

## CITY COUNCIL PROCEEDINGS

October 26, 2022

The City Council of the City of David City, Nebraska, met in open public session at 7:00 p.m. in the meeting room of the City Office at 490 "E" Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on October 20, 2022, 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 Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection on the City's website. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Alan Zavodny, Council members Pat Meysenburg, Tom Kobus, Bruce Meysenburg, Jessica Miller, John Vandenberg, Kevin Woita, City Attorney Michael Sands, and Interim City Administrator/City Clerk-Treasurer Tami Comte.

Also present for the meeting were: Power Plant Supervisor John Smaus, Electric Supervisor Pat Hoeft, Special Projects Coordinator Dana Trowbridge, Deputy City Clerk Lori Matchett, Banner-Press Correspondent Hannah Schrodtt and Sheriff Tom Dion.

The meeting opened with the Pledge of Allegiance.

Mayor Alan Zavodny informed the public of the "Open Meetings Act" posted on the west wall of the meeting room and asked those present to please silence their cell phones. He also reminded the public that if they speak tonight in front of the Council that they must state their name and address for the record.

Council member Jessica Miller made a motion to approve the minutes of the October 12, 2022 City Council meeting as presented. Council Member Kevin Woita seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Pat Meysenburg made a motion to recess the Council meeting at 7:02 p.m. Council Member Kevin Woita seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Pat Meysenburg made a motion to come out of recess at 7:12 p.m. Council Member Bruce Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Mayor Alan Zavodny declared the public hearing open at 7:13 p.m. to receive public comment on a blight and substandard study for an area of the City approximately located to the west of Road M, between Road 36 and Road 37, referred to as the "Northwest Redevelopment Area", and to consider action on the dedication of such area as blighted, substandard and in need of redevelopment pursuant to the Community Development Law, Nebraska Revised Statutes, sections 18-2101, et seq.

City Attorney Michael Sands said, "Marvin Planning Consultants put a "Blight and Substandard" study together covering what we were just talking about, AGP, Akrs future project sites along with some adjacent parcels that additional development may be spurred, and they will be a part, if you so choose to designate it as blighted. It would be a part of that phased redevelopment plan that we were just talking about. I don't have the blight study in front of me, but I have reviewed it previously and it does set forth all of the factors, meeting both blight and substandard definitions, it has to meet both, and it does in a number of ways for both of those and the ultimate recommendation was for designation."

Hearing no further comment, Mayor Zavodny declared the public hearing closed at 7:15 p.m.

Council member Bruce Meysenburg made a motion to pass and adopt Resolution No. 24-2022 adopting a blight and substandard study for an area of the City approximately located to the west of Road M, between Road 36 and Road 37, referred to as the "Northwest Redevelopment Area", and dedicating such area as blighted, substandard and in need of redevelopment pursuant to the Community Development Law, Nebraska Revised Statutes, sections 18-2101, et seq;\*. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

### **RESOLUTION NO. 24 - 2022**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, DECLARING A CERTAIN AREA OF THE CITY TO BE BLIGHTED AND SUBSTANDARD AND IN NEED OF REDEVELOPMENT PURSUANT TO THE COMMUNITY DEVELOPMENT LAW, CHAPTER 18, ARTICLE 21, REISSUE REVISED STATUTES OF NEBRASKA, AS AMENDED.

WHEREAS, it is necessary, desirable, advisable, and in the best interests of the City of David City, Nebraska, (the "City"), for the City to undertake and carry out redevelopment projects in certain areas of the City that are determined to be blighted and substandard and in need of redevelopment; and

WHEREAS, 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; and

WHEREAS, Section 18-2109 of the Act requires that, prior to the preparation of a redevelopment plan for a redevelopment project, the Mayor and City Council shall, by resolution, declare the area to be blighted and substandard; and

WHEREAS, on Wednesday, October 26, 2022, at 7 o'clock p.m., a Regular Meeting of the Mayor and City Council of the City was held at 490 E Street, in the City, to determine whether that certain area more fully described on Attachment #1 (Northwest Redevelopment Area) should be declared blighted and substandard and in need of redevelopment as required by the Act; and

WHEREAS, the City published in The Banner-Press on September 29 and October 6, 2022 and mailed notices on October 3, 2022 of a public hearing regarding the consideration of declaring Northwest Redevelopment Area to be blighted and substandard pursuant to sections 18-2109 and 18-2115 of the Act; and

WHEREAS, the City has posted on its public website and made available for public inspection copies of the substandard and blighted study for Northwest Redevelopment Area; and

WHEREAS, the Mayor and City Council has on the date of this Resolution held a public hearing on the proposal to declare the Northwest Redevelopment Area as blighted and substandard, pursuant to the Act; and

