

CITY COUNCIL PROCEEDINGS

May 25, 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 557 N. 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 May 25, 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, Kevin Woita, City Attorney Pro-Tem Tim Wollmer, and City Clerk-Treasurer Tami Comte. Council member John Vandenberg was absent.

Also present for the meeting were: Water Operator In Charge Dan Sobota, Water Department Employee Maverick Williams, Street Supervisor Chris Kroesing, Bob Veenstra of Veenstra & Kimm, Bryon Forney, Clifford Roper, Water Department employee Gil Frey, Nick & Chelsea Sypal, Brian Foral, Tom Polacek, Michael Sands with Baird Holm Law Firm, Cody Wickham with DA Davidson, Building Inspector Gary Meister, Special Projects Coordinator Dana Trowbridge, and Sheriff Tom Dion. Electric Supervisor Pat Hoeft was present via Zoom.

The meeting opened with the Pledge of Allegiance.

Mayor Alan Zavodny informed the public of the "Open Meetings Act" posted on the east 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 Bruce Meysenburg made a motion to approve the minutes of the May 11, 2022, meeting of the Mayor and Council as presented. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Mayor Zavodny stated that the next item on the agenda was presentation by Veenstra & Kimm regarding the wastewater treatment plant evaluation and consideration of options.

Bob Veenstra of Veenstra & Kimm introduced himself and said, "I'd like to spend a few minutes tonight talking about the study of the wastewater plant and our recommendations. I know you have a long agenda tonight so I will try to go through this as quickly as possible. We

started the study last summer. We were really looking at two things. One is what is the physical condition of the treatment plant because we knew there were some problems there and what needs to be done to get the treatment plant so we can meet the permit limit so that the State and the EPA are not continually chasing the City for having violations at the treatment plant. During the course of the study, one other thing that came up that really impacted what we looked at was the announcement by AGP that they were going to come and build a soybean crushing facility and discharge waste to the treatment plant. So, that added a new wrinkle to it. We looked at all of those and what I'd kind of like to do is go over quickly what the treatment plant is and our recommendations and see if we can get some direction from the Council as to where you would like to see us go moving forward. The mayor and a couple of the Council members have seen part of this so his comments earlier about how he wished that he could avoid it because he knows a little bit about what is coming and I'm sure his sentiment hasn't changed in the last two weeks. The existing treatment plant, the flow comes into the headworks building and that building is off by the anaerobic lagoon. That facility does some basic things to take pieces and parts out of the sewage and then pumps it over to the lagoon. That facility was built in the late 1950's and so it's a little over sixty years old and it has reached the end of its useful life. The ventilation is inadequate. The electrical system is a safety hazard and even more importantly it really isn't large enough to handle the flow. It's got three pumps. Those pumps can each pump about 500 gpm, so in total you can handle about two million gallons per day and if you look at the amount of water that comes to the treatment plant it's more than that. I'll touch on that a little bit later. From that point the water gets pumped over to the SBR units. The SBR units are on the left-hand side of your drawing, so they are tucked in between the lagoon cells. That's a two-tank system and it was built in 1997. The way the SBR treatment process works it's what really provides the guts of the treatment and those tanks alternate. So, you fill up one and then use that one in your processing and going back and forth. That facility has the capacity of a million gallons per day and about thirty-four hundred pounds of BOD which is more than adequate for today for the loading. The problem that we have there is that much of the equipment is twenty-five years old and it's really at the end of its useful life. One of the things that we've had since last August is most of that time one of those two units is out of service because we've either had a valve that didn't work or a valve operator. So, when we're running on only one of the two it doesn't function like it is supposed to. You're supposed to alternate them. Now we're having to run all of the flow through one of the units continuously and so we go to degradation of treatment. We're just holding on right now. We're getting some violations because they just creep up over time. Going forward with AGP, there's no way that you could treat their waste with one of those units out of service. Right now, it's adequately sized. With the addition of AGP, if everything worked perfectly every day you could probably barely meet the permit limits but it's wastewater and not everything works perfectly every day. There's peaks and valleys and you might have a bad day, just like you and I get up and have a bad day. The bugs get up and have a bad day and they don't work so well, and they don't treat it and you're at risk for permit violations. The basic structure is good, but all of the equipment is in pretty worn-out shape. We then have the three lagoons that we run flow through and those are A, B and C and were built in the 1950's. They were the treatment plant from 1959 to 1997. In 1997 they were really intended for excess flow. They weren't really a primary part of the treatment process. What happens now is that the flow from the SBR's flows through the lagoons and discharges into Kaiser Creek. The problem that we have is that those lagoon cells often times actually make the water less clean coming out than going in, so the SBR unit actually does a better job when you put it in the lagoon and we're actually going backwards. It wasn't originally intended that the flow through the lagoons on a continuous basis. Who knows when that process was changed. The lagoons are in good shape, they just don't really fit very

well in the treatment process. The thing is you have irrigation agreements where we pump water for irrigation. Those lagoons are sort of a storage volume for irrigation. That is an important component and needs to stay because anything that you can dispose of by irrigation and land application doesn't go into the creek and if it doesn't go into the creek then EPA doesn't regulate it. So, if you can get rid of all of your water by irrigation and send nothing to the creek, that would be panacea, but we're not there yet. During the winter it's kind of hard to irrigate. So, we have kind of a mix, so we want to irrigate as much as you can. That's really a good thing that cuts down the amount of water that we discharge to the creek. It's also beneficial reuse of the water so we kind of have to balance that together. The last thing is the anaerobic lagoon. I know that you've had a lot of discussions about the anaerobic lagoon. It was in operation for about eight months. During that operation, they saw some issues on how it affects the SBR's because they are kind of two different kinds of processes. They don't really play nice in the sandbox with each other and so they took it back offline. There are also some issues with the SBR, it's unheated. It's kind of a cool process whereas the anaerobic treatment is really designed to be a hot process where you warm up the water to grow the bugs to 110 degrees to 140 degrees and you'll get that maybe a little bit in the summer we might approach that but not in the cold weather months. Right now, your waste strength with the egg processing facility only drying eggs, the strength of your waste is way below what anybody would normally consider using for anaerobic treatment. Anaerobic treatment is really designed for high strength waste. It's really designed to knock some of that loading down before you go through a follow-up process. We're not really at that strength. Even with the AGP waste going forward that strength is really not at the level that you would want to consider anaerobic treatment. If you did put the anaerobic unit back in service, it would need some things done to it. For example, now they use it as sort of a holding basin so if there's more water coming in than can come out of that system the water level rises. Although it's not really designed for that, that is what it's being used for. So, there are issues with all four of them. So, what we looked at is what could we do to come up with a plan that would both meet the physical conditions, meet the EPA limits and also address AGP. The first thing that we need to look at is the headworks building. The headworks building is really not repairable. The other problem with the headworks building is that it is hard to fix something when you are running sewage through it on a continual basis. So, trying to fix that building would really cost more than just starting over and building something beside it. So, what we're recommending is that you build a new headworks building close to the existing headworks building. You would have the same processes in it as screening and grit removal and flow metering and pumping, except we would use newer technologies. We'd put some of those units outside rather than inside. Anything that we can put outside, so we don't have to have it in that hazardous environment. It's better not only for the staff but also for the equipment. The other thing that we would do is to expand the capacity of the pump station. Remember earlier I mentioned that it had three pumps? A total of two mgd. I'm suggesting that you increase that to about eight mgd and that way you can have all the water coming in the treatment plant. Some would go to the SBR, and some would go to lagoon storage as it was originally intended in 1997. So, the spinoff of that is I understand that EPA has told you that we need to do some rehabilitation and reduce the infiltration and inflow in the south part of your collection system similar to what you did in the north part of the collection system. That's really an issue now because you have such a limitation on how much water you can get through the treatment plant. If you expand the amount of water that you can get through the treatment plant, I think that there's an opportunity to potentially look at just doing the more critical parts of the system to have the ability to handle more water so maybe you can scale back or look at scaling back the rehabilitation because you're not really spending any more money on the treatment plant to increase its capacity. That would be if you kind of left it

without that increase in capacity. So, you're not saving any money at the treatment plant, and you don't have to spend the money on the rehabilitation, but you can maybe look at a more focused rehabilitation to cut down the combined cost of those two. That's still early. We don't know but I just think that the plant generally might let you do that. The reason I say that is that EPA, in and of itself, generally doesn't get too focused on what the infiltration and inflow levels are in the system unless you have a problem. So, if you can't handle the water, then they're going to tell you that you need to do something with it so one of the stipulations is to get the water out. But if you have the ability between a combination of handling the water at the treatment plant and taking less out, maybe you don't have to spend as much money taking it out. Does that make sense? So, potentially you can rebalance that a little bit and there's still some things that you need to do and there's some really bad places in the sewer system but maybe you can be a little more surgical in your rehabilitation and not as widespread. Because it will have the ability to handle it. We're recommending that you then also build a new force main from the headworks building over to the SBR because the existing eight inch and ten inch you're really limited because you can't really move enough water through it. The other thing is that we have those force mains and AGP is going to have pretty consistent waste. They discharge twenty-four/seven, fifty or fifty-one weeks out of the year and their waste is a reasonably strong waste so they don't have any infiltration and inflow. So, if we take their waste and pump it through one of the force mains directly to the SBR's we then have the regular city waste that is up and down in strength with the I and I (infiltration and inflow). The excess water that we have that runs through the SBR will go back to the original plan to put those into the lagoon cells and then use it for irrigation or discharge if we have to. So, by segregating the AGP waste from the city waste we have a lot easier handling of that excess I and I flow because it's not as strong. If you put really strong waste in a pond, if you're not careful sometimes it depletes the oxygen, and you can get some odors. By segregating those you get a much better management of it. At the SBR's what we're proposing is to rehab the existing SBR's and replace the equipment and build two new SBR's beside it. That was the original plan back in 1997 so they would just kind of go to the west of where they are now. We would build those in sequence. I want to talk a little bit about how AGP affects that. If you didn't have AGP you would probably just rehab the two units that you have there. But with AGP their loading is such that if you take their initial loading, not even looking at their future loading, but their initial loading that they are talking about in 2025. If you add that to the city's egg facility you are right at one of the parameters, you're at ninety-five percent of the capacity of it and another on nitrogen you're at a hundred and thirty percent so you're right on the stressed-out level so if anything went wrong, you're going to have an issue with it. So, by increasing the capacity we have four units so if one goes down, I still have three and I can run in my normal mode. If I only have two and one goes down, I don't have the normal mode, a mode that doesn't work. So, it gives me that sequence. By having four it also increases the ability to move water through the treatment plant from two mgd to four mgd because I can get one mgd per day. So, what that does is it lessens my need for the rehabilitation that we just talked about. As a part of that, the blower building, there's a building that now has five positive displacement blowers in it. If we expand the SBR, we don't need ten, but we probably need six or seven. In the blower building there is a couple of issues. One is that all of the electrical equipment is sitting in the blower room. If you go in there in the summer, it's probably a hundred and thirty degrees in there and the electrical equipment generates a lot of heat and that heat really shortens the lifespan and creates problems. So, what we like to do is to put the electrical equipment in a separate little room with its own air conditioning to keep that heat down so doesn't shorten the lifespan. So, what we're proposing is there is a garage space there in a corning building and we would redo the inside of that building to put a separate electrical room and the additional blower capacity that we need and

put a little storage building by the control building to replace that. That's actually less costly than trying to expand the blower building and keep the garage there. You actually get more space out of it. The last thing, there's a little bit of work that has to be done in the lab and the control building. It really hasn't been refurbished since the original construction. I think it would be beneficial if you had a little bit better lab capability. You could do more of your own internal processing. Process checks and things. These wouldn't be regulatory tests. They wouldn't necessarily replace Midwest tests, but they would be the kind of things that you would kind of do your own internal check and balance on the treatment plant. That's kind of the overview of where we are. We don't see the anaerobic lagoon really fitting in long term. We would suggest that maybe the best thing to do is to simply go back to work, add it back into Cell E and use it for irrigation storage. You could try to find a place to sell as much of the equipment as you can. There's the cover and the pump station that has barely used pumps so there's some things that you can look to try to sell. I don't want to get too deep into the anaerobic lagoon and the history behind the anaerobic lagoon tonight because this isn't really the venue for that. That can be done on another day and another forum. I just wanted to let you know that we just don't see that as fitting in. I spent some time talking to the AGP staff on their soybean facilities and asking them if they have any experience or any thoughts about if anaerobic treatment would be compatible with soybean waste and they agreed with my assessment that the two don't fit together very well. That's kind of where we are. Cost-wise, this is where the mayor jumped out of his chair at the last meeting, we're probably talking around twelve million dollars. Here's a little bit where we're going to go from here. Tami has been in touch with USDA and NDEE and they have money and they've encouraged us to get an application in because they've got money and a lot of that is the infrastructure bill money that's going to be flowing in here in the next few months and a lot of that is grants and forgivable loans and things that would reduce the cost so we believe that there is a very high likelihood that with this project that we could get a significant amount of that as a forgivable loan at least as it relates to the fix up of what we've got. I want to also note that none of this is really related to the AGP expansion. If you look at your existing sewer revenues and what AGP says that they are going to put in flow. Their revenue pays for their cost of the improvements for their capacity. So, they are really self-funding. Their revenue would pay for it. It's really where we're shortfall is to fix up like the headworks building and those things that are not related to AGP that haven't had anything done with them. So, we're looking at what can we get with outside funding. Tami is also working on TIF. So, there are some things that we are trying to figure out where we go. Timing wise what we're really looking at is you've got two alternatives. I think that doing nothing is really not a viable alternative. So, you could do the scaled back version and we're just going to fix up what we've got and not expand it. That's a possibility but it puts you right on the ragged edge and you'll probably be back at it. The minute that AGP starts to expand beyond their existing capacity, their start-up capacity, if they do, you're going to be back expanding it because there's no additional capacity. So, if you look at AGP's long term plan they only have to ramp up about five or ten percent above start-up and there's really no way the treatment plant can do that. It would really be cost effective to do that today than to try to do it later. The other thing is if we do it all at once we stage the treatment plant so we build two new units and rehab the old units so we can stay in service. If we're trying to keep the plant running and rehabbing it, it becomes logistically very difficult. We want to act on the money as quickly as possible because they have the money, and they haven't given it out yet, so we want to be in line. We're ready to submit an application in the next couple of days if the Council is so inclined. The second thing is the EPA is waiting, I won't say with bated breath, but they are waiting to see what direction we are going to go. The third thing is that AGP is planning to come online in the spring of 2025 and any kind of major treatment plant process, whichever one you pick, we're probably looking at needing to

get going really quickly or we're going to miss that date. Trying to build the treatment plant when AGP comes online is going to be extremely daunting because if we have to pull units out of service there would be no way to do that. There are really two approaches that you can take. One is the do it all at once program which we think is the better option and the other is to say no, we're going to scale it back and not expand it. We're going to do maybe an eight-million-dollar project and fix up what we need to and wait to do the expansion until we absolutely have to. The first seven or eight million dollars is, unless you decide that you're not going to do anything, that's really committed to put the plant back the way it is and the rest of it would be to accommodate the AGP and give you a little flexibility."

Mayor Zavodny said, "I know that not doing anything is not an option, so we need to move past that. I really appreciate the fact that you didn't try to make this any better for me since the last time we talked. I hate this whole thing, but that doesn't change where we are at. So, one of the things that we've struggled with for a long time, we spent a couple thousand dollars to buy bugs and then in fifteen minutes we killed them. So, the system will be designed so we can keep them alive and thrive? The capacity is what scares me, to be honest, right now. We've done the standing on one foot trying to keep things running. If something goes wrong, then we discharge into the creek and then we get not very nice letters. We want to fix this finally, but we just spent so much money on something that doesn't work. I'm really mad."

Bob Veenstra of Veenstra and Kimm said, "I can appreciate that."

Mayor Zavodny said, "That's why I reacted the way I did. It's got nothing to do with what you're telling us. To be honest, I'm pretty sure that this Council expected it. We know what we've been through to even get to this point."

Bob Veenstra of Veenstra and Kimm said, "The one thing that I will comment on is the SBR process is a form of what's called activated sludge. Activated sludge is the common process for treating any kind of industrial or commercial waste. It's been around since the early part of the last century. If you don't have a lagoon treatment plant anymore, the vast majority of them are an activated sludge. So, we're staying with a very tried and proven technology. We're not going to try an anaerobic process or other razzle dazzle process. There are razzle dazzle processes out there. We have people come to us all the time with stuff that they want us to try. So, what we're trying to do is to say that we have the same concerns that you do although we're looking at a very tried and true process. What we're trying to do is to make it robust so that if you're not dancing on one leg all the time. So, instead of having two units and if one goes down, I'm really out of luck, so if I have four units and one breaks, I still have three very robust units that are independent. So, we're trying to recognize that and give you some flexibility hydraulically because you don't really have the ability to handle water, so we'll increase the ability to handle the water so that doesn't create a problem. So, what we're going to do is to look at all of those concerns and use proven technologies and methods to do that."

Mayor Zavodny said, "Do you help us write the grants so that we have a really strong push for those and for the loans? Can you help with that kind of thing? Here's where I'm at, we're going to have increased revenue with AGP and this started before I even ran for this office, is how are you going to pay for it? I factored in that we're going to have AGP money and maybe these loans. Let's say that none of them come through, do we still feel like we could bond it and long-term debt? I feel like there's several opportunities for us to pay for this. I

actually feel better than the first time that we talked. Twelve million dollars is a heck of a lot of money. If I thought there was a different way, but I don't see that we have a choice."

