically less than a month, and a month's notice of this increase, and it didn't go over well for the City of David City. I really think I probably caused some collars to be pulled with a couple of my comments, but their opinion was "these words left with Gary" and they were told they needed to increase them".

Council member Trowbridge stated: "Oh, so we are to forget them is what I'm hearing. Forget what we lied to you about ten years ago because here's what we're going to do, and I don't like that attitude "Here's what we're going to do".

Council President Hotovy stated: "They brought up that "well we want this relationship to continue and we built this new building here in David City..."

Council member Trowbridge stated: "Question. Did that come up that they built this new building here in David City because it keeps rattling through my mind, do we need a little help with this building?"

Council President Hotovy stated: "I don't know but that was brought up. On one side of the mouth the wheeling rate increase came out and on the other side of the mouth it said "Oh by the way, you guys are getting a PCA back from NPPD". That's a rebate from NPPD, NPPD basically over produced power into the market and so they have to divest some money because they are carrying too much. I don't know if that was worded poorly, I assume it was, the thought of bringing that PCA up at the same time as bringing up a wheeling rate increase to us, I'm assuming that was a misjudgment on how it would be perceived, because the perception of it is pretty bad, and I made that clear. I tried, I gave it an honest effort, but to no avail. Now, it's what we do from here."

Council member Trowbridge stated: "Well I am going to strongly recommend that we do not pay over the fee that we have been paying. We have paid \$1.2 million to these people in the last ten years. It would have cost us \$2 million to do our own so I'm not going to unload on the City Council to decide if that was a bad idea ten years ago but it keeps gnawing away at me. We can't do things like that because the rate payer and the tax payer end up eating it."

Council member Hotovy stated: "They really hope that this relationship stays strong and moves forward. All I did was ask for 90 days, I didn't say we weren't going to pay it."

Citizen Cory Vandenberg asked: "What are our other options; what can we do?"

Council member Trowbridge stated: "Go to the Power Review Board and ask for somebody to show us why ten years ago the attitude was, "it will be flat and there will be a 1% maximum bump annually" and ten years later they say "Oh by the way, we need 70% more moving forward".

Citizen Pam Kabourek asked: "Can they give us an estimate of what this is going to cost the consumer, like us, each month?"

Council member Trowbridge stated: "We are paying \$4,500 to do a rate study to factor in their bump into our rates and what it's going to do is it's going to take a reserve build-up away from us of \$80,000 a year for the next ten years. So, at that point in time, we spent \$2 million on what we could have bought for \$2 million ten years ago, and never had to deal with these people again. This Council made a decision to not take action in favor of the rate payers because of what this man said, and he's in charge of the place, he runs it, and here's what he told us."

Discussion followed.

# The Banner-Press

YOUR BUTLER COUNTY NEWS SOURCE

www.thebannerpress.com

Volume 133, No. 45

20 Pages, 2 Sections

\$1.00 Thursday, April 16, 2009

David City, Nebraska

USPS -041-620

## City looks to methane for power

This line is operated, maintained and upgraded to be available as long as any customer needs use of it.

By Larry Peirce  
Banner-Press Editor

Last fall, a pipeline began pumping methane extracted from the Butler County Landfill by burning in boilers at Henningsen Foods. Now the city wants to explore whether to take the ozone-destroying landfill byproduct to another level: Providing a major portion of the city's electricity supply and earning money in the international trade for carbon credits.

The use of methane to generate electricity is part of a study approved 6-0 by the City Council at its April 8 meeting.

The city will hire Olsson Associates to look into the methane questions and the power buy-

ing arrangements between the city and Nebraska Public Power District, the Omaha Area Power Agency, (WAPA) and the Public Power District.

The unanimous decision was unlike the tentative discussions that greeted the first proposal to use landfill gas two years ago, both at the county and the city level.

The process of pumping methane from the landfill to fuel part of Henningsen Foods' process began last year.

Regardless of whether methane use is expanded, the city may stand to save by investing in its own electricity infrastructure instead of BPPD's.

The city currently buys power from NPPD and WAPA, and the arrangement currently involves the city paying "wheeling charges" to BPPD for sub-transmission and transmission on electricity

the city uses.

Olsson will look at how much money could be saved by the city purchasing its own high voltage electrical transmission line and substations - the current system owned by BPPD has a limited life span - and thereby avoiding the wheeling charges.

City Administrator Joe Johnson presented a chart, which showed the city's costs for electricity coming through BPPD from 2009 to 2049.