WHEREAS, the Mayor and City Council conducted the public hearing and afforded all interested parties a reasonable opportunity to express their views respecting the declaration of Northwest Redevelopment Area as blighted and substandard and in need of redevelopment, and the Mayor and City Council reviewed and discussed a blight and substandard analysis on Northwest Redevelopment Area (the "Blight Study") prepared by Marvin Planning Consultants; and

WHEREAS, the Mayor and City Council forwarded the Blight Study to the Planning Commission of the City for its review and recommendation, and the Planning Commission held a duly noticed public hearing on the question on October 22, 2022, all in compliance with the Act, and recommended to the Mayor and City Council that the Northwest Redevelopment Area be designated blighted and substandard and in need of redevelopment; and

WHEREAS, the Mayor and City Council reviewed and discussed the recommendations from the Planning Commission; and

WHEREAS, the Mayor and City Council desire to designate Northwest Redevelopment Area as blighted and substandard and in need of redevelopment in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA AS FOLLOWS:

Section 1. Northwest Redevelopment Area is hereby declared to be substandard and in need of redevelopment pursuant to the Act, in that conditions now exist in the Redevelopment Area meeting the criteria set forth in Section 18-2103(31) of the Act, as described and set forth in the Blight Study. Northwest Redevelopment Area is more particularly described on Attachment 1.

Section 2. Northwest Redevelopment Area is hereby further declared to be blighted and in need of redevelopment pursuant to the Act, in that conditions now exist in Northwest Redevelopment

Area meeting the criteria set forth in Section 18-2103(3) of the Act, as described and set forth in the Blight Study.

Section 3. The blighted and substandard conditions existing in the Northwest Redevelopment Area are beyond remedy and control solely through the regulatory process and the exercise of police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided by the Act, and the elimination of the blighted and substandard conditions under the authority of the Act is hereby found to be a public purpose and declared to be in the public interest.

Section 4. Northwest Redevelopment Area is in need of redevelopment and is or will be an eligible community redevelopment area for a redevelopment project under the Act at the time of the adoption of any redevelopment plan with respect thereto.

Section 5. This Resolution shall be published and shall take effect as provided by law.

Passed and approved this 26<sup>th</sup> day of October, 2022.

CITY OF DAVID CITY, NEBRASKA

BY \_\_\_\_\_  
Mayor Alan Zavodny

ATTEST:

\_\_\_\_\_  
City Clerk Tami L. Comte

ATTACHMENT #1

### Purpose of the Blight and Substandard Study

The purpose of completing this Blight and Substandard study is to examine existing conditions within the study area. This study has been commissioned by the City of David City to analyze the possibility of declaring the study area as blighted and substandard.

The City of David City, when considering conditions of Blight and Substandard, will be looking at those issues and definitions provided for in the Nebraska Community Redevelopment Law as found in Chapter 18, Section 2104 of the Revised Nebraska State Statutes, as follows:

*"The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of the Community Development Law, shall afford maximum opportunity, consistent with the sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under the Community Development Law, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations, relating to the use of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the providing of necessary public improvements."*

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for formulation of a workable program; disaster assistance; effect. The statute reads:

*"The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof."*

*"Notwithstanding any other provisions of the Community Development Law, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the state has certified the need for disaster assistance under federal law, the local governing body may approve a redevelopment plan and a redevelopment project with respect to such area without regard to the provisions of the Community Development Law requiring a general plan for the municipality and notice and public hearing or findings other than herein set forth."*

Based on the Nebraska Revised Statutes §18-2103 the following definitions shall apply:

*"Blighted area means an area (a) which, by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility,*

Blight and Substandard Study – Northwest Study Area

*or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted. A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 shall not count towards the percentage limitations contained in this subdivision;"*

*"Extremely blighted area means a substandard and blighted area in which: (a) The average rate of unemployment in the area during the period covered by the most recent federal decennial census is at least two hundred percent of the average rate of unemployment in the state during the same period; and (b) the average poverty rate in the area exceeds twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area;"*

*"Substandard area means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare; and"*

*"Workforce housing means:*

- (a) Housing that meets the needs of today's working families;*
- (b) Housing that is attractive to new residents considering relocation to a rural community;*
- (c) Owner-occupied housing units that cost not more than three hundred twenty-five thousand dollars to construct or rental housing units that cost not more than two hundred fifty thousand dollars per unit to construct. For purposes of this subdivision (c), housing unit costs shall be updated annually by the Department of Economic Development based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics;*
- (d) Owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent of a unit's assessed value; and*
- (e) Upper-story housing."*

This Blight and Substandard Study is for a specified part of the city. The Study is intended to give the David City Planning Commission and David City City Council the basis for identifying and declaring Blighted and Substandard conditions existing within the area and as allowed under Chapter 18, Section 2123.01. Through this process, the city and property owners will be

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Blight and Substandard Study – Northwest Study Area

attempting to address economic and/or social liabilities which are harmful to the well-being of the entire community.