Bob Veenstra of Veenstra and Kimm said, "Let me say a couple things. Tami and I have already worked together to get the application put together. The other document that goes with it is the report which outlines what it is and makes the case for it. We've tried to make sure that we've got everything in there that everybody wants so we've got that. A little bit about the high-level finances, if you look at it. Right now, if you were to get no outside revenue, you generate around six hundred seventy thousand dollars a year total revenue in the sewer fund. Over the last three years your sewer enterprise generates about six hundred seventy thousand dollars a year and of those six hundred and twelve thousand dollars and the other is from interest and other things which I generally ignore because those things come and go. If you look at AGP at your current rate structure, they will generate about two hundred and sixty thousand dollars per year. So, you'd be somewhere in the eight hundred and seventy thousand dollars per year of revenue. If you didn't get any outside funding, and you didn't have to set aside money in a couple of different reserves, you're looking at somewhere around one point one five million dollars of annual costs. So, you would have a gap of somewhere around thirty percent. So, between now and the project you'd have to come up with an increase in the revenue of about thirty percent above the projected revenue is now. Which is a lot but it's not double or triple and we've got to get seventy or eighty percent of the cost paid for. I think that we get a reasonable number, and we can get pretty close. I'm not telling you that you need to raise rates, but I think that they haven't been raised for eight years so independent of this that's something that you should think about, too, particularly with today's inflation because every year as costs go up what happens is that it eats into your revenue base. You might want to think about whether going forward about just trying to stay breaking even with more balancing your rates to the cost of living rather than taking a big jump every eight or ten years. That's just something to think about. It's a shortfall in revenue. I think that it's a level that we can close that gap and not have a huge rate increase."

Mayor Zavodny said, "The other part that I think about is the LB357 money. Our sales tax is maxed out. We have nowhere to go until 2030, at a minimum, until the sales tax sunsets, for the taxpayers to say if they are willing to pay a little more sales tax to help support our infrastructure. So, we're eight years away and who knows if that would be approved. If gas doesn't go down pretty soon, no one will want to pay more for anything."

Bob Veenstra of Veenstra and Kimm said, "I appreciate that. What we're going to look at is getting some outside money. We're still exploring what TIF would do. Independent of the treatment plant, AGP still wants a sewer up to their facility and that is likely something that will have to be TIF funded because you are not likely to get outside money for that."

Mayor Zavodny said, "That scares me because it's not just sewer. We've got water and we've got a paved road that is going to have to go in. We can't spend the same TIF money three times. That's a concern."

Bob Veenstra of Veenstra and Kimm said, "At this point, we are not focusing on TIF at the wastewater plant."

Mayor Zavodny said, "I think we take TIF out of the equation. We're going to use it for something."

Bob Veenstra of Veenstra and Kimm said, "We're focused on the project and not on the wastewater plant."

Mayor Zavodny said, "Fair enough."

Bob Veenstra of Veenstra and Kimm said, "So, we understand that it's not always pleasant to come and tell people that they have to spend a lot of money. It's one of those things where the conversation, one way or another, needs to be had."

Mayor Zavodny said, "So, my two cents worth would be before we start opening up for questions would be if we don't act now, even with inflation of over eight percent, this isn't going to get cheaper. We may have a shorter window and if we get sideways with our regulatory agencies, we won't have time. That's where my concern is. We've already used up all of our good graces with DEQ and EPA. We need to do the right thing."

Bob Veenstra of Veenstra and Kimm said, "You have two things that are kind of pressing down on you. One is the regulatory issue, and the other is if AGP truly wants to open in 2025, we have to have a treatment plant to accommodate them."

Mayor Zavodny said, "We're going to miss this construction season."

Bob Veenstra of Veenstra and Kimm said, "From a construction season, looking at it right now, the goal would be to be done in about April of 2025, which would mean that we need to be under construction in about August of 2023. So, we have financing and design and all kinds of things that need to be done and we have from now until August of 2023, which is really a short time."

Council member Tom Kobus said, "What percent of the lagoon system will be left once AGP comes on board? Let's say we get another company that wants to do something halfway big. Will it accommodate it or not?"

Bob Veenstra of Veenstra and Kimm said, "As we go forward, we want to be able to build some additional capacity and not go overboard but we don't want to cut it too close either. So, we'll have to decide as we go forward, how much additional capacity we want. It's sort of the worst-case scenario for AGP. My guess is in talking to AGP that we'll end up with some additional capacity if we accommodate their need and we have some reasonable need on top of that. We should be in good shape."

Mayor Zavodny said, "I think that's a good question. You said ninety percent and a hundred and thirty percent of nitrogen. AGP has already indicated that it's not unusual for cottage industries to come in and build around them and have needs. So, being at ninety percent and a hundred and thirty percent."

Bob Veenstra of Veenstra and Kimm said, "That's today's plant."

Mayor Zavodny said, "How much does that move the needle then?"

Bob Veenstra of Veenstra and Kimm said, "That moves it down to about seventy percent, which is actually quite a bit when you look at the loading."



Mayor Zavodny said, "I feel better with that than I did at ninety percent."

Bob Veenstra of Veenstra and Kimm said, "Ninety-five percent is what would happen if you didn't do anything to expand it."

Mayor Zavodny said, "That's if nothing goes wrong. Stuff goes wrong all the time. It seems like every meeting we have; something has gone wrong."

Bob Veenstra of Veenstra and Kimm said, "What we're really looking at is does the Council feel comfortable pursuing going after the financing and moving forward with the complete project or do you want to scale it back? Now, remember that we can scale it back later if we have to but it's difficult to scale it up."

Council member Bruce Meysenburg said, "Let's just do it. It's going to get more costly if we kick the can down the road."

Council member Tom Kobus said, "Are those lagoons out there cleaned out enough?"

Bob Veenstra of Veenstra and Kimm said, "I would doubt it."

Council member Tom Kobus said, "I know the one in front of the one that was covered, they pushed dirt in that one and never got it out."

Bob Veenstra of Veenstra and Kimm said, "If you were to continue to use the lagoons on a continuous basis like they are now, it's absolutely essential that you clean them out. If we pull them offline and we're using them as part of the post treatment, they need to be cleaned out at some point but that's a can that I think you can kick down the road because we're not using them. I'm not proposing to clean them out because in my view it is an expense that is not absolutely critical. You've got enough expenditures so I don't see the need to add something that you could potentially look at down the road."

Mayor Zavodny said, "Here's the map that I would give you for a path forward. If we're going to finance this, we try to see how many forgivable loans and ARPA money and everything else that we can access to start at twelve and start chopping away at it. I would like to see rate increases be as minimal as possible to the citizens here and look at in 2030, this governing entity will have to vote to put it on the ballot for the taxpayers to use some sales tax to get you over the finish line. That sunsets, at least, in ten years."

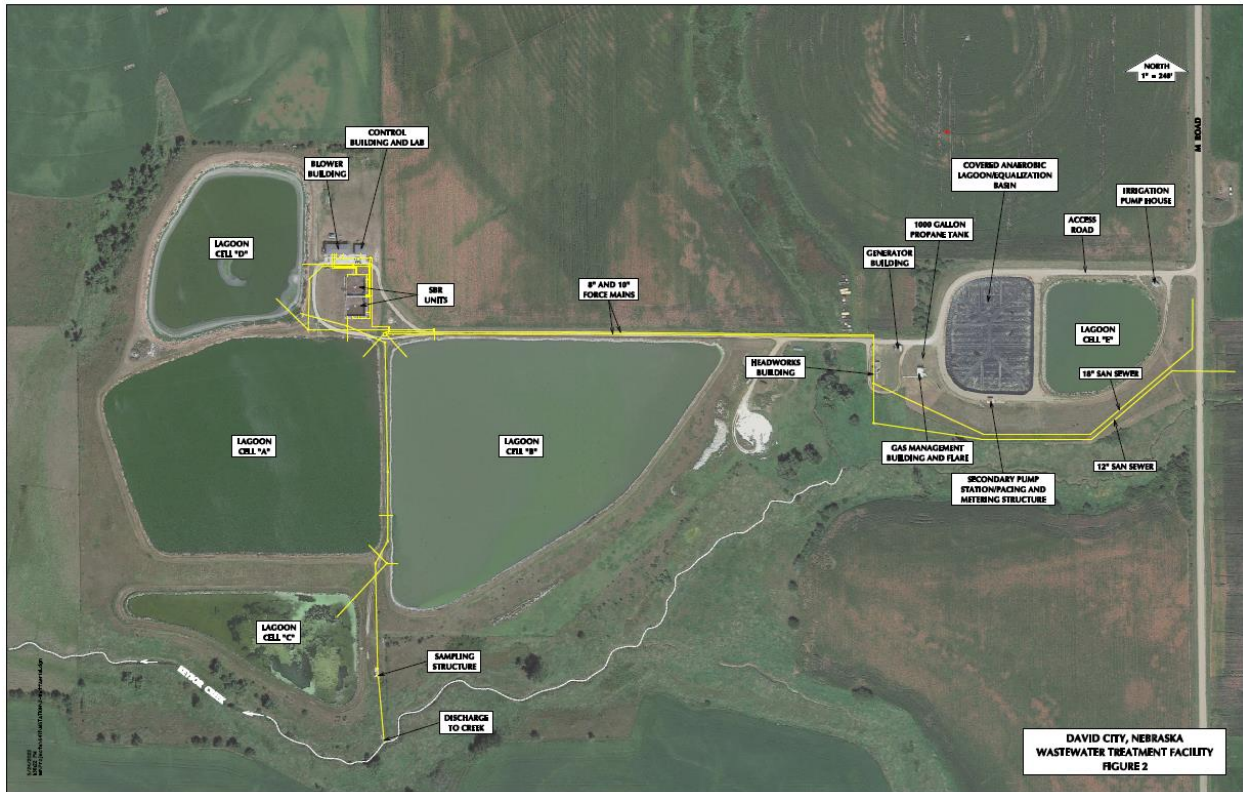
Bob Veenstra of Veenstra and Kimm said, "What you are looking at is instead of having uniform you want to slide in your cost of service. You may pay a little more interest by paying not as much principal, but it softens the pain."

Mayor Zavodny said, "If we have excess, we can always pay it off."

Bob Veenstra of Veenstra and Kimm said, "What we'll do as we begin to get ideas of what the financing options are then we can translate that back into how that relates back to the rate structure. That's what people care about. Nobody cares about the twelve million dollars. They only care about their sewer bills."

Council member Tom Kobus made a motion to approved moving the process forward and start looking for the money. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1



Mayor Zavodny declared the public hearing open at 7:43 p.m. to consider the application of Clifford & Kristin Roper dba Salt Mine City Brewing, 1863 N. 4<sup>th</sup> Street, for a Class L-Craft Brewery Liquor License.

Hearing no comments, Mayor Zavodny declared the public hearing closed at 7:43 p.m.

Council member Bruce Meysenburg made a motion to approve the application of Clifford & Kristine Roper dba Salt Mine City Brewing for a Class L - Craft Brewery Liquor License. Council Member Tom Kobus seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

City Council Proceedings

May 25, 2022

Page #11

Council member Tom Kobus made a motion to approve an agreement with JEO to design a new campground on the west side of David City. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea

Yea: 5, Nay: 0, Absent: 1

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AGREEMENT  
BETWEEN OWNER AND ENGINEER  
FOR  
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT effective as of date signed by the Owner ("Effective Date") between City of David City, Nebraska ("Owner") and JEO Consulting Group, Inc. ("Engineer").

Owner's project, of which Engineer's services under this Agreement are a part, is generally identified as follows:

David City Campground ("Project").

JEO Project Number: 220784.00

Owner and Engineer further agree as follows:

**ARTICLE 1 - SERVICES OF ENGINEER**

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**1.01 Scope**

- A. Engineer shall provide, or cause to be provided, the services set forth herein and in Exhibit A.

**ARTICLE 2 - OWNER'S RESPONSIBILITIES**

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**2.01 Owner Responsibilities**

- A. Owner responsibilities are outlined in Section 3 of Exhibit B.

**ARTICLE 3 - COMPENSATION**

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**3.01 Compensation**

- A. Owner shall pay Engineer as set forth in Exhibit A and per the terms in Exhibit B.
- B. The fee for the Project is as noted in Exhibit 'A'.
- C. The Standard Hourly Rates Schedule shall be adjusted annually (as of approximately January 1st) to reflect equitable changes in the compensation payable to Engineer. The current hourly rate schedule can be provided upon request.

**ARTICLE 4 - EXHIBITS AND SPECIAL PROVISIONS**

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**4.01 Exhibits**

Exhibit A – Scope of Services  
Exhibit B – General Conditions

**4.02 Total Agreement**

- A. This Agreement (consisting of pages 1 to 2 inclusive, together with the Exhibits identified as included above) constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Owner: City of David City, Nebraska

Engineer: JEO Consulting Group, Inc.

By: Alan Zavodny

By:  Dave Henke

Title: Mayor

Title: Senior Project Manager

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

Date Signed: May 4, 2022

Address for giving notices:

Address for giving notices:

City of David City, Nebraska

JEO Consulting Group, Inc.

557 N. 4<sup>th</sup> Street

1937 North Chestnut Street

David City, NE 68632

Wahoo, NE 68066

David City Campground 220784 - Exhibit A  
5/4/2022  
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EXHIBIT A  
Scope of Services – David City Campground  
JEO Project No. 220784.00

**PROJECT UNDERSTANDING**

The City of David City would like to perform a campground study to evaluate the feasibility to construct a campground on the west side of the community near 'M' Road and south of the railroad tracks. The camping pads and roadway will consist of rock/gravel and include water, sewer, electric, internet and cable services to each camping pad. Included also is a possible sanitary sewer main to serve three residents north of this site. Our services will include up to three (3) conceptual layout plans, opinions of probable costs of the concepts and site survey.

**SCOPE OF SERVICES:**

**TASK 1 – SITE SURVEY PHASE**

Task Description: JEO proposes to complete a topography survey of the land to be developed into a campground that the City already owns.

1. Establish vertical and horizontal control using the local coordinate system.
2. Conduct a topographic survey of the area for the proposed campground and other expected construction area.
3. Survey the locations of physical features within the proposed site location(s) (concrete, asphalt, gravel, rock, driveways, sidewalks, trees, utility poles, utility locates, valves, manholes, signs, drainage structures, curb stops, water meter pits, terrain profiles, buildings, trees, and landscaping, etc.).
4. Schedule utility location information (a One-Call Utility located request will be made) and incorporate on preliminary plans (gas, telephone, electric, water, sanitary sewer, communications, etc.).
5. Create an electronic drawing illustrating elevation, site features, water, sanitary sewer, stormwater collection and discharge points, electrical service, other known utilities resulting from the surveys performed.

**TASK 2 – PRE-DESIGN/CONCEPTUAL PHASE**

Task Description: This task will also provide up to three (3) conceptual designs with opinions of construction costs for each concept with the main objective to provide budgetary level information. Opinions of costs will include the roads, camping pads, water, sanitary sewer, drainage culvert. JEO will provide the following scope:

1. Provide up to three (3) concepts for camping pads, roads, drainage, water, sanitary sewer.
2. Provide a conceptual route to serve three (3) residents with sanitary sewer north of the proposed campground.
3. Provide a preliminary sizing of a lift station needed to serve this area with sanitary sewer.
4. Prepare an engineer's opinion of probable cost estimates for major construction items.
5. Attend one (1) meeting to present our findings. (1 Meeting)

David City Campground 220784 - Exhibit A  
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**ADDITIONAL WORK TASKS**

JEO will confirm with the Owner that they desire to proceed with the design, bidding, and construction phases before beginning the following work.

**TASK 3 –DESIGN/CONCEPTUAL PHASE**

**Preliminary Design:**

1. Confirmation of the proposed utility improvements (1 kickoff meeting with design staff)
2. Create 30% drawings that include the plan view of the proposed utility improvements & campground site orientation/layout.
3. Conduct an internal 30% QA/QC of the project documents and incorporate necessary revisions.
4. Prepare 60% plans, technical specifications, and opinion of probable cost for the utility improvements (Water, Sewer and Electrical), site orientation/layout, ADA camping stall(s), future concept layout. The 60% plans to include the following:
  - A. Title Sheet.
  - B. Abbreviation Sheet.
  - C. Project Location Sheet.
  - D. Utility (Water & Sewer) Improvements Plan and Profile Sheet(s).
  - E. Lift Station Detail Sheet(s).
  - F. Camp Site Layout/Orientation Design w/ grading
  - G. Electrical Sheet(s) (for lift station & camping pads).
  - H. Details Sheet.
5. Prepare electrical service details for the proposed lift station location. Electrical details to include electrical service details from existing power supply.
6. Conduct an internal 60% QA/QC of the project documents and incorporate necessary revisions.
7. Provide 60% drawings, opinion of probable cost to Owner. (1 Meeting)

**Final Design:**

1. Revise drawings and technical specifications following receipt of 60% review comments from internal QA/QC and comments from 60% design review by Owner. (1 Meeting)
2. Prepare 90% plans, technical specifications for utility improvements (Water, Sewer & Electrical), site orientation/layout and grading.
3. Finalize the infrastructure for electrical service for proposed camp sites.
4. Finalize proposed electrical service to serve proposed lift station.
5. Provide drawings and assistance for the railroad undercrossing permit.
6. Conduct an internal 90% QA/QC of the project documents and incorporate necessary revisions.
7. Electronically provide 90% drawings, specifications, and opinion of probable cost to Owner. JEO will meet with David City personnel via conference call upon receipt of review comments.
8. Revise plans, specifications, and opinion of probable cost with items noted during review with Client and 90% QA/QC review.
9. Prepare a SWPPP book complying with State regulations.
10. Coordinate the Owner's signature and submit a Notice of Intent (NOI) to the Nebraska Department of Environment & Energy (NDEE) to obtain NPDES Stormwater permit.