For example, the annual cost of power would be \$121,176 in 2009, but that cost - projected at an annual growth rate of 2 percent - is expected to increase to \$262,315 annually until 2049. The total estimated

cost of power over 40 years: \$3.085 million.

Under another scenario, the city would own 5 miles of transmission lines from NPPD to the city at a cost of \$1.6 million payable by revenue bonds at 20 years. The city's cost for electricity for 2009-49 would then be \$1.9 million, a savings of \$1,141,933 under current estimates presented by Johnson.

Johnson said that the most exciting project we've had since I've been here.

It means beginning to control our own destiny. The City's annual kW growth will likely be negative. Wheeling rates should be flat in the future as more billing units (Pump Station) will support these costs.

"This is important, I think we can make it work," Johnson said. Under federal law, NPPD is required to look

working with "qualifying facilities" that are either small scale producers of commercial energy who normally self-generate energy for their own needs but may have occasional or frequent surplus energy, or incidental producers who happen to generate usable electricity as a byproduct of other activities.

When the city type facilities, they don't use as much power, they don't build power plants and they save that much," Johnson said. "There's two savings there. We can produce it from methane for less money than we can buy it from NPPD."

Johnson said the city could reduce its purchase of electricity from an estimated 7.5 megawatts per year to 6 megawatts and produce the difference by burning methane.

intended to encourage more production of this type of energy as a means of reducing emissions and dependence on other sources of energy.

Under the current NPPD would use the city's power, they don't build power plants and they save that much," Johnson said. "There's two savings there. We can produce it from methane for less money than we can buy it from NPPD."

Johnson said the city could reduce its purchase of electricity from an estimated 7.5 megawatts per year to 6 megawatts and produce the difference by burning methane.

Continued on Page 4A

4A The Banner-Press, David City, Nebraska

April 16, 2009

Courthouse/News

## Methane for power

Continued from Page 1A  
That means that the city could avoid the cost hikes that are applied by NPPD and must be passed on to the consumer. Recent increases have been 4 percent per year.

"That 4 percent will only affect the 6 megawatts from NPPD," Johnson said.

He said the "other spin" to the proposal includes the sale of carbon credits that the city would earn by burning methane.

"We will earn credits by using methane, instead of using carbon credits," he said. "If we are looking into the future, it seems to be a very viable option on the surface. That's why we need to employ Olsson and Associates to do a study for us."

Mayor Dana Trowbridge said the project is worthy of exploration.

"This is the most exciting project we've had since I've been here," he said. "It means beginning to control our own destiny."

Aside from the wheeling charges the city must pay to BPPD, the city could also be responsible for replacing

BPPD's transformers at a ballpark estimate of \$500,000, and likely more.

"During the next 40 years, it will be likely that an old substation would reach failure mode," Trowbridge said. "We might pay \$600,000 times two and have nothing to show for it."

Trowbridge acknowledged that the city must watch its costs, but some exploration is worth the fee.

"Thirty thousand is a lot of money to do an engineering study or survey but we'd be foolish to not proceed with this," Trowbridge said.

### Audience queries

Questions came from citizens in the audience.

Would the city be entering into a new concept where it would be learning on the fly?

No, Johnson said, citing the 15-year history that Omaha Public Power District has of generating power by burning methane mined from a local landfill.

How much would a methane burning genera-

tor cost?

About \$100,000. Butler PPD owns, operates, and maintains their transformers. The City would NOT be responsible for replacing transformers.

Johnson said. "The problem is that wind doesn't blow 24 hours a day," Johnson said. "Windmills are very expensive. Methane is a constant source."

Would a methane-fueled power plant be monitored by city staff?

Such a plant would operate similar to the city's water treatment plant that operates 24 hours a day.

Monitoring equipment sends any indication of problems on to the water department employees.

### Projected for fifty years of power

On Monday, Jay Hopper of Timberline Energy said the landfill is producing enough methane to fuel a 1,600-kilowatt generator. Using a model set by the Environmental Protection Agency, the landfill could produce

for 50 years. Kelly Danielson, assistant district manager for Waste Connections, said the landfill will soon be "flaring" or burning off excess methane through a pipe.

Flaring will reduce the amount of methane seeping into the atmosphere, and the company will receive carbon credits that can be sold.

Carbon credits are sold to companies that create greenhouse emissions.

Carbon credits are a key component of national and international attempts to mitigate the growth in concentrations of greenhouse gases. When a source of greenhouse gas is capped and emissions are reduced, the credits are put up for sale to companies that are producing the gases. The sale of carbon credits finances carbon reduction schemes between trading partners and around the world.