The study area can be seen in Figure 1 of this report. A Tax Increment Financing Redevelopment Plan will be submitted in the future (provided the developers wants to use tax increment financing) and will contain, in accordance with the law, definite local objectives regarding appropriate land uses, improved traffic, public transportation, public utilities, and other public improvements, and the proposed land uses and building requirements in the redevelopment area and shall include:

- The boundaries defining the blighted and substandard areas in question (including existing uses and conditions of the property within the area), and;
- A list of the conditions present, which qualify the area as blighted and substandard.

**Blight and Substandard Eligibility Study**

This study targets a specified part of the community for evaluation. The area is indicated in Figure 1 of this report. The existing uses are agricultural and residential.

Through the redevelopment process, the City of David City can guide projects throughout the area. The use of the Community Redevelopment Act by the city is intended to redevelop and improve areas of the community. Using the Community Redevelopment Act, the City of David City can assist in the elimination of negative conditions and implement different programs/projects identified for the city.

The following is the description of the designated area within the City of David City:

*Point of beginning (POB) is at the centerline of Road 37 and the extended west property line of a lot referred to as 13 15 2 13 15 2 PT NE1/4 114.32 AC thence going southerly along the west property line of said lot to the centerline of Road 36; thence easterly to the intersection of the centerline of Road 36 and Road M; thence northerly along the centerline of Road M to the centerline of Road 37; thence westerly along the centerline of Road 37 to the POB, +/- 318 acres.*

*Plus the addition of the following area, added by crossing adjacent BNSF railroad property;*

*A parcel of land located in the southeast quarter of section 12, township 15 north, range 2 east of the sixth p.m., Butler County, Nebraska, being described as follows: beginning at the southeast corner of the southeast quarter of said section 12; thence s89°56'25" w (assumed bearing) on the south line of said southeast quarter, a distance of 1396.92 feet to the northeasterly property line of the Burlington northern and Santa Fe railway; thence n30°24'47" w on said northeasterly property line, a distance of 440.34 feet; thence n89°56'25" e parallel with said south line, a distance of 1623.12 feet to the east line of said southeast quarter; thence s00°29'44" w on said east line, a distance of 380.00 feet to the point of beginning, containing 13.17 acres, more or less, which includes 1.32 acres, more or less, of public road right of way.*

*Study Area*  
Figure 1  
Study Area Map



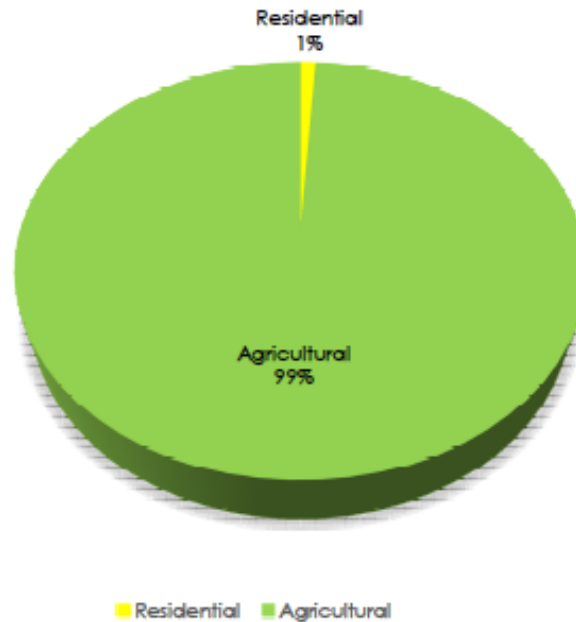




Existing Land Uses

The term "Land Use" refers to the uses in place within a building or on a specific parcel of land. The number and type of uses are constantly changing within a community and produce a number of impacts either benefitting or detracting from the community. Because of this, the short and long-term success and sustainability of the community is directly contingent upon available resources utilized in the best manner given the constraints the city faces during the course of the planning period. Existing patterns of land use are often fixed in older communities and neighborhoods, while development in newer areas is often reflective of current development practices.

Figure 3: Existing Land Use Northwest Blight Study Area



Source: Marvin Planning Consultants 2022

*Existing Land Use Analysis within Study Area*

As part of the planning process, a survey was conducted through both in-field observations, as well as data collection online using the Butler County Assessors website. This survey noted the use of each parcel of land within the study area. These data from the survey are analyzed in the following paragraphs. Figure 3 shows the different uses present within the study area. The different uses also have the overall percent of the total area.