David City Campground 220784 - Exhibit A  
5/4/2022  
Page 3

11. Create final drawings and specification package and sign and seal by engineer and a coordinating professional (if required) all registered in the State of Nebraska.
12. Following confirmation from the Owner, submit final drawings, specifications, and permit schedules for the utility improvements to NDEE for review, approval, and issuance of a construction permits. Owner to pay all review fees either directly or via reimbursement to JEO.
13. Provide the Owner will furnish the final plans and specifications to the Owner.

#### **TASK 4 –BIDDING AND NEGOTIATION PHASE**

1. Obtain approval of plans and specifications and authorization to advertise for bids from Owner.
2. Provide assistance with authorizing the advertisement for bids and setting the bid date and time.
3. Send Notice to Bidders to Contractors, Builder Bureaus, and Plan Rooms.
4. Furnish electronic or paper copies of plans, specifications, and contract documents of the project to prospective bidders, material suppliers, and other interested parties upon their request.
5. Respond to inquiries from prospective bidders and prepare any addenda required. A pre-bid meeting will not be held.
6. Assist the Owner in securing construction bids for the project.
7. Assist the Owner at the bid opening consisting of one (1) meeting. Bid opening will be held at City of David City offices.
8. Tabulate and analyze construction bids and report on them to the Owner, together with advice and assistance to the Owner in award of construction contract.
9. Review all bids received and assist the Owner in award of the construction contract.
10. Prepare and submit necessary information to the Owner for project award approval.
11. Prepare Contract Documents (Construction Contract and Notice to Proceed) for execution by the Prime Contractor(s) and the Owner; provide cursory reviews of all insurance and bonds submittals; then advise the Owner to proceed with execution of all documents.
12. Provide copies of all executed Contract Documents to the Owner and Prime Contractor(s).

#### **TASK 5 –CONSTRUCTION ADMINISTRATION PHASE**

1. Schedule and conduct a Pre-construction Conference, consisting of one (1) meeting prior to construction beginning. This conference (Pre-Con) will review the required timelines set forth in the specifications, lines of communication, key contacts of those involved, review any conflicts with utilities or schedules, review the schedule proposed by the Contractor, review any requirements of the Contractor for locates and staking needs, etc. Minutes of the Pre-construction Conference will be provided to all participants by the Engineer. Up to two JEO personnel will attend.
2. Provide baseline survey for horizontal and vertical controls for the proposed improvements, to be referenced by both the Engineer and Contractor during the construction of the project. Provide construction staking of the proposed improvements, including location and grade of the proposed access and grading improvements. Staking of the proposed improvements will be provided in up to three (3) trips.



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3. Construction staking to include staking of approximately 20-30 campsites, utility improvement locations & elevations, gravity sanitary sewer trunk line alignment & elevation, sanitary sewer force main alignment, elevation and proposed lift station location, water system improvements, camping pad orientation, grading & ADA access locations.
4. Review shop drawings and related data supplied by the Contractor.
5. Provide interpretation of the plans and specifications, when necessary.
6. Review and process Contractor's monthly payment applications and change orders (if necessary) and provide to Owner for review and approval.
7. Consult with and advise Owner during construction regarding all aspects of the project.
8. Coordinate and review geotechnical soil and concrete testing results, as needed. Construction material testing (compaction and concrete compressive strength) cost to be paid for by the Owner. Any retesting will be the responsibility of the Contractor.
9. Conduct a final inspection of project with the Contractor and Owner. Prepare a final punch list of outstanding items needing completion prior to finalization of the project based on field observations and reviews by the Resident Project Representative, Contractor, and Owner. (1 Meeting)
10. Recommend to the Owner the acceptance of the project and complete the necessary certificate(s). This recommendation will be based on the Engineer's observation of construction utilizing professional judgment and accepted tests to determine that the Contractor has completed their contracts in substantial compliance with the plans, specifications, and contract documents.

#### TASK 6—RESIDENT PROJECT REPRESENTATIVE (RPR) PHASE

1. JEO will furnish a part-time Resident Project Representative (RPR) to observe construction progress and quality of the work up to 60 hours. The duration of construction is estimated at 6 months.
  - B. The duties and responsibilities of the RPR are described as follows:
    - i. Review of contractors work for general compliance with the plans and specifications.
    - ii. Complete construction observation Reports when on site.
    - iii. Coordinate pay quantities with contractor and engineer.
    - iv. Review of materials delivered to the site for specification compliance.
    - v. Assist the engineer in interpretation of the plans and specifications to the contractor.
    - vi. Review and coordinate materials testing by assigned testing firm.
    - vii. Attend progress meetings.
    - viii. Compile records.

#### TASK 7—POST CONSTRUCTION PHASE

1. Prepare As-Built Drawings for Owner, provide GIS data to be incorporated into Owner's existing GIS platform.
2. Assist the Owner during the 12-month warranty period with questions and coordination with the contractor for warranty period correction items.
3. Issue 6 and 11-month warranty letters to the Owner and Contractor.

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**ESTIMATED TIME FRAME:**

1. Concept Phase – 90 days from the effective date of the agreement.
2. Design Phase – 120 days from effective date of the additional work authorization.
3. Bidding and Negotiation Phase – 45 to 60 calendar days from authorization to advertise.
4. Construction Phase – Assumed to be 6-months from notice to proceed.
5. Post Construction Phase – 12 months after project acceptance.

**FEE SCHEDULE (LUMP SUM):**

1. Concept Phase	\$ 7,400
2. Design Phase	\$ 29,700
3. Bidding and Negotiation Phase	\$ 5,000
4. Construction Phase	\$ 9,500
5. Post Construction Phase	\$ 1,900

**FEE SCHEDULE (HOURLY NOT TO EXCEED):**

1. Resident Project Representative \$ 9,500

**CONTRACT EXCLUSIONS**

- a. Services not explicitly detailed in scope of service.
- b. Special meetings and meetings not outlined in the Scope of Services.
- c. Geotechnical investigation of subsurface soil conditions.
- d. Securing land rights or provide easement descriptions.
- e. Individual Corps 404 permitting, Environmental assessments.
- f. SWPPP administration and inspections during construction.
- g. Payment of permit application/review fees.
- h. Construction testing services fees.

**OWNER RESPONSIBILITY**

1. The Owner must provide the following information to the Engineer/Consultant:
    - A. Access to all potential project sites.
    - B. Utility site maps of potential project sites.
-

JEO CONSULTING GROUP INC ■ JEO ARCHITECTURE INC

**1. SCOPE OF SERVICES:** JEO Consulting Group, Inc. (JEO) shall perform the services described in Exhibit A. JEO shall invoice the owner for these services at the fee stated in Exhibit A.

**2. ADDITIONAL SERVICES:** JEO can perform work beyond the scope of services, as additional services, for a negotiated fee or at fee schedule rates.

**3. OWNER RESPONSIBILITIES:** The owner shall provide all criteria and full information as to the owner's requirements for the project; designate and identify in writing a person to act with authority on the owner's behalf in respect to all aspects of the project; examine and respond promptly to JEO's submissions; and give prompt written notice to JEO whenever the owner observes or otherwise becomes aware of any defect in work.

Unless otherwise agreed, the owner shall furnish JEO with right-of-access to the site in order to conduct the scope of services. Unless otherwise agreed, the owner shall also secure all necessary permits, approvals, licenses, consents, and property descriptions necessary to the performance of the services hereunder. While JEO shall take reasonable precautions to minimize damage to the property, it is understood by the owner that in the normal course of work some damage may occur, the restoration of which is not a part of this agreement.

**4. TIMES FOR RENDERING SERVICES:** JEO's services and compensation under this agreement have been agreed to in anticipation of the orderly and continuous progress of the project through completion. Unless specific periods of time or specific dates for providing services are specified in the scope of services, JEO's obligation to render services hereunder shall be for a period which may reasonably be required for the completion of said services.

If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided, and if such periods of time or date are changed through no fault of JEO, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment. If the owner has requested changes in the scope, extent, or character of the project, the time of performance of JEO's services shall be adjusted equitably.

**5. INVOICES:** JEO shall submit invoices to the owner monthly for services provided to date and a final bill upon completion of services. Invoices are due and payable within 30 days of receipt. Invoices are considered past due after 30 days. Owner agrees to pay a finance charge on past due invoices at the rate of 1.0% per month, or the maximum rate of interest permitted by law.

If the owner fails to make any payment due to JEO for services and expenses within 30 days after receipt of JEO's statement, JEO may, after giving 7 days' written notice to the owner, suspend services to the owner under this agreement until JEO has been paid in full all amounts due for services, expenses, and charges.

**6. STANDARD OF CARE:** The standard of care for all services performed or furnished by JEO under the agreement shall be the care and skill ordinarily used by members of JEO's profession practicing under similar circumstances at the same time and in the

same locality. JEO makes no warranties, express or implied, under this agreement or otherwise, in connection with JEO's services.

JEO shall be responsible for the technical accuracy of its services and documents resulting therefrom, and the owner shall not be responsible for discovering deficiencies therein. JEO shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in owner furnished information.

**7. REUSE OF DOCUMENTS:** Reuse of any materials (including in part plans, specifications, drawings, reports, designs, computations, computer programs, data, estimates, surveys, other work items, etc.) by the owner on a future extension of this project, or any other project without JEO's written authorization shall be at the owner's risk and the owner agrees to indemnify and hold harmless JEO from all claims, damages, and expenses including attorney's fees arising out of such unauthorized use.

**8. ELECTRONIC FILES:** Copies of Documents that may be relied upon by the owner are limited to the printed copies (also known as hard copies) that are signed or sealed by JEO. Files in electronic media format of text, data, graphics, or of other types that are furnished by JEO to the owner are only for convenience of the owner. Any conclusion or information obtained or derived from such electronic files shall be at the user's sole risk.

**a.** Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it shall perform acceptance tests or procedures within 30 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 30 day acceptance period shall be corrected by the party delivering the electronic files. JEO shall not be responsible to maintain documents stored in electronic media format after acceptance by the owner.

**b.** When transferring documents in electronic media format, JEO makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by JEO at the beginning of the project.

**c.** The owner may make and retain copies of documents for information and reference in connection with use on the project by the owner.

**d.** If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

**e.** Any verification or adaptation of the documents by JEO for extensions of the project or for any other project shall entitle JEO to further compensation at rates to be agreed upon by the owner and JEO.

**9. SUBCONSULTANTS:** JEO may employ consultants as JEO deems necessary to assist in the performance of the services. JEO shall not be required to employ any consultant unacceptable to JEO.

**10. INDEMNIFICATION:** To the fullest extent permitted by law, JEO and the owner shall indemnify and hold each other harmless and their respective officers, directors, partners, employees, and consultants from and against any and all claims, losses, damages, and expenses (including but not limited to all fees and charges of

JEO CONSULTING GROUP INC ■ JEO ARCHITECTURE INC

engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) to the extent such claims, losses, damages, or expenses are caused by the indemnifying parties' negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of JEO and the owner, they shall be borne by each party in proportion to its negligence.

**11. INSURANCE:** JEO shall procure and maintain the following insurance during the performance of services under this agreement:

- a. Workers' Compensation: Statutory
- b. Employer's Liability
  - i. Each Accident: \$500,000
  - ii. Disease, Policy Limit: \$500,000
  - iii. Disease, Each Employee: \$500,000
- c. General Liability
  - i. Each Occurrence (Bodily Injury and Property Damage): \$1,000,000
  - ii. General Aggregate: \$2,000,000
- d. Auto Liability
  - i. Combined Single: \$1,000,000
- e. Excess or Umbrella Liability
  - i. Each Occurrence: \$1,000,000
  - ii. General Aggregate: \$1,000,000
- f. Professional Liability:
  - i. Each Occurrence: \$1,000,000
  - ii. General Aggregate: \$2,000,000
- g. All policies of property insurance shall contain provisions to the effect that JEO and JEO's consultants' interests are covered and that in the event of payment of any loss or damage the insurers shall have no rights of recovery against any of the insureds or additional insureds thereunder.
- h. The owner shall require the contractor to purchase and maintain general liability and other insurance as specified in the Contract Documents and to cause JEO and JEO's consultants to be listed as additional insured with respect to such liability and other insurance purchased and maintained by the contractor for the project.
- i. The owner shall reimburse JEO for any additional limits or coverages that the owner requires for the project.

**12. TERMINATION:** This agreement may be terminated by either party upon 7 days prior written notice. In the event of termination, JEO shall be compensated by owner for all services performed up to and including the termination date. The effective date of termination may be set up to thirty (30) days later than otherwise provided to allow JEO to demobilize personnel and equipment from the site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble project materials in orderly files.

**13. GOVERNING LAW:** This agreement is to be governed by the law of the state in which the project is located.

**14. SUCCESSORS, ASSIGNS, AND BENEFICIARIES:** The owner and JEO each is hereby bound and the partners, successors, executors, administrators and legal representatives of the owner and JEO are hereby bound to the other party to this agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, with respect to all covenants, agreements and obligations of this agreement.

- a. Neither the owner nor JEO may assign, sublet, or transfer any rights under or interest (including, but without limitation, monies that are due or may become due) in this agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment shall release or discharge the assignor from any duty or responsibility under this agreement.
- b. Unless expressly provided otherwise in this agreement: Nothing in this agreement shall be construed to create, impose, or give rise to any duty owed by the owner or JEO to any contractor, contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.
- c. All duties and responsibilities undertaken pursuant to this agreement shall be for the sole and exclusive benefit of the owner and JEO and not for the benefit of any other party.

**15. PRECEDENCE:** These standards, terms, and conditions shall take precedence over any inconsistent or contradictory language contained in any proposal, contract, purchase order, requisition, notice to proceed, or like document regarding JEO's services.

**16. SEVERABILITY:** Any provision or part of the agreement held to be void or unenforceable shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the owner and JEO, who agree that the agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

**17. NON-DISCRIMINATION CLAUSE:** Pursuant to Neb. Rev. Stat. § 73-102, the parties declare, promise, and warrant that they have and will continue to comply fully with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C.A § 1985, et seq.) and the Nebraska Fair Employment Practice Act, Neb. Rev. Stat. § 48-1101, et seq., in that there shall be no discrimination against any employee who is employed in the performance of this agreement, or against any applicant for such employment, because of age, color, national origin, race, religion, creed, disability or sex.

**18. E-VERIFY:** JEO shall register with and use the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986, to determine the work eligibility status of new employees physically performing services within the state where the work shall be performed. Engineer shall require the same of each consultant.



Mayor Zavodny stated that the next item on the agenda was discussion concerning vacating Oak Street from "A" Street to the north property line of Bryon Forney.

Nick Sypal introduced himself and said, "My wife, Chelsea and I originally started the proposal to vacate the street that shows on the maps as of right now. There's been a lot of discussion at the Planning Commission meetings. We've done a lot of things on our property, we've built a house and a business that correlates to where the street would be. The future building that we would be putting up for the shop is on that property to add to the business. There's just a lot of things that railroad us with the possibility of that street being there. Our biggest thing is that we don't want to run into any issues with us having our home and business there. The Planning Commission passed us onto you guys basically with the major concern being that we don't want to get everything replatted and go through all the process and then find out that the Council won't let us do it. So, we wanted to get your take on it before we move ahead. That's where we are at right now."

Bryon Forney introduced himself and stated that their family had been on the property for over seventy years, and they have had a fence and the buildings on the property since 1947.

Building Inspector Gary Meister introduced himself and said, "Bryon applied for a fence permit and the fence would be ten feet beyond his boundary. So, I have not approved the fence because it would be on city property."

Interim City Administrator/City Clerk Tami Comte said, "Oak Street is on the County Assessor's website as a street, but I don't know when that happened. Greg Ashoff asked me to research if Oak Street had ever been vacated. I searched back to the time that we started keeping records and I can't find that Oak Street has even been vacated."

Council member Pat Meysenburg said, "If we vacate the road then do they have to buy the land?"

Interim City Administrator/City Clerk Tami Comte said, "No. We've never done that."

Council member Pat Meysenburg said, "If we vacate it then we have lots to sell."

Interim City Administrator/City Clerk Tami Comte said, "Brian, help me out here. When you vacate, each part of the vacated street goes to the property owners."

County Surveyor Brian Foral introduced himself and said, "That's the typical avenue when a street is vacated – half and half."

Interim City Administrator/City Clerk Tami Comte said, "I came across tons and tons of vacations, and we have never charged the property owners for the additional property. The Planning Commission would like to have that area replatted. At the Planning Commission meeting we talked about having a drainage easement and a utility easement so fifty to a hundred years from now that everyone will know that those are there."