SUBMethane mining began last year. In November, Gov.

Dave Heineman visited David City to celebrate the partnership between Butler County Landfill, the city, Henningsen Foods and Timberline Energy for the completion of the first pipeline.

Henningsen Foods burns methane that would otherwise be escaping into the atmosphere or would have to be flared by the landfill.

Methane is 21 times more potent than carbon dioxide, the main greenhouse gas blamed for global warming, according to the U.S. Environmental Protection Agency.

Landfills account for 25 percent of all methane releases linked to human activity.

Heineman called the pipeline a "truly remarkable collaborative effort."

The methane pipeline was built last spring and summer after the line was finalized through city and county government.

The Butler County

Board of Supervisors didn't want to start the precedent of installing private utility lines in its county road right-of-way, so David City officials agreed to take ownership of the line and lease it back to Timberline.

Timberline worked to minimize the impact of its pipeline through residential neighborhoods. At the City Council level, the project was supported by Trowbridge and councilmen Bill Schatz and Nick Hein.

The methane project pays a small royalty to the landfill, but the main benefit is that the landfill doesn't have to build a collection system to get rid of the landfill gas.

The project is the third completed in the state. Omaha Public Power District operates a methane power plant near the Douglas County Landfill near Elk City. Siouxland Ethanol near Jackson uses methane from a nearby landfill.

## Community mourns

# BUTLER

PUBLIC POWER DISTRICT



April 24, 2009

Honorable Dana Trowbridge, Mayor  
City of David City  
PO Box 191  
David City, NE 68632

RE: Banner-Press article, April 16, 2009

Dear Mr. Trowbridge:

I read with interest that David City is looking at power supply and delivery alternatives. Hopefully, cost effectiveness will be a key factor in your decision. We feel that Butler PPD provides a reliable power delivery service for David City at a low cost. We will be interested to see the results of your study regarding the City's possible purchase of a high voltage transmission system, and hope you will share it with us. My 'back of the envelope' calculation shows it will cost upwards of \$200,000 per mile for line construction and \$700,000 for the purchase of each transformer/breaker. Therefore, five miles of line and two transformers/breakers will have an initial cost of \$2.4 million. This figure does not include engineering, easements, other required substation equipment, and substation construction. In addition there will be annual, on-going costs for debt service, facility operation and maintenance and insurance fees. Then add the costs for training and continued education for a certified switchman.

With Butler PPD's delivery service, David City pays a monthly charge which includes Butler PPD's operation and maintenance of all lines and substation equipment, as well as future replacements. It is an all-inclusive, stable rate without risk of high-dollar capital improvement costs hitting the City. The City does not pay new transformer costs unless the City requests significant requirement increases. An often overlooked advantage of the Butler PPD wheeling charge is that it is a network rate. That is, it includes any facilities that can be used for wheeling to the City from multiple directions. For example, should the line east of town be out of service, you may be served from another location. If you have only one line serving the City, your exposure to outages increases and reliability suffers.

To base a financial decision on a forty year payback one must make many assumptions. With technology advancing at its present rate I feel confident that we will be using new expertise in twenty years, which will incorporate better and lower cost options. As we have done in the area of load management, Butler PPD will be at the forefront of applying new techniques and knowledge, and David City will benefit from them through the use of our delivery system.

A projected annual growth rate of 2% was noted in the article. However, the average annual kW growth for the City from 02-08 was 0.6%. If the City generates from methane future growth would likely be negative. Also, annual wheeling rate increases will most likely be less than 1%. In fact, with significant additional load, total costs could be spread over more billing units, thereby lowering wheeling costs. I hope you'll consider all of the above information before burdening the City's residents with costs that are currently being shared by all, and subsequently, to the benefit of all.

Sincerely,



Gary S. Westphal P. E.  
General Manager

cc: City Council Members, Joe Johnson and Larry Peirce

1331 - 4th Street • PO Box 349 • David City, NE 68632  
Phone: 402/367-3081 • 800-230-0569 • Fax: 402/367-6114

There being no further business to come before the Council, Council member Kobus made a motion to adjourn. Council member Smith seconded the motion. Voting AYE: Council members Smith, Meysenburg, Vandenberg, Trowbridge, Hotovy, and Kobus. Voting NAY: None. The motion carried and Council President Hotovy declared the meeting adjourned at 8:20 p.m.



CERTIFICATION OF MINUTES  
March 13<sup>th</sup>, 2019

I, Joan Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of March 13<sup>th</sup>, 2019; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

\_\_\_\_\_  
Joan Kovar, City Clerk