Findings of Blight and Substandard Conditions Eligibility Study

This section of the study examines the conditions found in the study area. The Findings Section will review the conditions based upon the statutory definitions.

*Contributing Factors*

There were a number of conditions examined and evaluated in the field and online. These conditions will be reviewed in detail, on the following pages, while some of the statutory conditions are not present.

*Deterioration of Site or Other Improvements*

*Structural Conditions*

Structural conditions were evaluated and rated as: Excellent, Very Good, Above Normal, Normal, Below Normal, Poor, or Very Poor. The data came from the Butler County Assessor's database and are the same database used to value properties in the area. According to the data there are 8 structures (2 primary and 6 secondary) in the study area.

Based upon the data provided to the planning team, the following is the breakdown for structures in the study area:

- 0 (0.00%) structure rated as Excellent
- 0 (0.00%) structure rated as Very Good
- 0 (0.00%) structures rated as Above Normal
- 3 (37.5%) structures rated Normal
- 0 (0.00%) structures rated Below Normal
- 0 (0.00%) structure rated Poor
- 5 (62.5%) structure rated as Very Poor

Based upon these data, an assumption has been made that normal condition and less would constitute the possibility of some or considerable deterioration. It is common for older structures to need more maintenance and upkeep to maintain a good or higher condition. Even a structure rated as normal will show some signs of deteriorating which in turn can become a dilapidated structure in the future if it is not addressed over time. Overall, 100.0% of the structures in this study area are considered as normal to very poor and beyond repair. Due to the stated conditions found from a site visit, the condition of the structures is a contributing factor.



Figure 4  
Structural Conditions



Figure 5  
Curb and Gutter Conditions





***Curb and Gutter***

Curb and Gutters have several direct and indirect roles in communities. Their primary function is to be a barrier to collect and direct water to be drained away. On a secondary level, they can help define where the streets start and stop, and they act as a physical barrier between pedestrian and vehicular traffic.

The curb and gutter were graded as either Excellent, Good, Average, Fair, and Poor or Missing. The study area is entirely considered rural section drainage. Within the study area there is approximately 10,560 lineal feet or 2 miles of curb and gutter possible. After reviewing the conditions in the field, the following is how the curb and gutter conditions break down within the corporate limits:

- 0 (0.0%) lineal feet of Excellent curb and gutter
- 0 (0.00%) lineal feet of Good curb and gutter
- 0 (0.00%) lineal feet of Average curb and gutter
- 0 (0.00%) lineal feet of Fair curb and gutter
- 10,560 (100.00%) lineal feet of Poor or Missing curb and gutter

The study area's streets and drainage have been designed and constructed in a manner referred to as rural section. A rural section street/road is one where water drains directly from the driving surface into ditches paralleling the street. This approach is adequate; however, this design typically sees the ditches begin to silt in and/or have tall grass growing in them. These factors quickly deteriorate the ability of the ditch to adequately drain away water from the driving surface and this typically leads to localized flooding and ponding. Due to the entire study area containing no curb and gutter, the curb and gutter conditions would be a direct contributing factor.

The photos below showcase the rural section in the study area.



*Streets*

Streets within a community are essential to moving people and vehicles from place to place. Their condition and construction have an impact on the appearance of a community, which leads directly to how a community is perceived by the outside world.

Within the study area there is approximately 10,560 lineal feet or 2 miles of street possible. After reviewing the conditions in the field, the following is how the street conditions breakdown within the corporate limits:

- 0 (0.00%) lineal feet of Excellent streets
- 0 (0.00%) lineal feet of Good streets
- 0 (0.00%) lineal feet of Average streets
- 0 (0.00%) lineal feet of Fair streets
- 10,560 (100.00%) lineal feet of Poor streets

All streets in the study area are unpaved. Any streets currently dirt or gravel are considered to be of a poor condition. Being paved with an obsolete material like dirt or gravel is obsolete for an urban area. The photos below represent poor and unpaved streets and alleys in the study area.





**Age of Structure**

Age of structures can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of structures 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs and pages document the structural age of the structures within the Study Area. Note: the age of structure was determined from the Register of Deeds.

TABLE 1: AVERAGE STRUCTURAL AGE, BY METHOD – 2022

Number	Year Built	Age	Cumulative Age	Running Total
3	2013	9	27	27
5	1950	72	360	387
8			Average	48.4

Source: Register of Deeds and Marvin Planning Consultants 2022

**Age of Structure**

Within the study area there are 8 structures. After researching the structural age at the Register of Deeds office, the following breakdown was determined:

- 5 (62.5%) units were determined to be 40 years of age or older.
- 3 (37.5%) units were determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 1 the average age of the primary structures is equal to 48.4 years; thus, meeting the requirements of the statutes. The age of the structures would be a direct contributing factor.