Mayor Alan Zavodny said, "That sounds like a reasonable compromise."

Electric Supervisor Pat Hoeft introduced himself and spoke via Zoom, "I talked to the Polacek brothers, and their dad Jerry and Bob Forney put that driveway in off of A Street as a private drive in the mid to late eighties."

Mayor Alan Zavodny said, "Does that line up with Oak Street?"

Electric Supervisor Pat Hoeft said, "I believe that it does."

Mayor Alan Zavodny said, "They owned the ground?"

Electric Supervisor Pat Hoeft said, "Yes, the Polaceks owned the ground and Bob and Jerry put it in."

Mayor Alan Zavodny said, "I haven't heard a strong argument to not do this."

Council member Kevin Woita said, "With vacating the street then Bryon could put the fence up legally, right?"

Mayor Alan Zavodny said, "Yes."

Council member Kevin Woita said, "Nick, is that culvert that you have there big enough to handle the water that runs down the ditch?"

Nick Sypal said, "Honestly, I visited with Gary before I did anything and the biggest thing with it was not to restrict water flow so we just a base made with rock and figured that it would get washed halfway down the creek but we just use it as a crossing."

Council member Kevin Woita said, "So it's not permanent?"

Nick Sypal said, "No."

Mayor Alan Zavodny said, "We're not changing the natural flow of water, so we don't need a drainage study, right?"

Nick Sypal said, "No, we're not."

Mayor Alan Zavodny stated that if this doesn't cause a problem for anyone, then they should be able to proceed.

Council member Bruce Meysenburg made a motion to recess as the City Council. Council Member Jessica Miller seconded the motion. The motion carried and Mayor Zavodny declared the Council meeting in recess at 8:04 p.m.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Chairman Alan Zavodny declared the Community Development Agency in session and asked for the Secretary to call the roll.

Present for the meeting were: Chairman Alan Zavodny, Community Development Members Jessica Miller, Pat Meysenburg, Bruce Meysenburg, Tom Kobus and Kevin Woita

Also present: City Attorney Joanna Uden, Special Projects Coordinator Dana Trowbridge, and legal counsel Michael Sands of Baird Holm.

Special Projects Coordinator Dana Trowbridge said, "We're at the end step of the first phase which is the beginning step of TIF. We have to have a redevelopment plan and I think that Michael put together an absolutely great piece of work in this development plan. It has touched on everything that is valid and needs to be dealt with. He's been conservative on his estimate of revenue, and I believe that he's been the same way on his estimate of expense. I don't believe that we're going to spend that much money, but this thing is going to be close. It's not going to be a real money maker, but it isn't going to be a loser from what I can see. The overall effect to David City, if you can imagine, thirty-six new houses appearing on the north edge of town and the impact that has on the rest of us is very positive."

Mayor Alan Zavodny said, "Thirty-six new rate payers, property tax, they are paying sales tax. There's a lot of things that people don't consider when you are adding that many houses."

Special Projects Coordinator Dana Trowbridge said, "And then we are out of lots again, which is great."

Michael Sands, TIF special attorney with Baird Holm introduced himself and said, "Like Skip said it's a thirty-six-lot subdivision located to the northeast of the intersection of "O" Street and east 5<sup>th</sup> Street. So, the CDA, you all own the land currently and the plan is for the CDA would build out the infrastructure for those thirty-six-lots. That would include streets, sewer, water, gas, electrical along with the site prep and the soft carrying costs as well. So, it's a true city-driven economic development project like Skip said and that was what TIF was originally intended for, for the city to take those into their own hands and actually incite development or redevelopment in the manner that they want to proceed. Certainly, there are no concerns statutorily as for the need for TIF or if it's appropriate for TIF. It's a very appropriate project for TIF. Like Skip said, I think that where we had to be careful was estimating the costs and revenues that come into it. So, the total project costs and this was based, it was a team effort, with the city and me and with Dave Ziska, the engineer. We arrived at three point one million dollars or just under that. The idea being that the CDA will sell those buildable lots after they are constructed to third-party developers at twenty-eight thousand dollars per lot. That will generate just over a million dollars of revenue which is really important because you would generate that up front and be able to pay the interest on the bond anticipation notes and then once that gets rolled into permanent financing bonds, during that interest only period and beyond when you don't have the revenues coming in right away from the TIF, you should have that one million dollar buffer at the beginning when you really need it."

Chairman Alan Zavodny said, "Our bonds are bridging our collections?"

Michael Sands, TIF special attorney with Baird Holm said, "Correct. The idea is that you would use up that million dollars first and then as those developers come in and build homes, which we've estimated an average of \$250,000 in assessed valuation, which like Skip said is pretty reasonable of what we've seen. They are anywhere from \$225,000 up to \$300,000.

\$250,000 seemed like a conservative and reasonable number so once those get built out, that increase is collected over fifteen years per lot. It will be phased so each lot will get their own fifteen-year period as they are completed to pay off the around two million that the sale of the lots itself didn't cover. With that, I'm certainly happy to answer any questions. Like I said, I'm the city's attorney. I represent the city. It's not like I'm a developer interested in it or anything like that."

CDA member Tom Kobus said, "Where did you come up with the site work figure?"

Michael Sands, TIF special attorney with Baird Holm said, "So, that was a direct estimate from Dave Ziska. I'm not sure where he got that, it was probably derived by similar projects."

CDA member Tom Kobus said, "That's a lot of dirt work."

Michael Sands, TIF special attorney with Baird Holm said, "We were especially conservative and high with estimates of cost given the financial condition and the soaring costs of construction. We did not want to undershoot those. Certainly, this is just the first step in the process. The next step would be to get actual bids. It's not like once you pass the redevelopment plan that it's too late. It certainly wouldn't be able to recoup all of the costs that you've put in, but you can tread carefully and move as slowly into this as you want. Those bids will tell you a lot more."

Chairman Alan Zavodny said, "How close are we going to come to the two point one million that we have left after our initial one million from the three point one?"

Michael Sands, TIF special attorney with Baird Holm said, "It's close. So, I think the total costs are \$3,087,000. The lots plus the TIF will bring you to \$3,121,000. So, the hope being that bids come in close to what they are. Everything is dependent on the homes valuing out but that should take care of itself as long as they are built. If everything comes out exactly as we have it, you would end up with an excess of about \$150,000."

Chairman Alan Zavodny said, "Zero would make me happy. We could be close to zero."

CDA member Tom Kobus said, "You could sell those lots for thirty thousand without blinking an eye."

Michael Sands, TIF special attorney with Baird Holm said, "Sure. Twenty-eight thousand was just the average. We're not doing workforce housing on this project."

CDA member Bruce Meysenburg said, "So, we can do some higher end housing then, right? Have a mix of houses?"

Michael Sands, TIF special attorney with Baird Holm said, "All of the lots certainly won't be priced equally. You're going to have bigger lots that will be far in excess of twenty-eight thousand but there are others that might be half of that to accommodate single-family attached like duplexes and things like that."



Special Projects Coordinator Dana Trowbridge said, "When we started this, I gave Michael the average of twenty-eight thousand very early in the game. In the last several weeks I've been talking with Bob and Laura Kobza as to where these things should price relative to communities in the area. What does it cost for a lot somewhere to build a house? We need to be competitive, but we don't need to give them away. I think we can bump that number up by about two hundred and fifty thousand in total and still sell lots. The first row of ten on the west side we will probably price at twenty-nine thousand per lot. It's going to take two to build a townhome and as you get to the interior lots you get the more livable quality lots and we're looking at the low thirties, thirty-two. So, you've got a nineteen thousand and a pair of sixteen thousand square foot lots in the corner that will sell from forty thousand to forty-two each. By the time that you get all blended, you are going to do about a quarter of a million dollars more than the revenue estimate shows."

Chairman Alan Zavodny said, "Don't you think that a developer is going to look at that and say that's a fairly bargain price for the land cost?"

Special Projects Coordinator Dana Trowbridge said, "It is in today's world because the lots that are left up on 11<sup>th</sup> Street and forty-seven thousand five hundred dollars a piece and they are not moving in price. Those are about eighty-seven hundred square foot lots. The smallest lot that we have is eighty-two hundred square feet."

Chairman Alan Zavodny asked if there were any other questions and hearing none moved on to the adoption of Resolution No. 1-2022 CDA.

CDA member Bruce Meysenburg made a motion to pass and adopt Resolution No. 1-2022 CDA, recommending the redevelopment plan and adoption of cost benefit analysis for the Northland Subdivision redevelopment plan. CDA Member Tom Kobus seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea, Alan Zavodny (Chairman): Yea  
Yea: 6, Nay: 0, Absent: 1

### **RESOLUTION NO. 1-2022 CDA**

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY, NEBRASKA, RECOMMENDING APPROVAL OF A REDEVELOPMENT PLAN ENTITLED "REDEVELOPMENT PLAN FOR THE NORTHLAND SUBDIVISION REDEVELOPMENT PROJECT", TO THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA.

**WHEREAS**, pursuant to Chapter 18, Article 21, Nebraska Reissue Revised Statutes, as amended, known as the Community Development Law (the "Act"), a redevelopment plan entitled "Redevelopment Plan for the Northland Subdivision Redevelopment Project" (the "Plan"), setting forth certain redevelopment activities in the City of David City, Nebraska (the "City"), was submitted to the Planning Commission of the City, for approval and recommendation to the Mayor and City Council of the City; and

**WHEREAS**, on May 17, 2022, the Planning Commission reviewed the Plan for its conformity with the comprehensive plan of the City, and recommended approval of the Plan to the Mayor and City Council of the City; and

**WHEREAS**, on May 25, 2022, the Community Development Agency of the City (the "Agency"), reviewed the Plan pursuant to section 18-2114 of the Act.

**NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY:**

Section 1. Based on the substantial evidence in the record of this proceeding, the Agency finds as follows:

(a) The proposed land uses and building requirements in the redevelopment area as described in the Plan are designed with the general purpose of accomplishing, in conformance with the City's comprehensive plan, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with the present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; that under the Plan adequate provision is made for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of populations, the provision of adequate transportation, water, sewage 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 elimination of, or prevention of the recurrence of, insanitary or unsafe dwelling accommodations or conditions of blight.

(b) The Plan contains a satisfactory statement of the proposed method and estimated cost of acquisition and preparation for redevelopment of the redevelopment area; the required public improvements; the estimated proceeds or revenue expected to be obtained by the City from disposal of property to the redeveloper, if any; the method of financing for the proposed redevelopment; a cost-benefit analysis; and a statement regarding the displacement of families, if any, within the redevelopment area.

Section 2. Based on the foregoing and substantial evidence in the record of this proceeding, the Agency recommends approval and adoption of the Plan to the Mayor and City Council of the City, and pending such approval and adoption, hereby adopts and approves the Plan.

PASSED AND APPROVED this 25th day of May, 2022.

Community Development Agency  
of the City of David City, Nebraska

By: \_\_\_\_\_  
Chairperson

ATTEST:

By: \_\_\_\_\_  
Secretary

**EXHIBIT "A"**  
**Redevelopment Plan**

**REDEVELOPMENT PLAN FOR  
THE NORTHLAND SUBDIVISION  
REDEVELOPMENT PROJECT**

**DAVID CITY, NEBRASKA**

**PREPARED APRIL, 2022**

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

**A. 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 blighted 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, designated certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the “**Act**”).

This Redevelopment Plan was prepared by the Community Development Agency of the City of David City, Nebraska (the “**CDA**”), and submits the implementation of a redevelopment project in the blighted and substandard community redevelopment area, commonly referred to as “Area 5” (referred to herein as the “**Redevelopment Area**”) to optimize the tax increment financing (“**TIF**”) resources available for site acquisition, construction of eligible public improvements, and removal of existing and avoidance of future blighted and substandard conditions. This Redevelopment Plan contemplates the construction of infrastructure improvements to support the development of a residential subdivision within the Redevelopment Area, as further detailed herein (referred to herein as the “**Redevelopment Project**”).

**B. Redevelopment Area; Project Site; Existing Conditions**

The boundaries and existing conditions of the Redevelopment Area are shown in **Exhibit A-1**, attached hereto and incorporated herein. The boundaries and existing conditions of the area to be developed as part of the Redevelopment Project (the “**Project Site**”) are shown in **Exhibit A-2**, attached hereto and incorporated herein. The Project Site is located to the northeast of the intersection of O Street and North 5th Street in the City, and is completely engrossed within the Redevelopment Area and is in need of redevelopment. The Project Site currently consists of vacant agricultural land.

**C. Conformance with the Comprehensive Plan**

This Redevelopment Plan was developed on the basis of the goals, policies and actions adopted by the City for the community as a whole, for the Redevelopment Area and Project Site. In accordance with the Act, this Redevelopment Plan has been designed to conform to the City's adopted comprehensive plan for land use and development (the “**Comprehensive Plan**”).

The Comprehensive Plan sets forth the following guidance and objectives with respect to the Project Site and City as a whole:

- The City will need to grow between 226 and 452 acres to accommodate 500 new residents by 2030.

- The City should implement policies and strategies to encourage and implement housing growth.
- The City should first evaluate vacant land for future land use growth.
- Development of new housing should be incentivized.
- The City should take proactive measures to encourage economic development.

In accordance with the foregoing, the Redevelopment Project and this Redevelopment Plan is feasible and in conformity with the Comprehensive Plan as a whole, and conforms to the legislative declarations and determinations set forth in the Act.

#### **D. Redevelopment Project Overview**

The Project Site is located on approximately 12.24 acres of undeveloped land located to the northeast of the intersection of O Street and North 5th Street in the City. The Redevelopment Project consists of the necessary site preparation and construction of infrastructure to support the private development of a residential subdivision. At completion of the Redevelopment Project, it is anticipated the Project Site will have the capability to support approximately thirty-six (36) buildable residential lots, which could consist of both single-family attached and detached dwellings. Additionally, it is anticipated that a strip of land in the center of the Project Site will be left vacant for use as a public space or for storm water management. Because the Project Site is currently vacant, no families or businesses will be displaced as a result of the Redevelopment Project. The Redevelopment Project does not require public acquisition other than the dedication of public rights-of-way and the public space/park detailed above.

The Project Site is owned by the CDA. Hereinafter, the term “**Redeveloper**” shall apply to the CDA and/or the City, as applicable (each, in their capacity as the developer(s) of the Redevelopment Project and not as a governing body). After completing construction of the infrastructure (with respect to a lot), Redeveloper will market the lots for private development of homes. Such private improvements (i.e., the buildout of the structures on the lots) are not a part of the Redevelopment Project undertaken by Redeveloper, but will affect the anticipated future valuation of the Project Site via the subsequent development of residences on the Project Site.

Redeveloper anticipates the Redevelopment Project will consist of the following improvements, the cost of which shall be eligible for reimbursement from TIF:

- Construction of internal public roadways (both temporary and permanent) providing access to the lots, and connecting to the existing streets/highways that are adjacent to the Project Site;
- Site preparation, grading, landscaping and detention of the lots;

- Construction or extension of all water, sanitary sewer, electrical, natural gas, and other utility infrastructure necessary to service the lots;
- Construction of sidewalks within the Project Site; and
- All other public improvements contemplated in this Redevelopment Plan, its exhibits, or contemplated under the Act that are necessary to carry out the Redevelopment Project.

Phasing of the incremental ad valorem real estate taxes generated by the Redevelopment Project (the “**TIF Revenues**”) used to reimburse the eligible costs incurred by Redeveloper will occur on a lot-by-lot basis over the course of multiple years (referred to herein as a “**Sub-Phase**”). The timing for each Sub-Phase will be based upon the rate of construction of the private improvements on the buildable lots created by the Redevelopment Project, such that the “effective date” (as provided under section 18-2147 of the Act) of each Sub-Phase for purposes of TIF will be determined on a lot by lot basis in order to maximize the TIF proceeds available to help finance the eligible costs of the Redevelopment Project. Economic conditions and market demands will determine the progression of construction for the private improvements and number of Sub-Phases needed for the same. The Redevelopment Project requires flexibility and will require a number of Sub-Phases over the course of multiple years. New Sub-Phases will occur until the buildout of structures on all lots within the Project Site is complete.

Exhibit "B" sets forth the proposed site plan for the Redevelopment Project. Any changes to the site plan that do not constitute a “substantial modification” under the Act, which are necessitated by governmental, economic, market, or environmental factors/conditions, or other extraneous factors affecting the Project Site or viability of the Redevelopment Project, are specifically contemplated by this Redevelopment Plan and are in conformance herewith. Such changes to the site plan shall be automatically incorporated and made a part of this Redevelopment Plan. The foregoing permitted modifications shall include, but not be limited to, changes to lot layout, number, or design.

**E. Existing Conditions**

**1. Existing Land Use**

The Project Site consists of vacant, undeveloped agricultural land.

**2. Existing Zoning**

The Project Site is currently zoned as R-1.

**3. Existing Public Improvements**

O Street borders the southern-most boundary of the Project Site. The Project Site is without internal paving, sewer, water, storm sewer, electrical and gas services, sidewalks, and related infrastructure.