Figure 7  
Age of Structures



**Blighting Summary**

These conditions are contributing to the blighted conditions of the Study Area.

- Deterioration of site or other improvements
  - All structures in the study area are dilapidated and beyond repair.
  - Curb and gutter are missing throughout the study area.
  - Streets throughout the study area were of a poor condition and obsolete for an urban area.
- Diversity of Ownership
  - There are four different property owners within the study area.
  - The diversity of ownership may be a barrier to future development.
- Insanitary and Unsafe Conditions
  - Overgrown brush and vegetation in the study area could become a breeding ground for communicable diseases or become a fire hazard. The presence of the BSNF railroad also poses a hazard as derailments could occur within the study area. Grass fires in overgrown brush and vegetation along the Railroad ROW also poses a considerable threat. Photos below showcase these conditions.



**Criteria under Part B of the Blight Definition**

- The average age of the residential or commercial units in the area is at least forty years.
  - 5 (62.5%) units were determined to be 40 years of age or older.
  - 3 (37.5%) units were determined to be less than 40 years of age
  - The Average Age is 72 years
- Dangerous conditions to life or property due to fire or other causes.
  - The presence of the railroad in the study area poses a considerable threat due to overgrown brush along Railroad ROW, as overgrown brush could lead to grass fires. The potential for derailment exists as well.

These other criteria for Blight were either not examined or not present in the area:

- Factors Which Are Impairing And/or Arresting Sound Growth, including:
  - o Faulty lot layout.
  - o Improper subdivision or obsolete platting.
  - o Tax or special assessment delinquency exceeding fair value of the land.
  - o Defective or unusual condition of title.
  - o Unemployment in the designated area is at least 120% of the state or national average.
  - o One-half of unimproved property is over 40 years old.
  - o The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated.

These issues were either not present or were limited enough as to have little impact on the overall condition of the study area.

**Age of Structure**

Age of structures can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of structures 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs and pages document the structural age of the structures within the Study Area. Note: the age of structure was determined from the Register of Deeds.

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**Age of Structure**

Within the study area there are 8 structures. After researching the structural age at the Register of Deeds office, the following breakdown was determined:

- 5 (62.5%) units were determined to be 40 years of age or older.
- 3 (37.5%) units were determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 2 the average age of the primary structures is equal to 48.4 years; thus, meeting the requirements of the statutes. The age of the structures would be a direct contributing factor.

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Blight and Substandard Study – Northwest Study Area

Substandard Summary

Nebraska State Statute requires that "...an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;"

The Northwest Study Area meets the definition of Substandard as defined in the Revised Nebraska State Statutes.

Findings for the Northwest Study Area

The Northwest Study Area has several items contributing to the Blight and Substandard Conditions. These conditions include:

Blighted Conditions

- Deterioration of site or other improvements
- Diversity of Ownership
- Average age of the residential or commercial units in the area is at least forty years
- Insanitary and Unsafe Conditions

Substandard Conditions

- Average age of the structures in the area is at least forty years
- Dangerous conditions to life or property due to fire or other causes.

Mayor Zavodny stated that the next item on the agenda was Resolution No. 25-2022 approving the ownership model for the proposed AGP Facility Substation.

Matt Kalin, with JEO Consulting Group introduced himself and said, “I just wanted to talk a little bit about this. We’ve been looking at a couple of different ownership options to serve the new AGP property. It’s been determined that Butler Public Power District will be constructing the sub transmission lines and we worked with John to look at two different business cases that you have in front of you this evening. One of them is to have the City have the ownership of the substation and the other one that we did look at was a similar model where Butler would own what we call the “high” side of the substation and the City would own the “low” side of the substation. I’ll turn it over to John and he’ll be able to walk you through the presentation.”

John Krajewski, JK Energy Consulting, introduced himself via Zoom and gave the following presentation.

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# Economic Assessment Substation Options

City of David City, Nebraska  
October 26, 2022

Presented by:  
John A. Krajewski, P.E.