**F. Proposed Redevelopment**

**1. Public Improvements**

The Redevelopment Project will require significant infrastructure improvements and other public improvements. These improvements will include, but are not limited to:

a. Public Access; Traffic Flow, Street Layouts and Street Grades

The Project Site will require additional public roadways providing access to the lots within the Project Site. Such improvements will provide access from O Street. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that are created by the Redevelopment Project. All streets and other public infrastructure constructed will be subject to review and approval by the appropriate governing authorities.

b. Construction of Water and Sewer Improvements.

Redeveloper will construct or extend water and sewer systems/infrastructure to service the Project Site.

c. Other incidental improvements

The Project Site is currently undeveloped and will require grading to provide effective drainage throughout the area. The Project Site requires filling and grading to properly drain the ground water runoff and provide appropriate grading levels to erect the residences thereon. The Redevelopment Project also requires the extension of electrical, communications, and natural gas facilities to the Project Site. Additionally, the Redevelopment Project may include dedication of a portion of the Project Site to the City for use as a public space/park and storm water management. The anticipated public improvements (and related costs) for the Redevelopment Project are listed under Paragraph D of this Redevelopment Plan and in **Exhibit "D"**, attached hereto and incorporated herein.

d. Additional public facilities or utilities

Other than the construction or extension of the utilities and infrastructure detailed above, Redeveloper and the City anticipate that the existing public facilities and utilities will adequately meet the demands of the Redevelopment Project.

e. Property Acquisition, Demolition and Disposal



No public acquisition of private property is necessary to accomplish the Redevelopment Project, other than the potential dedication of public rights-of-way and the public space/park detailed above. No relocation of families or businesses is necessary to accomplish the Redevelopment Project.

f. Population Density

The Project Site currently sits undeveloped and vacant. The Redevelopment Project will result in an increase of population density. In consideration of the low-density (i.e., single family) use and size of the lots comprising Redevelopment Project, such increase in population density is desirable and will conform with the City's zoning code and Comprehensive Plan.

g. Land Coverage

Land coverage for the Project Site includes approximately 12.24 acres of undeveloped land. The Redevelopment Project will consist of the construction of necessary infrastructure to support the future development of approximately thirty-six (36) lots for the buildout of both single-family detached and attached dwellings thereon, with the potential footprint thereof shown on the site plan in Exhibit "B". The Redevelopment Project and subsequent build-out of private improvements on the finished lots will comply with all applicable land coverage ratios required by the City.

h. Parking

Because the Redevelopment Project does not include construction of private improvements, the City's parking requirements are not applicable/relevant to the Redevelopment Project. However, private developers seeking building permits on the completed lots within the Project Site will be required to follow all relevant parking requirements.

i. Zoning, Building Code and Ordinance

The Project Site is currently zoned as R-1, which allows for single-family detached dwellings. It is anticipated that some of the lots may be utilized for single-family attached dwellings. Accordingly, a zoning change to R-2 will be necessary, which allows for both detached and attached dwellings. Additionally, in conjunction with the buildout of the private improvements, it is possible that further zoning changes may be necessary or desired. This Redevelopment Plan contemplates and authorizes the same; provided that such changes comply with the intent of this Redevelopment Plan and the Comprehensive Plan. To the extent different or further zoning changes are necessary for buildout of the private improvements, the developers/owners undertaking such construction will be responsible for all necessary zoning, building code, or ordinance changes.

## **2. Private Improvements**

Redeveloper will not construct the private improvements on the Project Site. Accordingly, such private improvements are not included in this Redevelopment Plan. However, Redeveloper anticipates the Redevelopment Project will support post-completion development of approximately thirty-six (36) buildable lots for the buildout of residential dwellings (both attached and detached) thereon.

### **G. Project Costs**

Not inclusive of acquisition, the estimated cost of the Redevelopment Project is \$3,087,570. A breakdown of such costs is attached and incorporated herein as **Exhibit "C"**.

### **H. Implementation**

Redeveloper intends to initiate construction of the Redevelopment Project upon the approval of this Redevelopment Plan. Redeveloper intends to complete the Redevelopment Project by the end of 2023.

Notwithstanding the foregoing, the anticipated start date and completion dates, and the anticipated timeframes for buildout of the developed lots, are preliminary and subject to change based upon market conditions, availability of materials, workforce availability and other extraneous factors, including Redeveloper's lack of control over the timeframe for subsequent private development on the completed lots. Additional time spanning a number of years beyond the anticipated completion dates (or an expedited schedule) may be necessary as a result of such extraneous conditions or factors, and will be necessary to allow for the subsequent buildout of the private improvements on the Project Site.

Development of the private improvements on the improved lots is anticipated to occur over the course of multiple years following the completion of the respective buildable lots, and the construction of such private improvements will trigger the "effective date" (as defined in the Act) for each Sub-Phase. Upon the completion of each Sub-Phase, Redeveloper shall identify the lot(s) and set forth the effective date for the pertinent Sub-Phase, in a timely manner to facilitate filing of a notice to divide for such Sub-Phase (as set forth in Section 18-2147(5) of the Act) on or before August 1 of the year in which taxes are to be divided for such Sub-Phase. It is anticipated that the identification and establishment of each Sub-Phase will occur on a yearly basis, as necessary, determined by the valuation increases that occur from the private development on specific lots during that year.

### **I. Financing**

This Redevelopment Plan contemplates the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of bonds pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation 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 ("**Base Tax Amount**"); and
- (b) That portion of the TIF Revenues, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, shall be allocated to and, when collected, paid into a special fund of the authority 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, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for each Sub-Phase will be determined in the manner set forth in Section H, above. The effective dates will be different for each Sub-Phase; and therefore the increment period for each Sub-Phase will be different. Notwithstanding any provision herein to the contrary, the tax revenues derived from the real property included in each Sub-Phase shall only be divided and allocated over the applicable 15-year increment period or until full payment of the TIF Indebtedness, whichever occurs first.

### **1. Necessity of TIF**

Development of the Redevelopment Project would not be economically feasible without TIF. Redeveloper is a municipal subdivision and is undertaking the Redevelopment Project to further the City's economic development objectives. The objective of the Redevelopment Project is to encourage needed residential development in the City. Because Redeveloper is a political subdivision without sufficient funds to construct the Redevelopment Project, the use of TIF for the same is necessary.

Additionally, the Project Site's complete lack of infrastructure makes the area too costly to attract private developers. Thus, Redeveloper is undertaking the Redevelopment Project with the assistance of TIF to offset such costs and make the Project Site a viable area for private development. As such, in the absence of Redeveloper and the Redevelopment Project, development of the Project Site by private developers would be economically infeasible due to the substantial infrastructure costs that are offset by the Redevelopment Project.

Except for the sale of the lots, neither the City nor Redeveloper will derive a direct source of revenue as a result of the Redevelopment Project. Rather, the private developers and lot owners will capture such beneficial interests as part of the buildout of the private improvements.

In accordance with the above findings, the Redevelopment Project would not be economically feasible without the use of TIF, and the Redevelopment Project would not occur in the Redevelopment Area without the use of TIF.

## **2. Sources and Uses of Financing**

Based upon the projections provided in Exhibit "D", this Redevelopment Plan contemplates the issuance of one or more TIF bonds or notes (the "**TIF Indebtedness**") in an aggregate principal amount not to exceed \$2,113,558, at an interest rate to be determined by the CDA. Notwithstanding the foregoing, if actual valuations exceed the initial estimated valuations of the private improvements built upon the completed lots provided herein, the City and CDA, in their discretion, may amend this Redevelopment Plan to increase the amount of TIF Indebtedness authorized hereunder and proceed to issue additional bonds/notes in accordance therewith.

The total estimated cost of the Redevelopment Project is \$3,087,570. Because the Redevelopment Project consists only of public improvements constructed for the sole benefit of the City's economic development and housing objectives, TIF will make up a significant portion of the financing for the Redevelopment Project. Redeveloper anticipates that the costs exceeding the TIF Revenues will be covered by the proceeds from the sales of the lots to developers/owners to construct the private improvements, at an average sale price of \$28,000 (\$1,008,000 total for all 36 lots). The City (on behalf of Redeveloper) intends to issue a bond anticipation note to cover the initial costs of construction during the construction period. It is the intent that such bond anticipation note will be replaced with permanent financing serviced by the TIF Revenues once the TIF Revenues can adequately service such debt. Based upon estimated TIF Revenues in the amount of \$2,113,558 and proceeds from the sale of the lots in the amount of \$1,008,000 (i.e., \$3,121,558 total), such sources are estimated to cover the total cost of the Redevelopment Project (i.e., \$3,087,570).

### **J. Cost-Benefit Analysis**

A cost-benefit analysis for the Redevelopment Project is attached as Exhibit "E" and incorporated herein.

#### **Exhibits:**

Exhibit A-1: Redevelopment Area

Exhibit A-2: Project Site and Existing Land Use

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Exhibit B: Site Plan and Future Land Use

Exhibit C: Estimated Construction Cost of the Redevelopment Project

Exhibit D: Sources and Uses of TIF

Exhibit E: Cost-Benefit Analysis

**EXHIBIT "A-1"**

**Redevelopment Area**

Boundaries and Existing Conditions:



Exhibit "A-1"



Current Land Use:



Exhibit "A-1"

**EXHIBIT "A-2"**

**Project Site and Existing Land Use**

Legal Description:

A tract of land located in Lots 6 and 7, David City Land and Lot Company's Suburban Lots, located in the SW1/4 SE1/4 of Section 18, Township 15 North, Range 3 East of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at a point on the South line of said Lot 7, said point being 130.74 feet East of the Southwest corner of said Lot 7, and assuming the West line of said Lot 7 to have a bearing of N00°23'53"E; thence N00°32'08"E, 449.25 feet; thence N89°35'57"W, 131.54 feet, to a point on the West line of said Lot 7; thence N00°23'53"E, 788.63 feet, to the Northwest corner of said Lot 7; thence N89°43'00"E, 638.12 feet, to the Northeast corner of said Lot 6; thence S00°20'16"W, 798.95 feet, on the East line of said Lot 6, to a point on the North line of Sypal East Addition to David City; thence N89°30'38"W, 447.27 feet, to the Northwest corner of said Sypal East Addition; thence S00°33'20"W, 449.37 feet, to the Southwest corner of said Sypal East Addition; thence N89°27'18"W, 60.00 feet, to the Point of Beginning

\* The Project Site will be subdivided and replatted as part of the Redevelopment Project. Any changes to the legal description as a result of such subdivision or replat shall automatically supersede and replace the above legal description.



Depiction and Current Land Use:



\* Project Site outlined in red.

**EXHIBIT "B"**

**Site Plan and Future Land Use**



\* The above is a preliminary site plan and is subject to change.

**EXHIBIT "C"**

**Estimate of Construction Costs**

Site Work:	\$225,500
Dewatering for Utilities:	\$140,000
Sewer:	\$222,100
Water:	\$320,700
Paving:	\$651,000
Gas:	\$37,000
Electrical & Street Lighting:	\$291,355
Engineering:	\$212,895
Legal:	\$20,000
Financing:	\$756,965
Contingencies (10%):	\$210,055
<b>TOTAL:</b>	<b>\$3,087,570</b>

\* The attached estimates are preliminary estimates and subject to change.

**EXHIBIT "D"**

**Sources and Uses of TIF**

**USES**

Acquisition:	\$285,092
Site Work:	\$225,500
Dewatering for Utilities:	\$140,000
Sewer:	\$222,100
Water:	\$320,700
Paving:	\$651,000
Gas:	\$37,000
Electrical & Street Lighting:	\$291,355
Engineering:	\$212,895
Legal:	\$20,000
Financing:	\$756,965
Contingencies (10%):	\$210,055
<b>TOTAL:</b>	<b>\$3,372,662</b>

\* The above figures are preliminary estimates and are subject to change.

**SOURCES\***

**Assumptions:**

Aggregate Base Value (after construction of infrastructure):	\$360,000
Aggregate Final Value (after construction of improvements):	\$9,000,000
Aggregate Incremental Value:	\$8,640,000
Tax Levy (2021):	1.647305%
Total Increment Available (less 1% assessor's fee):	\$2,113,558
Interest Rate:	TBD

\* The above "sources" for the Redevelopment Project are estimates based upon the assumptions contained herein.

\*\* Based upon the development of 36 lots, at a base value of \$10,000 per buildable lot and a final value of \$250,000 per constructed lot/improvement, and the full 15-year TIF period for each Sub-Phase.

**EXHIBIT "E"**

**Cost-Benefit Analysis  
(Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for the Redevelopment Project, as described in the attached Redevelopment Plan, which will utilize funds authorized by section 18-2147 of the Act, is provided below:

**1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:**

The taxes generated by the base value of the Project Site will continue to be allocated between the relevant taxing jurisdictions pursuant to the Act. Only the incremental taxes created by the Redevelopment Project will be captured to pay for the project's eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Redevelopment Project, the true tax shift of the Redevelopment Project is a positive shift in taxes after 15 years (from when first divided). However, for the purposes of illustrating the incremental taxes used for TIF, the estimated tax shift for the Redevelopment Project is set forth in Exhibit "E" of the Redevelopment Plan.

*Notes:*

- 1. The assessed value of the re-platted and improved (i.e., post-completion of public improvements and prior to completion of private improvements) lots as the base value is assumed.*
- 2. The projected TIF Revenues are based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the TIF period.*

**2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the Redevelopment Project:**

**a. Public infrastructure improvements and impacts:**

The Redevelopment Project requires extensive public infrastructure installation. The Project Site will require additional public roadways to provide access to the lots within the Project Site. The Redevelopment Project will include the construction of roadways providing access to O Street to the south of the Project Site. The public improvements for the Redevelopment Project

will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project.

Redeveloper will construct or extend water, sanitary sewer, natural gas, and electrical infrastructure to provide appropriate service to the Project Site; and the Project Site will be filled and graded to provide for effective surface water runoff, including the construction of appropriate detention. It is the intent of the Redevelopment Plan that such infrastructure and site preparation be paid for by the Redeveloper with such cost to be reimbursed by TIF. The CDA does not anticipate that the Redevelopment Project will have a negative impact on City infrastructure or services.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Redevelopment Project should create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by the Redevelopment Project for up to 15 years, the Redevelopment Project should generate immediate tax growth for the City. The Redevelopment Project and the new residential activity therein will require and pay for City services. Additionally, the City will collect sales tax on a portion of the materials used for the Redevelopment Project. It is not anticipated that the Redevelopment Project will have any material adverse impact on such City services, but will generate revenue providing support for those services. Additionally, except for the public improvements detailed in subsection (a), above, the CDA anticipates that the current City infrastructure and services can adequately support the Redevelopment Project and private improvements stemming therefrom.

**3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the Redevelopment Project:**

The construction of new housing resulting from the Redevelopment Project should attract new workforce talent to the City, as well as help retain the current workforce – benefitting both employees and employers locating within the Project Site. Accordingly, the Redevelopment Project is expected to have a positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the Redevelopment Project.

**4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the Redevelopment Project:**

The Redevelopment Project should have a material positive impact on private sector businesses and citizens outside the boundaries of the Project Site. The Redevelopment Project will involve installation of public utilities, and the use of TIF should defray the costs of these and other public improvements that would otherwise be paid through taxes or special assessments that would burden adjacent property owners. The construction of new housing resulting from the

Redevelopment Project should attract new workforce talent to the City, as well as help retain the current workforce – benefitting both employees and employers throughout the City. Accordingly, the Redevelopment Project is anticipated to have a positive impact on surrounding employers and employees.

**5. Impacts on student populations of school districts within the City:**

The Redevelopment Project may result in a modest increase of the student population if the homes constructed as a result thereof are sold to families with school-aged children that did not previously reside within the boundaries of the school district. However, any such increase is expected to be minimal and is offset by the City's desire for healthy population growth. Additionally, while the school district will not receive taxes from the improvements built during the TIF period, the school district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the school district. The valuation that generates the TIF Revenues is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base value of the land will benefit the school district. After the TIF Indebtedness is paid, or at the end of the respective 15 years (per Sub-Phase) of division of taxes, whichever is sooner, the increased valuation from the Redevelopment Project will be available to the school district. As such, the CDA does not anticipate a negative impact on school districts located within the boundaries of the area of the Redevelopment Project.

**6. Other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

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, residents or straining the public infrastructure. There are no other material impacts determined by the CDA relevant to the consideration of the cost or benefits arising from the Redevelopment Project. As such, 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 and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project.

CDA member Jessica Miller made a motion to adjourn as the Community Development Agency. CDA Member Pat Meysenburg seconded the motion. The motion carried and Chairman Alan Zavodny declared the Community Development Agency meeting adjourned at 8:16 p.m. Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea, Alan Zavodny (Mayor): Yea  
Yea: 6, Nay: 0, Absent: 1



Mayor Zavodny declared the City Council meeting back in session at 8:16 p.m.

Mayor Zavodny declared the public hearing open at 8:17 p.m. to consider and possibly take action of a Redevelopment Plan entitled "Redevelopment Plan for the Northland Subdivision Redevelopment Project" for Redevelopment pursuant to the Community Development Law, Nebraska Revised Statutes, Section 18-2101.

Hearing no comment, Mayor Zavodny declared the public hearing closed at 8:17 p.m.

Council member Pat Meysenburg made a motion to pass and adopt Resolution No. 8-2022 approving a Redevelopment Plan for the "Northland Subdivision Redevelopment Project". Council Member Jessica Miller seconded the motion. The motion carried.  
Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

### **RESOLUTION NO. 8-2022**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, ADOPTING AND APPROVING A REDEVELOPMENT PLAN ENTITLED, "REDEVELOPMENT PLAN FOR THE NORTHLAND SUBDIVISION REDEVELOPMENT PROJECT".