## Background

- Potential industrial customer would drive need for new sub-transmission lines and substation equipment
  - Extension of Butler Public Power District sub-transmission lines
  - 69/34.5 kV transformation, switching, protection equipment
  - 34.5 kV breakers, bus work, voltage regulation, metering, associated protection equipment



## Ownership Options

- Butler PPD will own 69 kV and 34.5 kV sub-transmission lines
- City will own 34.5 kV equipment
  - Capital cost: \$2.0 million
- 69/34.5 kV transformation and associated equipment could be owned by either Butler PPD or City
  - Capital cost: \$1.6 million

## Economic Analysis – 69/34.5 kV

- Butler PPD ownership
  - Butler PPD would construct 69/34.5 kV portion of substation: ~ \$1.6 million
  - City would be required to pay contribution in aid of construction equal to cost of 69/34.5 kV equipment, less ~\$170,000 allowable investment limit
  - City would also be required to pay the Butler PPD sub-transformation rate (currently \$0.74/kW-month)



## Economic Analysis – 69/34.5 kV

- City ownership
  - City would construct 69/34.5 kV portion of substation
  - City would own and be responsible for operation and maintenance cost associated with 69/34.5 portion of substation
    - Would be responsible for 34.5 kV equipment under either scenario



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## Economic Analysis – 69/34.5 kV

- Parameters
  - Assume capital would be funded with issuance of revenue bonds
  - 4.5% interest rate with 20-year term
  - O&M and Butler PPD rates would escalate 3% annually
  - City would contract for O&M with Nebraska Public Power District or other third party for equipment it owns
    - 69/34.5 kV substation: \$2,500 annually
    - 34.5 kV equipment: \$7,500 annually



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## Economic Analysis – 69/34.5 kV

- 20-year cost analysis
  - Butler PPD ownership: \$7.6 million
  - City ownership: \$6.4 million
- Nominal savings of more than \$1.2 million over 20 years
- City ownership would enable reduction in rate to customer of more than \$40,000 in the first year of operation

## Risk Factors

- City would be responsible for contracting for O&M
- Any capital requirements, repairs and replacements would be solely funded by City
- Issuing revenue bonds in uncertain interest rate environment carries risks

## Conclusions

- City is projected to save nearly \$1.3 million by owning and operating 69/34.5 kV substation to serve new customer
- City would need to manage certain risks, including O&M agreements, accumulating reserves, and interest rate risk associated with revenue bonds



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## Contact Information

John Krajewski  
JK Energy Consulting, LLC  
74408 Road 433  
Smithfield, Nebraska 68976  
jk@jkenergyconsulting.com  
Phone: 402-440-0227



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Matt Kalin, with JEO Consulting Group, said, "I just had a couple things to add. I did reach out to NPPD. They do this for their full requirements customers. They actually do it for Butler as well. So, there is some testing that we would do on an annual basis, oil testing specifically on the transformer and we just kind of start trend lining that information. By looking at that information we can kind of tell that maybe the gases go up or the moisture goes up and maybe we need to do some more exploratory tests. We do that stuff annually. They recommended approximately every eight years we come in and do a sweep frequency on the transformer. That's just a further analysis on it. We would own several 34.5 circuit breakers. We are, at least at this time, seeing ones that would be very comparable to what NPPD is using in their 69 and 34.5 KV substations, proposing at this time to look at SF6 gas. They recommend looking at those on a twelve-year cycle. That's just kind of looking at some of this stuff on what I would consider more of your larger financial contributions that you would need for your O & M."

John Krajewski, JK Energy Consulting, LLC, said, "I would just add to that I worked with Matt on those cost estimates and added those in when I put this together on an annualized basis just to level it out, but I think that I had those costs included in this analysis."

Discussion followed regarding the operation of the plant and the redundancy that will be provided.

Council member Bruce Meysenburg made a motion to pass and adopt Resolution No. 25-2022 approving the ownership model for the proposed AGP facility substation. Council Member Pat Meysenburg seconded the motion. The motion carried.  
Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

#### **RESOLUTION NO. 25-2022**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, AUTHORIZING OWNERSHIP AND ALL ACTIONS NECESSARY THEREFOR, OF A NEW ELECTRIC SUBSTATION AND APPURTENANT INFRASTRUCTURE AND LAND.

WHEREAS, the Mayor and City Council of the City of David City, Nebraska (the "City"), desire to attract and retain private investment and job growth in the City; and

WHEREAS, the Mayor and City Council of the City understand and agree that sound electric infrastructure is necessary to attract and retain private investment and job growth in the City; and

WHEREAS, the City owns and operates a municipal electric utility; and

WHEREAS, Nebraska law allows a city that owns and operates a municipal electric utility to own electric infrastructure within its corporate limits or elsewhere by agreement; and

WHEREAS, owning the new electric substation and appurtenant infrastructure and land that is necessary to serve the proposed Agricultural Processing, Inc. facility on the northwest side of the City and other users of electricity in the vicinity will cost the City approximately \$3,700,000 to construct said substation, but is projected to save the City approximately \$1,300,000 in the longer term.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of David City, Nebraska, that the City Council authorizes the Mayor, City staff and consultants to pursue construction and long-term ownership of a new electric substation and appurtenant infrastructure and land to serve the proposed Agricultural Processing, Inc. facility on the northwest side of the City and other users of electricity in the vicinity.