**WHEREAS**, pursuant to the Nebraska Community Development Law, Nebraska Revised Statutes Sections 18-2101 et. seq. (the "Act"), the Mayor and City Council of the City of David City, Nebraska (the "City"), designated a portion of the City, commonly referred to as the "Area 5", as blighted, substandard, and in need of redevelopment under the Act; and

**WHEREAS**, the Mayor and City Council finds based on substantial evidence in the record of this proceeding that redevelopment of the Area 5 will result in the elimination and prevention of blight and aligns with the purposes of the Act and the City's comprehensive plan for land use and development (the "Comprehensive Plan"); and

**WHEREAS**, attached hereto as Exhibit "A" is a tax-increment financing redevelopment plan for redevelopment within the Area 5 entitled, "Redevelopment Plan for the Northland Subdivision Redevelopment Project" (the "Redevelopment Plan"), which sets forth a specific redevelopment project within a portion of the Area 5 (the "Redevelopment Project"); and

**WHEREAS**, in conformance with the Act, the Planning Commission of the City held a duly noticed public hearing on the Redevelopment Plan on May 17, 2022, and provided written findings on and recommended the Mayor and City Council's adoption and approval of the Redevelopment Plan; and

**WHEREAS**, in conformance with the Act, the Community Development Agency of the City (the "Agency") previously provided written findings on and recommended the Mayor and City Council's adoption and approval of the Redevelopment Plan; and

**WHEREAS**, on May 25, 2022, the Mayor and City Council held a duly noticed public hearing on the Redevelopment Plan, in conformance with the Act; and

**WHEREAS**, after public hearing and review of the Redevelopment Plan, the Mayor and City Council determined that the Redevelopment Plan complies with the Comprehensive Plan of the City and will result in the elimination and prevention of blight; and

**WHEREAS**, after public hearing and review of the Redevelopment Plan, the Mayor and City Council determined that the Redevelopment Project contemplated in the Redevelopment Plan would not occur and would not be economically feasible without the use of tax-increment financing.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY:**

Section 1. The Redevelopment Plan attached as Exhibit "A" complies with the Comprehensive Plan of the City.

Section 2. Based on the substantial evidence in the record of this proceeding, the Mayor and City Council finds as follows:

(a) The proposed land uses and building requirements for the Redevelopment Project as described in the Redevelopment Plan are designed with the general purpose of accomplishing, in conformance with the City's Comprehensive Plan, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with the present and future needs, promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; that under the Redevelopment Plan adequate provision is made for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of populations, the provision of adequate transportation, water, sewage 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 elimination of, or prevention of the recurrence of, insanitary or unsafe dwelling accommodations or conditions of blight.

(b) The Redevelopment Plan contains a satisfactory statement of the proposed method and estimated cost of acquisition and preparation for the Redevelopment Project; that no public improvements are required to be provided except as set forth in the Redevelopment Plan with respect to the Redevelopment Project; that there are no estimated proceeds or revenue expected to be obtained by the City from disposal of property to the redeveloper except as set forth in the Redevelopment Plan; that the Redevelopment Plan sets forth a satisfactory method of financing for the Redevelopment Project consisting of direct payment for public improvements or grant assistance to the redeveloper for the Redevelopment Project, as designated in the Redevelopment Plan, which method of financing is the issuance by the City of its tax increment revenue bond(s) to provide funds to pay for the costs of certain eligible improvements by grant assistance and that

there are no families currently living within the redevelopment area, as set forth in the Redevelopment Plan, which are currently expected to be displaced from such area as a direct result of the Redevelopment Project.

(c) The cost-benefit analysis prepared in conjunction with the Redevelopment Plan and attached thereto sets forth the factors required under section 18-2113 of the Act and supports the Mayor and City Council's adoption and approval of the Redevelopment Plan.

Section 3. The Redevelopment Project set forth in the Redevelopment Plan would not be economically feasible without the use of tax-increment financing; would not occur in the redevelopment area described in the Redevelopment Plan without the use of tax-increment financing; and the costs and benefits of the Redevelopment Plan, 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 Mayor and City Council and have been found to be in the long-term best interest of all those impacted by the Redevelopment Plan.

Section 4. Based on the foregoing and substantial evidence in the record of this proceeding, the Mayor and City Council hereby approves and adopts the Redevelopment Plan.

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

PASSED AND ADOPTED THIS 25TH DAY OF MAY, 2022.

\_\_\_\_\_  
MAYOR

ATTEST:

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

**EXHIBIT "A"**  
**Redevelopment Plan**

**REDEVELOPMENT PLAN FOR  
THE NORTHLAND SUBDIVISION  
REDEVELOPMENT PROJECT**

**DAVID CITY, NEBRASKA**

**PREPARED APRIL, 2022**

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

**A. 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 blighted 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, designated certain areas of the City to be blighted and substandard and in need of redevelopment pursuant to the requirements of the Nebraska Community Development Law, sections 18-2101 et. seq., as amended (the "**Act**").

This Redevelopment Plan was prepared by the Community Development Agency of the City of David City, Nebraska (the "**CDA**"), and submits the implementation of a redevelopment project in the blighted and substandard community redevelopment area, commonly referred to as "Area 5" (referred to herein as the "**Redevelopment Area**") to optimize the tax increment financing ("**TIF**") resources available for site acquisition, construction of eligible public improvements, and removal of existing and avoidance of future blighted and substandard conditions. This Redevelopment Plan contemplates the construction of infrastructure improvements to support the development of a residential subdivision within the Redevelopment Area, as further detailed herein (referred to herein as the "**Redevelopment Project**").

**B. Redevelopment Area; Project Site; Existing Conditions**

The boundaries and existing conditions of the Redevelopment Area are shown in **Exhibit A-1**, attached hereto and incorporated herein. The boundaries and existing conditions of the area to be developed as part of the Redevelopment Project (the "**Project Site**") are shown in **Exhibit A-2**, attached hereto and incorporated herein. The Project Site is located to the northeast of the intersection of O Street and North 5th Street in the City, and is completely engrossed within the Redevelopment Area and is in need of redevelopment. The Project Site currently consists of vacant agricultural land.

**C. Conformance with the Comprehensive Plan**

This Redevelopment Plan was developed on the basis of the goals, policies and actions adopted by the City for the community as a whole, for the Redevelopment Area and Project Site. In accordance with the Act, this Redevelopment Plan has been designed to conform to the City's adopted comprehensive plan for land use and development (the "**Comprehensive Plan**").

The Comprehensive Plan sets forth the following guidance and objectives with respect to the Project Site and City as a whole:

- The City will need to grow between 226 and 452 acres to accommodate 500 new residents by 2030.

- The City should implement policies and strategies to encourage and implement housing growth.
- The City should first evaluate vacant land for future land use growth.
- Development of new housing should be incentivized.
- The City should take proactive measures to encourage economic development.

In accordance with the foregoing, the Redevelopment Project and this Redevelopment Plan is feasible and in conformity with the Comprehensive Plan as a whole, and conforms to the legislative declarations and determinations set forth in the Act.

#### **D. Redevelopment Project Overview**

The Project Site is located on approximately 12.24 acres of undeveloped land located to the northeast of the intersection of O Street and North 5th Street in the City. The Redevelopment Project consists of the necessary site preparation and construction of infrastructure to support the private development of a residential subdivision. At completion of the Redevelopment Project, it is anticipated the Project Site will have the capability to support approximately thirty-six (36) buildable residential lots, which could consist of both single-family attached and detached dwellings. Additionally, it is anticipated that a strip of land in the center of the Project Site will be left vacant for use as a public space or for storm water management. Because the Project Site is currently vacant, no families or businesses will be displaced as a result of the Redevelopment Project. The Redevelopment Project does not require public acquisition other than the dedication of public rights-of-way and the public space/park detailed above.

The Project Site is owned by the CDA. Hereinafter, the term “**Redeveloper**” shall apply to the CDA and/or the City, as applicable (each, in their capacity as the developer(s) of the Redevelopment Project and not as a governing body). After completing construction of the infrastructure (with respect to a lot), Redeveloper will market the lots for private development of homes. Such private improvements (i.e., the buildout of the structures on the lots) are not a part of the Redevelopment Project undertaken by Redeveloper, but will affect the anticipated future valuation of the Project Site via the subsequent development of residences on the Project Site.

Redeveloper anticipates the Redevelopment Project will consist of the following improvements, the cost of which shall be eligible for reimbursement from TIF:

- Construction of internal public roadways (both temporary and permanent) providing access to the lots, and connecting to the existing streets/highways that are adjacent to the Project Site;
- Site preparation, grading, landscaping and detention of the lots;

- Construction or extension of all water, sanitary sewer, electrical, natural gas, and other utility infrastructure necessary to service the lots;
- Construction of sidewalks within the Project Site; and
- All other public improvements contemplated in this Redevelopment Plan, its exhibits, or contemplated under the Act that are necessary to carry out the Redevelopment Project.

Phasing of the incremental ad valorem real estate taxes generated by the Redevelopment Project (the “**TIF Revenues**”) used to reimburse the eligible costs incurred by Redeveloper will occur on a lot-by-lot basis over the course of multiple years (referred to herein as a “**Sub-Phase**”). The timing for each Sub-Phase will be based upon the rate of construction of the private improvements on the buildable lots created by the Redevelopment Project, such that the “effective date” (as provided under section 18-2147 of the Act) of each Sub-Phase for purposes of TIF will be determined on a lot by lot basis in order to maximize the TIF proceeds available to help finance the eligible costs of the Redevelopment Project. Economic conditions and market demands will determine the progression of construction for the private improvements and number of Sub-Phases needed for the same. The Redevelopment Project requires flexibility and will require a number of Sub-Phases over the course of multiple years. New Sub-Phases will occur until the buildout of structures on all lots within the Project Site is complete.

Exhibit "B" sets forth the proposed site plan for the Redevelopment Project. Any changes to the site plan that do not constitute a “substantial modification” under the Act, which are necessitated by governmental, economic, market, or environmental factors/conditions, or other extraneous factors affecting the Project Site or viability of the Redevelopment Project, are specifically contemplated by this Redevelopment Plan and are in conformance herewith. Such changes to the site plan shall be automatically incorporated and made a part of this Redevelopment Plan. The foregoing permitted modifications shall include, but not be limited to, changes to lot layout, number, or design.

**E. Existing Conditions**

**1. Existing Land Use**

The Project Site consists of vacant, undeveloped agricultural land.

**2. Existing Zoning**

The Project Site is currently zoned as R-1.

**3. Existing Public Improvements**

O Street borders the southern-most boundary of the Project Site. The Project Site is without internal paving, sewer, water, storm sewer, electrical and gas services, sidewalks, and related infrastructure.

**F. Proposed Redevelopment**

**1. Public Improvements**

The Redevelopment Project will require significant infrastructure improvements and other public improvements. These improvements will include, but are not limited to:

a. Public Access; Traffic Flow, Street Layouts and Street Grades

The Project Site will require additional public roadways providing access to the lots within the Project Site. Such improvements will provide access from O Street. The public improvements for the Redevelopment Project will address any traffic and street infrastructure concerns that are created by the Redevelopment Project. All streets and other public infrastructure constructed will be subject to review and approval by the appropriate governing authorities.

b. Construction of Water and Sewer Improvements.

Redeveloper will construct or extend water and sewer systems/infrastructure to service the Project Site.

c. Other incidental improvements

The Project Site is currently undeveloped and will require grading to provide effective drainage throughout the area. The Project Site requires filling and grading to properly drain the ground water runoff and provide appropriate grading levels to erect the residences thereon. The Redevelopment Project also requires the extension of electrical, communications, and natural gas facilities to the Project Site. Additionally, the Redevelopment Project may include dedication of a portion of the Project Site to the City for use as a public space/park and storm water management. The anticipated public improvements (and related costs) for the Redevelopment Project are listed under Paragraph D of this Redevelopment Plan and in **Exhibit "D"**, attached hereto and incorporated herein.

d. Additional public facilities or utilities

Other than the construction or extension of the utilities and infrastructure detailed above, Redeveloper and the City anticipate that the existing public facilities and utilities will adequately meet the demands of the Redevelopment Project.



e. Property Acquisition, Demolition and Disposal

No public acquisition of private property is necessary to accomplish the Redevelopment Project, other than the potential dedication of public rights-of-way and the public space/park detailed above. No relocation of families or businesses is necessary to accomplish the Redevelopment Project.

f. Population Density

The Project Site currently sits undeveloped and vacant. The Redevelopment Project will result in an increase of population density. In consideration of the low-density (i.e., single family) use and size of the lots comprising Redevelopment Project, such increase in population density is desirable and will conform with the City's zoning code and Comprehensive Plan.

g. Land Coverage

Land coverage for the Project Site includes approximately 12.24 acres of undeveloped land. The Redevelopment Project will consist of the construction of necessary infrastructure to support the future development of approximately thirty-six (36) lots for the buildout of both single-family detached and attached dwellings thereon, with the potential footprint thereof shown on the site plan in Exhibit "B". The Redevelopment Project and subsequent build-out of private improvements on the finished lots will comply with all applicable land coverage ratios required by the City.

h. Parking

Because the Redevelopment Project does not include construction of private improvements, the City's parking requirements are not applicable/relevant to the Redevelopment Project. However, private developers seeking building permits on the completed lots within the Project Site will be required to follow all relevant parking requirements.

i. Zoning, Building Code and Ordinance

The Project Site is currently zoned as R-1, which allows for single-family detached dwellings. It is anticipated that some of the lots may be utilized for single-family attached dwellings. Accordingly, a zoning change to R-2 will be necessary, which allows for both detached and attached dwellings. Additionally, in conjunction with the buildout of the private improvements, it is possible that further zoning changes may be necessary or desired. This Redevelopment Plan contemplates and authorizes the same; provided that such changes comply with the intent of this Redevelopment Plan and the Comprehensive Plan. To the extent different or further zoning changes are necessary for buildout of the private improvements, the developers/owners

undertaking such construction will be responsible for all necessary zoning, building code, or ordinance changes.

## **2. Private Improvements**

Redeveloper will not construct the private improvements on the Project Site. Accordingly, such private improvements are not included in this Redevelopment Plan. However, Redeveloper anticipates the Redevelopment Project will support post-completion development of approximately thirty-six (36) buildable lots for the buildout of residential dwellings (both attached and detached) thereon.

### **G. Project Costs**

Not inclusive of acquisition, the estimated cost of the Redevelopment Project is \$3,087,570. A breakdown of such costs is attached and incorporated herein as **Exhibit "C"**.

### **H. Implementation**

Redeveloper intends to initiate construction of the Redevelopment Project upon the approval of this Redevelopment Plan. Redeveloper intends to complete the Redevelopment Project by the end of 2023.

Notwithstanding the foregoing, the anticipated start date and completion dates, and the anticipated timeframes for buildout of the developed lots, are preliminary and subject to change based upon market conditions, availability of materials, workforce availability and other extraneous factors, including Redeveloper's lack of control over the timeframe for subsequent private development on the completed lots. Additional time spanning a number of years beyond the anticipated completion dates (or an expedited schedule) may be necessary as a result of such extraneous conditions or factors, and will be necessary to allow for the subsequent buildout of the private improvements on the Project Site.

Development of the private improvements on the improved lots is anticipated to occur over the course of multiple years following the completion of the respective buildable lots, and the construction of such private improvements will trigger the "effective date" (as defined in the Act) for each Sub-Phase. Upon the completion of each Sub-Phase, Redeveloper shall identify the lot(s) and set forth the effective date for the pertinent Sub-Phase, in a timely manner to facilitate filing of a notice to divide for such Sub-Phase (as set forth in Section 18-2147(5) of the Act) on or before August 1 of the year in which taxes are to be divided for such Sub-Phase. It is anticipated that the identification and establishment of each Sub-Phase will occur on a yearly basis, as necessary, determined by the valuation increases that occur from the private development on specific lots during that year.

**I. Financing**

This Redevelopment Plan contemplates the use of TIF for the Redevelopment Project. Section 18-2147 of the Act authorizes the use of TIF. It provides that any ad valorem tax levied upon real property, or any portion thereof, in a redevelopment project shall be divided, for a period not to exceed fifteen years after the effective date as identified in the redevelopment contract, or amendment thereof, or in the resolution(s) of the authority authorizing the issuance of bonds pursuant to the Act, as follows:

- (a) That portion of the ad valorem tax the levy produces at the rate fixed each year by or for each public body upon the redevelopment project valuation 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 ("**Base Tax Amount**"); and
- (b) That portion of the TIF Revenues, as provided in the redevelopment contract or bond resolution, in the redevelopment project in excess of the Base Tax Amount, shall be allocated to and, when collected, paid into a special fund of the authority 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, such authority for financing or refinancing, in whole or in part, the redevelopment project.

With respect to the Redevelopment Project, the actual base tax year and Base Tax Amount for each Sub-Phase will be determined in the manner set forth in Section H, above. The effective dates will be different for each Sub-Phase; and therefore the increment period for each Sub-Phase will be different. Notwithstanding any provision herein to the contrary, the tax revenues derived from the real property included in each Sub-Phase shall only be divided and allocated over the applicable 15-year increment period or until full payment of the TIF Indebtedness, whichever occurs first.