INTRODUCED BY COUNCIL MEMBER \_\_\_\_\_

PASSED AND ADOPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Mayor Zavodny stated that the next item on the agenda was discussion concerning employee's health insurance for 2023.

Mayor Zavodny stated that he would like to move away from the HSA and move to an HRA. He stated that we need to look at the entire benefit package.

It was decided that the public needs to be informed about the differences between an HSA and an HRA.

This item will be discussed further at the next meeting.

Mayor Zavodny stated that the next item on the agenda was a bid from Sara Neujahr for the building at 557 N. 4<sup>th</sup> Street for \$100,000.

The Mayor and Council were in agreement that it would be good to accept the bid and get the building back on the tax rolls. A Resolution will be drafted for adoption at the next meeting.

Mayor Zavodny stated that the next item on the agenda was repairs to number six engine at the power plant.

Power Plant Supervisor John Smaus explained what needed to be repaired on the number six engine.

There was discussion on the warranty of the work and getting an itemized bid.

Council member Bruce Meysenburg noted that it was because of the power plant being in operation that the City was not subject to rolling black outs during the polar vortex of February, 2021.

Council member Tom Kobus made a motion to table the repairs to number six engine at the Power Plant. Council Member Pat Meysenburg seconded the motion. The motion carried. Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Bruce Meysenburg made a motion to approve the Certification of City Street Superintendent and pass and adopt Resolution No. 26-2022 signing of the Year-End Certification of City Street Form 2022. Council Member Pat Meysenburg seconded the motion. The motion carried.  
Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

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**Do not recreate or revise this document.** Revisions and recreations will not be accepted. **Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2022.** Documents include the original Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT by December 31, 2022.

**RESOLUTION**  
**SIGNING OF THE**  
**YEAR-END CERTIFICATION OF CITY STREET SUPERINTENDENT**  
**2022**

Resolution No. 26-2022

**Whereas:** State of Nebraska Statutes, sections 39-2302, and 39-2511 through 39-2515 details the requirements that must be met in order for a municipality to qualify for an annual Incentive Payment; and

**Whereas:** The State of Nebraska Department of Transportation (NDOT) requires that each incorporated municipality must annually certify (by December 31<sup>st</sup> of each year) the appointment(s) of the City Street Superintendent(s) to the NDOT using the Year-End Certification of City Street Superintendent form; and

**Whereas:** The NDOT requires that each certification shall also include a copy of the documentation of the city street superintendent's appointment, i.e., meeting minutes; showing the appointment of the City Street Superintendent by their name as it appears on their License (if applicable), their License Number (if applicable), and Class of License (if applicable), and type of appointment, i.e., employed, contract (consultant, or interlocal agreement with another incorporated municipality and/or county), and the beginning date of the appointment; and

**Whereas:** The NDOT also requires that such Year-End Certification of City Street Superintendent form shall be signed by the Mayor or Village Board Chairperson and shall include a copy a resolution of the governing body authorizing the signing of the Year-End Certification of City Street Superintendent form by the Mayor or Village Board Chairperson.

**Be it resolved** that the Mayor  Village Board Chairperson  of David City  
(Check one box) (Print Name of Municipality)  
is hereby authorized to sign the attached Year-End Certification of City Street Superintendent completed form(s).

Adopted this 26th day of October, 2022 at David City, Nebraska.  
(Date) (Month)

City Council/Village Board Members

<u>Tom Kobus</u>	<u>John Vandenberg</u>
<u>Bruce Meysenburg</u>	_____
<u>Pat Meysenburg</u>	_____
<u>Jessica Miller</u>	_____
<u>Kevin Wolta</u>	_____

City Council/Village Board Member Bruce Meysenburg  
Moved the adoption of said resolution  
Member Pat Meysenburg Seconded the Motion  
Roll Call 6 Yes 0 No 0 Abstained 0 Absent  
Resolution adopted, signed, and billed as adopted.