**1. Necessity of TIF**

Development of the Redevelopment Project would not be economically feasible without TIF. Redeveloper is a municipal subdivision and is undertaking the Redevelopment Project to further the City's economic development objectives. The objective of the Redevelopment Project is to encourage needed residential development in the City. Because Redeveloper is a political subdivision without sufficient funds to construct the Redevelopment Project, the use of TIF for the same is necessary.

Additionally, the Project Site's complete lack of infrastructure makes the area too costly to attract private developers. Thus, Redeveloper is undertaking the Redevelopment Project with the assistance of TIF to offset such costs and make the Project Site a viable area for private development. As such, in the absence of Redeveloper and the Redevelopment Project,

development of the Project Site by private developers would be economically infeasible due to the substantial infrastructure costs that are offset by the Redevelopment Project.

Except for the sale of the lots, neither the City nor Redeveloper will derive a direct source of revenue as a result of the Redevelopment Project. Rather, the private developers and lot owners will capture such beneficial interests as part of the buildout of the private improvements.

In accordance with the above findings, the Redevelopment Project would not be economically feasible without the use of TIF, and the Redevelopment Project would not occur in the Redevelopment Area without the use of TIF.

## **2. Sources and Uses of Financing**

Based upon the projections provided in Exhibit "D", this Redevelopment Plan contemplates the issuance of one or more TIF bonds or notes (the "**TIF Indebtedness**") in an aggregate principal amount not to exceed \$2,113,558, at an interest rate to be determined by the CDA. Notwithstanding the foregoing, if actual valuations exceed the initial estimated valuations of the private improvements built upon the completed lots provided herein, the City and CDA, in their discretion, may amend this Redevelopment Plan to increase the amount of TIF Indebtedness authorized hereunder and proceed to issue additional bonds/notes in accordance therewith.

The total estimated cost of the Redevelopment Project is \$3,087,570. Because the Redevelopment Project consists only of public improvements constructed for the sole benefit of the City's economic development and housing objectives, TIF will make up a significant portion of the financing for the Redevelopment Project. Redeveloper anticipates that the costs exceeding the TIF Revenues will be covered by the proceeds from the sales of the lots to developers/owners to construct the private improvements, at an average sale price of \$28,000 (\$1,008,000 total for all 36 lots). The City (on behalf of Redeveloper) intends to issue a bond anticipation note to cover the initial costs of construction during the construction period. It is the intent that such bond anticipation note will be replaced with permanent financing serviced by the TIF Revenues once the TIF Revenues can adequately service such debt. Based upon estimated TIF Revenues in the amount of \$2,113,558 and proceeds from the sale of the lots in the amount of \$1,008,000 (i.e., \$3,121,558 total), such sources are estimated to cover the total cost of the Redevelopment Project (i.e., \$3,087,570).

### **J. Cost-Benefit Analysis**

A cost-benefit analysis for the Redevelopment Project is attached as Exhibit "E" and incorporated herein.

#### **Exhibits:**

Exhibit A-1: Redevelopment Area

Exhibit A-2: Project Site and Existing Land Use

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May 25, 2022

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- Exhibit B: Site Plan and Future Land Use
- Exhibit C: Estimated Construction Cost of the Redevelopment Project
- Exhibit D: Sources and Uses of TIF
- Exhibit E: Cost-Benefit Analysis

**EXHIBIT "A-1"**

**Redevelopment Area**

Boundaries and Existing Conditions:





Current Land Use:



**EXHIBIT "A-2"**

**Project Site and Existing Land Use**

Legal Description:

A tract of land located in Lots 6 and 7, David City Land and Lot Company's Suburban Lots, located in the SW1/4 SE1/4 of Section 18, Township 15 North, Range 3 East of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at a point on the South line of said Lot 7, said point being 130.74 feet East of the Southwest corner of said Lot 7, and assuming the West line of said Lot 7 to have a bearing of N00°23'53"E; thence N00°32'08"E, 449.25 feet; thence N89°35'57"W, 131.54 feet, to a point on the West line of said Lot 7; thence N00°23'53"E, 788.63 feet, to the Northwest corner of said Lot 7; thence N89°43'00"E, 638.12 feet, to the Northeast corner of said Lot 6; thence S00°20'16"W, 798.95 feet, on the East line of said Lot 6, to a point on the North line of Sypal East Addition to David City; thence N89°30'38"W, 447.27 feet, to the Northwest corner of said Sypal East Addition; thence S00°33'20"W, 449.37 feet, to the Southwest corner of said Sypal East Addition; thence N89°27'18"W, 60.00 feet, to the Point of Beginning

\* The Project Site will be subdivided and replatted as part of the Redevelopment Project. Any changes to the legal description as a result of such subdivision or replat shall automatically supersede and replace the above legal description.



Depiction and Current Land Use:



\* Project Site outlined in red.

**EXHIBIT "B"**

**Site Plan and Future Land Use**



\* The above is a preliminary site plan and is subject to change.

**EXHIBIT "C"**

**Estimate of Construction Costs**

Site Work:	\$225,500
Dewatering for Utilities:	\$140,000
Sewer:	\$222,100
Water:	\$320,700
Paving:	\$651,000
Gas:	\$37,000
Electrical & Street Lighting:	\$291,355
Engineering:	\$212,895
Legal:	\$20,000
Financing:	\$756,965
Contingencies (10%):	\$210,055
<b>TOTAL:</b>	<b>\$3,087,570</b>

\* The attached estimates are preliminary estimates and subject to change.

**EXHIBIT "D"**

**Sources and Uses of TIF**

**USES**

Acquisition:	\$285,092
Site Work:	\$225,500
Dewatering for Utilities:	\$140,000
Sewer:	\$222,100
Water:	\$320,700
Paving:	\$651,000
Gas:	\$37,000
Electrical & Street Lighting:	\$291,355
Engineering:	\$212,895
Legal:	\$20,000
Financing:	\$756,965
Contingencies (10%):	\$210,055
<b>TOTAL:</b>	<b>\$3,372,662</b>

\* The above figures are preliminary estimates and are subject to change.

**SOURCES\***

**Assumptions:**

Aggregate Base Value (after construction of infrastructure):	\$360,000
Aggregate Final Value (after construction of improvements):	\$9,000,000
Aggregate Incremental Value:	\$8,640,000
Tax Levy (2021):	1.647305%
Total Increment Available (less 1% assessor's fee):	\$2,113,558
Interest Rate:	TBD

\* The above "sources" for the Redevelopment Project are estimates based upon the assumptions contained herein.

\*\* Based upon the development of 36 lots, at a base value of \$10,000 per buildable lot and a final value of \$250,000 per constructed lot/improvement, and the full 15-year TIF period for each Sub-Phase.

**EXHIBIT "E"**

**Cost-Benefit Analysis  
(Pursuant to Neb. Rev. Stat. § 18-2113)**

The cost-benefit analysis for the Redevelopment Project, as described in the attached Redevelopment Plan, which will utilize funds authorized by section 18-2147 of the Act, is provided below:

**1. Tax shifts resulting from the approval of the use of funds pursuant to Section 18-2147:**

The taxes generated by the base value of the Project Site will continue to be allocated between the relevant taxing jurisdictions pursuant to the Act. Only the incremental taxes created by the Redevelopment Project will be captured to pay for the project's eligible public expenditures. Since the incremental taxes would not exist without the use of TIF to support the Redevelopment Project, the true tax shift of the Redevelopment Project is a positive shift in taxes after 15 years (from when first divided). However, for the purposes of illustrating the incremental taxes used for TIF, the estimated tax shift for the Redevelopment Project is set forth in Exhibit "E" of the Redevelopment Plan.

*Notes:*

- 3. The assessed value of the re-platted and improved (i.e., post-completion of public improvements and prior to completion of private improvements) lots as the base value is assumed.*
- 4. The projected TIF Revenues are based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax shift may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the TIF period.*

**2. Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the Redevelopment Project:**

**b. Public infrastructure improvements and impacts:**

The Redevelopment Project requires extensive public infrastructure installation. The Project Site will require additional public roadways to provide access to the lots within the Project Site. The Redevelopment Project will include the construction of roadways providing access to O Street to the south of the Project Site. The public improvements for the Redevelopment Project

will address any traffic and street infrastructure concerns that would otherwise be created by the Redevelopment Project.

Redeveloper will construct or extend water, sanitary sewer, natural gas, and electrical infrastructure to provide appropriate service to the Project Site; and the Project Site will be filled and graded to provide for effective surface water runoff, including the construction of appropriate detention. It is the intent of the Redevelopment Plan that such infrastructure and site preparation be paid for by the Redeveloper with such cost to be reimbursed by TIF. The CDA does not anticipate that the Redevelopment Project will have a negative impact on City infrastructure or services.

b. Local Tax impacts (in addition to impacts of Tax Shifts described above):

The Redevelopment Project should create material tax and other public revenue for the City and other local taxing jurisdictions. While the use of TIF will defer receipt of a majority of new ad valorem real property taxes generated by the Redevelopment Project for up to 15 years, the Redevelopment Project should generate immediate tax growth for the City. The Redevelopment Project and the new residential activity therein will require and pay for City services. Additionally, the City will collect sales tax on a portion of the materials used for the Redevelopment Project. It is not anticipated that the Redevelopment Project will have any material adverse impact on such City services, but will generate revenue providing support for those services. Additionally, except for the public improvements detailed in subsection (a), above, the CDA anticipates that the current City infrastructure and services can adequately support the Redevelopment Project and private improvements stemming therefrom.

**3. Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the Redevelopment Project:**

The construction of new housing resulting from the Redevelopment Project should attract new workforce talent to the City, as well as help retain the current workforce – benefitting both employees and employers locating within the Project Site. Accordingly, the Redevelopment Project is expected to have a positive impact on employers and employees of firms locating or expanding within the boundaries of the area of the Redevelopment Project.

**4. Impacts on other employers and employees within the City and the immediate area that is located outside of the boundaries of the area of the Redevelopment Project:**

The Redevelopment Project should have a material positive impact on private sector businesses and citizens outside the boundaries of the Project Site. The Redevelopment Project will involve installation of public utilities, and the use of TIF should defray the costs of these and other public improvements that would otherwise be paid through taxes or special assessments that would burden adjacent property owners. The construction of new housing resulting from the

Redevelopment Project should attract new workforce talent to the City, as well as help retain the current workforce – benefitting both employees and employers throughout the City. Accordingly, the Redevelopment Project is anticipated to have a positive impact on surrounding employers and employees.

**5. Impacts on student populations of school districts within the City:**

The Redevelopment Project may result in a modest increase of the student population if the homes constructed as a result thereof are sold to families with school-aged children that did not previously reside within the boundaries of the school district. However, any such increase is expected to be minimal and is offset by the City's desire for healthy population growth. Additionally, while the school district will not receive taxes from the improvements built during the TIF period, the school district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the school district. The valuation that generates the TIF Revenues is not included in the formula and does not count against the state aid that the school district would receive. Taxes on any increase in the base value of the land will benefit the school district. After the TIF Indebtedness is paid, or at the end of the respective 15 years (per Sub-Phase) of division of taxes, whichever is sooner, the increased valuation from the Redevelopment Project will be available to the school district. As such, the CDA does not anticipate a negative impact on school districts located within the boundaries of the area of the Redevelopment Project.

**6. Other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from the redevelopment project:**

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, residents or straining the public infrastructure. There are no other material impacts determined by the CDA relevant to the consideration of the cost or benefits arising from the Redevelopment Project. As such, 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 and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project.

Council member Pat Meysenburg made a motion to approve Progress Estimate #2 for M.E. Collins Contracting Co., Inc. in the amount of \$144,272.16 for the N-15 and "S" Street Turn Lane Improvements. Council Member Tom Kobus seconded the motion. The motion carried. Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1



CERTIFICATE OF PAYMENT: 2



Date of Issuance: May 13, 2022

Project: N-15 and "S" Street Turn Lane Improvements, David City, Nebraska - 2021

Project No.: 020-2875

Contractor: M.E. Collins Contracting Co., Inc., P O Box 83, Wahoo, NE 68066

DETAILED ESTIMATE		
Description	Unit Price	Extension
See Attached.		
PLEASE REMIT PAYMENT TO: M.E. Collins Contracting Co., Inc., P O Box 83, Wahoo, NE 68066		

Value of Work Completed This Request: \$160,302.40

Original Contract Cost: \$166,400.00

Approved Change Orders:

No. 1	<u>\$0.00</u>
No. 2	<u>\$0.00</u>
No. 3	<u>\$0.00</u>

Total Contract Cost: \$166,400.00

Value of completed work and materials stored to date \$170,588.13

Less retainage percentage 10% \$17,058.81

Net amount due including this estimate \$153,529.32

Less: Estimates previously approved:

No. 1	<u>\$9,257.16</u>	No. 3	<u>\$0.00</u>	No. 5	<u>\$0.00</u>
No. 2	<u>\$0.00</u>	No. 4	<u>\$0.00</u>	No. 6	<u>\$0.00</u>

Total Previous Estimates: \$9,257.16

**NET AMOUNT DUE THIS ESTIMATE: \$144,272.16**

The undersigned hereby certifies, based upon periodic observations as set forth in scope of work and the data included in all applicable payment applications that, to the best of its knowledge, information and belief: (1) the work has progressed as indicated in the applicable payment applications; (2) the work performed and materials delivered by Contractor are in conformance with the plans and specifications; and (3) the Contractor, in accordance with the contract, is entitled to payment as indicated above.

This certification does not constitute a warranty or guarantee of any type. Client shall hold its Contractor solely responsible for the quality and completion of the Project, including construction in accordance with the construction documents. Any duty or obligation of Olsson hereunder is for the sole benefit of the Client and not for any third party, including the Contractor or any Subcontractor.

cc: City of David City, Nebraska - Owner  
 M.E. Collins Contracting Co., Inc., P O Box 83, Wahoo, NE 68066  
 Project File

OLSSON

By: 

Council member Bruce Meysenburg made a motion to table a contract with Love Signs, Inc. to install a sign at the new City Office. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Bruce Meysenburg made a motion to approve the application by Bryan C. Hein dba Holy Smokes Fireworks to sell permissible fireworks at 580 "I" Street. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Bruce Meysenburg introduced Ordinance No. 1394 authorizing the issuance of General Obligation Bond Anticipation Notes in an amount not to exceed \$1,900,000, to provide interim financing for construction to Street Improvement District No. 2022-1 (The "O" Street Project). Mayor Zavodny read Ordinance No. 1394 by title.

Council member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Pat Meysenburg made a motion to pass and adopt Ordinance No. 1394 to authorize the issuance of General Obligation Bank Anticipation Notes in an amount NOT TO EXCEED \$1,900,000 to provide interim financing for construction to Street Improvement District No. 2022-1 (the "O" Street project). Council Member Jessica Miller seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

#### **ORDINANCE NO. 1394**

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES, SERIES 2022, OF THE CITY OF DAVID CITY, NEBRASKA, OF THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE COSTS OF CONSTRUCTING IMPROVEMENTS IN STREET IMPROVEMENT DISTRICT NO. 2022-1, PENDING THE ISSUANCE OF PERMANENT GENERAL OBLIGATION BONDS AND PAYING COSTS OF ISSUANCE; PRESCRIBING THE FORM OF SAID NOTES; AGREEING TO ISSUE GENERAL OBLIGATION BONDS TO PAY THE NOTES AT MATURITY OR TO PAY THE NOTES FROM OTHER AVAILABLE FUNDS; AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE NOTES AND TO DESIGNATE THE FINAL TERMS, RATES AND MATURITY SCHEDULE FOR SAID NOTES WITHIN STATED PARAMETERS;

AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE NOTES; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

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

Section 1. The Mayor and City Council hereby find and determine that the City of David City, Nebraska (the "City") has by ordinance created Street Improvement District No. 2022-1; that the City is authorized to construct improvements in said district (the "Project"); that for the purposes of paying the costs of the Project the City is authorized to issue temporary financing pursuant to Section 17-516, R.R.S. Neb. 2012, as amended; that the City has contracted or is about to contract for the Project; that the estimated cost for work and other related costs in said district requiring financings as described above is not less than \$1,848,434.00.

Section 2. The Mayor and Council further find and determine that it is therefore necessary and advisable that the City issue its notes pending permanent financing pursuant to Sections 18-1801 and 18-1802, R.R.S. Neb. 2012, as amended; that pursuant to Section 10-137, R.R.S. Neb. 2012, the City is authorized to issue notes for the purpose of providing temporary financing for the costs of the Project and to pay the cost of issuing the notes herein authorized; that all conditions, acts and things required by law to exist or to be done precedent to the issuance of bond anticipation notes in the aggregate amount of not to exceed \$1,900,000 to pay such total estimated costs in said district do exist and have been done as required by law.