Attest: Jami L. Comte  
(Signature of Clerk)

**Do not recreate or revise this document. Revisions and recreations will not be accepted. Copying this form is acceptable; see (3) below. Failure to complete and return the necessary documents per instructions will result in your municipality not receiving an Incentive Payment for Calendar Year 2022. Documents include the original Signing Resolution, Year-End Certification(s), and a copy of documentation of the appointment(s) of the City Street Superintendent(s). These must be received at the NDOT by December 31, 2022.**

### Year-End Certification of City Street Superintendent For Determining Incentive Payment in Calendar Year 2022

*Separate forms may be needed to account for the entire year, see (3) below*

This Form Covers the Following Period: January 1, 2022 to December 31, 2022  
(Month) (Day) (Month) (Day)

\*(1)(a) The municipality of David City certifies that: David Ziska  
(Print name of City or Village) (Print name of Superintendent as it appears on license card if applicable)  
was the appointed City Street Superintendent during the above period. **IF A NAME IS NOT ENTERED ABOVE (NO APPOINTED CITY STREET SUPERINTENDENT FOR THIS PERIOD), SKIP TO (2) BELOW.**

(b) the superintending services of the above listed individual were provided by: (Check one box)

- Employment with this Municipality       Contract (consultant) with this Municipality       Contract (interlocal agreement) between this Municipality and the following listed Municipality(ies) and/or County(ies)

(c) and the above listed individual assisted in the following: *Reference Neb. Rev. Stat. §39-2512*

1. Developing and annually updating a long-range plan based on needs and coordinated with adjacent local governmental units,
2. Developing an annual program for design, construction, and maintenance,
3. Developing an annual budget based on programmed projects and activities,
4. Submitting such plans, programs, and budgets to the local governing body for approval; and
5. Implementing the capital improvements and maintenance activities provided in the approved plans, programs, and budgets,

(d) the above listed individual also served as (Check all boxes that apply) city engineer  village engineer   
public works director  city manager  city administrator  street commissioner

(e) If the above listed individual is a Licensed City Street Superintendent, enter their Superintendent's License Number S- 1144  
and Class of License A, and/or  
(A or B)

(f) If the above listed individual is a Licensed Engineer in Nebraska, enter their Engineer's License Number E- 9152

(2) David Ziska  
Signature of Mayor  Village Board Chairperson

\*(3) If during the calendar year your municipality (a) did not have a city street superintendent for any portion(s) of the year; or (b) had an appointed city street superintendent that was not licensed for any portion(s) of the year; or (c) had one or more appointed licensed city street superintendents for any portion(s) of the year; or (d) had two or more successive licensed superintendents for any portion of the year, please complete a separate Year-End Certification form for each period. **Copy this form as needed to account for these separate periods.**

(4) The payment amount will be computed based on (a) your most recent Federal Census as certified by the Tax Commissioner; (b) the number of full calendar months served by the appointed superintendent who is licensed or exempted from licensure under the Superintendents Act; (c) class of license, A or B if applicable; and (d) if the appointed City Street Superintendent assisted with the required duties in (1)(c) above. *Reference Neb. Rev. Stat. §§39-2302 and 39-2511 through 39-2515.*

(5) **Failure to return by December 31, 2022, the Year-End Certification(s), Signing Resolution, and a copy of documentation of the appointment(s) of the superintendent(s) per the instructions will result in your municipality not receiving an Incentive Payment.**



**Return the completed original resolution and certification(s), and a copy of the documentation of appointment(s) by December 31, 2022 to:**

Highway Local Liaison Coordinator  
Boards-Liaison Services Section  
Local Assistance Division  
Nebraska Department of Transportation  
PO Box 94759  
Lincoln NE 68509-4759



Council member Pat Meysenburg made a motion to change the 2nd meeting in November from November 23rd to November 30th. Council Member Tom Kobus seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Pat Meysenburg made a motion to schedule a Special Council meeting for December 7, 2022. Council Member Kevin Woita seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Pat Meysenburg made a motion to cancel the December 28, 2022 City Council meeting. Council Member Kevin Woita seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Bruce Meysenburg made a motion to enter into closed session to discuss a contract and pending litigation. Council Member Jessica Miller seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Mayor Zavodny stated, "Now, at 8:13 p.m., we are going into closed session to discuss a contract and pending litigation." Mayor Zavodny, all of the Council members, City Attorney Michael Sands, and City Clerk Comte went into closed session at 8:13 p.m. City Attorney David Levy joined the closed session via Microsoft Teams.

Council member Bruce Meysenburg made a motion to come out of closed session. Council Member Kevin Woita seconded the motion. The motion carried and Mayor Zavodny declared the Council in open session at 8:51 p.m.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0

Council member Jessica Miller made a motion to adjourn. Council Member Pat Meysenburg seconded the motion. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:52 p.m.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Yea, Kevin Woita: Yea  
Yea: 6, Nay: 0



CERTIFICATION OF MINUTES  
October 26, 2022

I, Tami Comte, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of October 26, 2022; 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.

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Tami Comte, City Clerk