Section 3. For the purpose of providing interim financing for the purposes as set out in Section 1 pending the issuance of permanent general obligation various purpose bonds by the City, there shall be and there are hereby ordered issued bond anticipation notes of the City of David City, Nebraska, to be known as Bond Anticipation Notes, Series 2022 (the "Notes"), of the aggregate principal amount of not to exceed One Million Nine Hundred Thousand Dollars (\$1,900,000), with said notes to become due no later than three years from the date of original issue, provided, that the Notes shall mature on such dates and in such amounts and bear interest at such rates per annum as shall be determined in a written designation (the "Designation") signed

by the Mayor or the City Treasurer (each, an “Authorized Officer”) on behalf of the City, which Designation may also determine or modify the principal amount or maturity date of the Notes, mandatory redemption provisions (if any) and pricing terms as set forth in Section 9 hereof, all within the following limitations:

- (a) the aggregate principal amount of the Notes shall not exceed \$1,900,000; and
- (b) the true interest cost on the Notes shall not exceed 4.00%;

The Authorized Officers are hereby authorized to make such determinations on behalf of the City and to evidence the same by execution and delivery of the Designation and such determinations shall constitute the action of the Mayor and Council without further action of the Mayor and Council.

The Notes shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The date of original issue for the Notes shall be the date of delivery thereof. Interest on the Notes shall be payable semiannually on June 15 and December 15 of each year commencing December 15, 2022 (or such other date or dates as provided in the Designation, each of said dates an “Interest Payment Date”), and the Notes shall bear such interest from the date of original issue or the most recent Interest Payment Date to which interest has been paid or provided for, whichever is later. The interest due on each Interest Payment Date shall be payable to the registered owners of record as of the close of business on the fifteenth day immediately preceding such Interest Payment Date (the “Record Date”), subject to the provisions of Section 5 hereof. The Notes shall be numbered from 1 upwards in the order of their issuance. The initial numbering and principal amounts for each of the Notes shall be designated by the City Treasurer as directed by the initial purchaser thereof. Payments of interest due on the Notes prior to maturity or early redemption shall be made by the Paying Agent and Registrar, as designated pursuant to Section 4 hereof, by mailing a check or draft in the amount due for such interest on each Interest Payment Date to the registered owner of each Note, as of the

Record Date for such Interest Payment Date, to such owner's registered address as shown on the books of registration as required to be maintained in Section 4 hereof. Payments of principal due at maturity or at any date fixed for redemption prior to maturity, together with any unpaid interest accrued thereon, shall be made by said Paying Agent and Registrar to the registered owners upon presentation and surrender of the Notes to said Paying Agent and Registrar. The City and said Paying Agent and Registrar may treat the registered owner of any Note as the absolute owner of such Note for the purpose of making payments thereon and for all other purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice or knowledge to the contrary, whether such Note or any installment of interest due thereon shall be overdue or not. All payments on account of interest or principal made to the registered owner of any Note in accordance with the terms of this ordinance shall be valid and effectual and shall be a discharge of the City and said Paying Agent and Registrar, in respect of the liability upon the Notes or claims for interest to the extent of the sum or sums so paid.

Section 4. Unless otherwise provided in the Designation, BOKF, National Association, in Lincoln, Nebraska, is hereby designated as Paying Agent and Registrar for the Notes. The City reserves the right in the discretion of the Mayor and Council to appoint a bank or trust company as successor to the City Treasurer in the capacity of Paying Agent and Registrar under the terms of an agreement to be approved at the time of any such designation. The Paying Agent and Registrar shall keep and maintain for the City books for the registration and transfer of the Notes. The names and registered addresses of the registered owner or owners of the Notes shall at all times be recorded in such books. Any Note may be transferred pursuant to its provisions by said Paying Agent and Registrar by surrender of such Note for cancellation, accompanied by a written instrument of transfer, in form satisfactory to said Paying Agent and Registrar, duly executed by the registered owner in person or by his duly authorized agent, and thereupon the Paying Agent and Registrar on behalf of the City will deliver (or send by registered mail to the transferee owner or

owners thereof at such transferee owner's or owners' risk and expense), registered in the name of such transferee owner or owners, a new Note or Notes of the same series, interest rate, aggregate principal amount and maturity. To the extent of the denominations authorized for the Notes by this ordinance, one Note may be transferred for several such Notes of the same series, interest rate and maturity, and for a like aggregate principal amount, and several such Notes may be transferred for one or several such Notes, respectively of the same series, interest rate and maturity and for a like aggregate principal amount. In every case of transfer of a Note, the surrendered Note shall be canceled and destroyed. All Notes issued upon transfer of the Notes so surrendered shall be valid obligations of the City evidencing the same obligations as the Notes surrendered and shall be entitled to all the benefits and protection of this ordinance to the same extent as the Notes upon transfer of which they were delivered. The City and said Paying Agent and Registrar shall not be required to transfer any Note during any period from any Record Date until its immediately following interest payment date or to transfer any Note called for redemption for a period of 30 days next preceding the date fixed for redemption.

Section 5. In the event that payments of interest due on the Notes on an Interest Payment Date are not timely made, such interest shall cease to be payable to the registered owners as of the Record Date for such Interest Payment Date and shall be payable to the registered owners of the Notes as of a special date of record for payment of such defaulted interest as shall be designated by the Paying Agent and Registrar whenever monies for the purpose of paying such defaulted interest become available.

Section 6. If the date for payment of the principal of or interest on the Notes shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of David City, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

Section 7. Unless otherwise provided in the Designation, the Notes of this issue shall be subject to redemption, in whole or in part, prior to maturity at the option of the City at any time on or after the date that is one year from the date of original issue, at par plus accrued interest on the principal amount redeemed to the date fixed for redemption. The City may select the Notes to be redeemed in its sole discretion, but Notes shall be redeemed only in amounts of \$5,000 or integral multiples thereof. Notes redeemed in part only shall be surrendered to the Paying Agent and Registrar in exchange for new Notes evidencing the unredeemed principal thereof. Notice of redemption of any Note called for redemption shall be given at the direction of the City by the Paying Agent and Registrar by mail not less than thirty days prior to the date fixed for redemption, first class, postage prepaid, sent to the registered owner of such Note at such owner's registered address. Such notice shall designate the Note or Notes to be redeemed by number, the date of original issue and the date fixed for redemption and shall state that such Note or Notes are to be presented for prepayment at the office of the Paying Agent and Registrar. In case of any Note partially redeemed, such notice shall specify the portion of the principal amount of such Note to be redeemed. No defect in the mailing of notice for any Note shall affect the sufficiency of the proceedings of the City designating the Notes called for redemption or the effectiveness of such call for Notes for which notice by mail has been properly given and the City shall have the right to further direct notice of redemption for any such Note for which defective notice has been given

Section 8. Said notes shall be substantially in the following form:

UNITED STATES OF AMERICA  
STATE OF NEBRASKA  
COUNTY OF BUTLER

BOND ANTICIPATION NOTE  
OF THE CITY OF DAVID CITY, NEBRASKA  
SERIES 2022

No. R-1

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
%	_____, 2025	_____, 2022	

Registered Owner: Cede & Co.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS: That the City of David City, in the County of Butler, in the State of Nebraska (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner shown above and as shown on the registration books of the City on the maturity date shown above, the principal amount shown above in lawful money of the United States of America with interest thereon from the date of original issue shown above to maturity or earlier redemption, at the rate per annum shown above, payable semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year, commencing \_\_\_\_\_. The principal of this note and any interest due upon maturity or earlier call for redemption is payable at the office of the BOKF, National Association, in Lincoln, Nebraska, as Paying Agent and Registrar, upon presentation and surrender of the note when due or when called for payment prior to maturity. The payment of interest hereon, falling due prior to maturity or call for redemption, shall be made by the Paying Agent and Registrar to the registered owner by mailing payment to the address of such registered owner hereof as such address shall appear on the note register maintained by said Paying Agent and Registrar, as of the close of business on the fifteenth day prior to each Interest Payment Date, to such owner's address as shown on such books and records (the "Record Date"). Any interest not so timely paid shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this bond (or of one or more predecessor bonds hereto) on such special record date for payment of such defaulted interest as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

This note is redeemable at the option of the City prior to maturity anytime on or after \_\_\_\_\_, 2023 at par and accrued interest to date fixed for redemption. Notice of call of any note for redemption prior to maturity shall be sufficient if given in writing and mailed by first class mail, postage prepaid, to the registered owner at the address shown on the note register not less than thirty days prior to the date fixed for redemption.



This note is one of an issue of notes numbered from 1 upwards in order of issuance, of the total principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) in the denomination of \$5,000 or integral multiples thereof, of even date and like tenor herewith, issued by the City of David City for the purpose of providing interim financing for the costs of constructing improvements in Street Improvement District No. 2022-1, pending the issuance of permanent general obligation various purpose bonds and paying costs of issuance. The issuance of this note and the other notes of this issue has been lawfully authorized by ordinance duly passed, signed and published by the Mayor and City Council of said City in strict compliance with Sections 17-516 and 10-137, Reissue Revised Statutes of Nebraska, 2012, and all other applicable laws.

The City agrees that the principal and interest of this note shall be payable from the proceeds of the issuance and sale of its general obligation bonds, the issuance and sale of its bond anticipation notes, by levy of special assessment as provided in Section 17-509, Reissue Revised Statutes of Nebraska, 2012, or from other monies of the City lawfully available for such purposes.

The City reserves the right to issue additional Bond Anticipation Notes for the purpose of paying the balance of the costs of the projects financed in part by this issue of notes or of other improvement projects of the City, for the purpose of refunding the notes of this issue at or prior to maturity and for the purpose of paying for additional improvements for the City. The ordinance under which these notes are issued constitutes an irrevocable contract between the City and the holders of all of said notes and said contract cannot be changed or altered without the written consent of the holders of seventy-five percent (75%) in principal amount of the notes of this series then outstanding.

AS PROVIDED IN THE ORDINANCE REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE ORDINANCE, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE ORDINANCE TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE REGISTRAR. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS NOTE MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE ORDINANCE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE REGISTRAR FOR PAYMENT OF PRINCIPAL, AND ANY NOTE ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, DTC OR ITS NOMINEE, HAS AN INTEREST HEREIN.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this note did exist, did happen and were done and performed in regular and due form and time as provided by law.

IN WITNESS WHEREOF the Mayor and Council of the City of David City, Nebraska, have caused this note to be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Clerk and by causing the official seal of the City to be impressed or imprinted hereon, all as of the date of original issue specified above.

CITY OF DAVID CITY, NEBRASKA

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This note is one of the notes of the issue designated therein and issued under the provisions of the ordinance authorizing said issue.

BOKF, NATIONAL ASSOCIATION  
LINCOLN, NEBRASKA  
Paying Agent and Registrar

\_\_\_\_\_

(Form of Assignment)

For value received \_\_\_\_\_  
hereby sells, assigns and transfers unto  
\_\_\_\_\_ the within mentioned note and hereby  
irrevocably constitutes and appoints  
\_\_\_\_\_, attorney, to transfer  
the same on the books of registration in the office of the within-in mentioned Paying Agent and  
Registrar with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Registered Owner(s)

Witness: \_\_\_\_\_

Note: The signature of this assignment must correspond with the name as written on the face of the within-mentioned note in every particular, without alteration, enlargement or any change whatsoever.

Section 9. Each of the Notes shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Clerk and shall have imprinted thereon the City's seal. The Notes shall be issued initially as "book-entry-only" notes using the services of The Depository Trust Company (DTC), with one typewritten note certificate per maturity being issued to DTC. In such connection, said officers are authorized to execute and deliver a Letter of Representations in the form required by DTC, for and on behalf of the City, which shall thereafter govern matters with respect to registration, transfer, payment and redemption of the Notes. Upon the issuance of the Notes as "book-entry-only" notes, the following provisions shall apply:

(a) The City and the Paying Agent and Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Notes as securities depository (each, a "Note Participant") or to any person who is an actual purchaser of a Note from a Note Participant while the Notes are in book-entry form (each, a "Beneficial Owner") with respect to the following:

- (i) the accuracy of the records of the Depository, any nominees of the Depository or any Note Participant with respect to any ownership interest in the Notes,
- (ii) the delivery to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Notes, including any notice of redemption, or
- (iii) the payment to any Note Participant, any Beneficial Owner or any other person, other than the Depository, of any amount with respect to the Notes.

The Paying Agent and Registrar shall make payments with respect to the Notes only to or upon the order of the Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Notes to the extent of the sum or sums so paid. No person other than the Depository shall receive an authenticated Note.

(b) Upon receipt by the Paying Agent and Registrar of written notice from the Depository to the effect that the Depository is unable or unwilling to discharge its responsibilities, the Paying Agent and Registrar shall issue, transfer and exchange Notes requested by the Depository in appropriate amounts. Whenever the Depository requests the Paying Agent and Registrar to do so, the Paying Agent and Registrar will cooperate with the Depository in taking appropriate action after reasonable notice (i) to arrange, with the prior written consent of the City, for a

substitute depository willing and able upon reasonable and customary terms to maintain custody of the Notes or (ii) to make available Notes registered in whatever name or names the Beneficial Owners transferring or exchanging such Notes shall designate.

(c) If the City determines that it is desirable that certificates representing the Notes be delivered to the Note Participants and/or Beneficial Owners of the Notes and so notifies the Paying Agent and Registrar in writing, the Paying Agent and Registrar shall so notify the Depository, whereupon the Depository will notify the Note Participants of the availability through the Depository of note certificates representing the Notes. In such event, the Paying Agent and Registrar shall issue, transfer and exchange note certificates representing the Notes as requested by the Depository in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Note is registered in the name of the Depository or any nominee thereof, all payments with respect to such Note and all notices with respect to such Note shall be made and given, respectively, to the Depository as provided in the Letter of Representations.

(e) Registered ownership of the Notes may be transferred on the books of registration maintained by the Paying Agent and Registrar, and the Notes may be delivered in physical form to the following:

(i) any successor securities depository or its nominee; or

(ii) any person, upon (A) the resignation of the Depository from its functions as depository or (B) termination of the use of the Depository pursuant to this Section.

(f) In the event of any partial redemption of a Note unless and until such partially redeemed Note has been replaced in accordance with the provisions of Section 3 of this ordinance, the books and records of the Paying Agent and Registrar shall govern and establish the principal amount of such Note as is then outstanding and all of the Notes issued to the Depository or its nominee shall contain a legend to such effect.

If for any reason the Depository resigns and is not replaced, the City shall immediately provide a supply of printed note certificates for issuance upon the transfers from the Depository and subsequent transfers or in the event of partial redemption. In the event that such supply of certificates shall be insufficient to meet the requirements of the Paying Agent and Registrar for issuance of replacement Notes upon transfer or partial redemption, the City agrees to order printed an additional supply of certificates and to direct their execution by manual or facsimile signature of its then duly qualified and acting Mayor and City Clerk of such City. In case any

officer whose signature or facsimile thereof shall appear on any Note shall cease to be such officer before the delivery of such Note (including any note certificates delivered to the Paying Agent and Registrar for issuance upon transfer or partial redemption), such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if such officer or officers had remained in office until the delivery of such Note. The Notes shall not be valid and binding on the City until authenticated by the Paying Agent and Registrar. The City Treasurer shall cause the Notes to be delivered to the Paying Agent and Registrar for registration and authentication. Upon execution, registration and authentication of the Notes, they shall be delivered to the City Treasurer, who is authorized to deliver them to D.A. Davidson & Co., as the initial purchaser thereof, upon receipt of not less than 98.00% of the principal amount of the Notes plus accrued interest thereon to date of payment for the Notes all as shall be stated in the Designation. Said initial purchaser shall have the right to direct the registration of the Notes and the denominations thereof within each maturity, subject to the restrictions of this Ordinance. Any of the Authorized Officers of the City are hereby authorized to approve, execute, and deliver a Note Purchase Agreement for and on behalf of the City. Such purchaser and its agents, representatives and counsel (including its bond counsel) are hereby authorized to take such actions on behalf of the City as are necessary to effectuate the closing of the issuance and sale of the Notes, including, without limitation, authorizing the release of the Notes at closing.

Section 10. The City covenants and agrees to take all steps necessary for the completion of the Project described in Section 1 hereof in a manner to allow it to issue and sell its various purpose bonds or other bonds. The City further covenants and agrees to issue and sell its various purpose bonds or other bonds in a sufficient amount and at such times as will enable it to take up and pay off the Notes herein ordered issued, both principal and interest, at or prior to

maturity, to the extent not paid from a levy of special assessment as provided in Section 17-509, Reissue Revised Statutes of Nebraska, 2012, or from other sources.

Section 11. The City hereby reserves the right to issue additional bond anticipation notes for the purpose of paying the balance of the cost of the projects of the City set out in Section 1 hereof, for the purpose of refunding the Notes herein ordered issued at or prior to maturity and for the purpose of paying for additional improvements for the City.

Section 12. The City Clerk shall make and certify a complete transcript of the proceedings had and done by said City precedent to the issuance of said Notes, a copy of which shall be delivered to the initial purchaser of the Notes. After being executed by the Mayor and Clerk said Notes shall be delivered to the City Treasurer who shall be responsible therefor under her official bond. The City Treasurer is authorized and directed to deliver said Notes to the purchaser upon receipt of payment of the purchase price in accordance with the contract of the City with said purchaser.

Section 13. The City hereby covenants to the purchasers and holders of the Notes hereby authorized that it will make no use of the proceeds of said Note issue, including monies held in any sinking fund for the Notes, which would cause the Notes to be arbitrage bonds within the meaning of Sections 103(b) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and further covenants to comply with said Sections 103(b) and 148 and all applicable regulations thereunder throughout the term of said issue. The City hereby covenants and agrees to take all actions necessary under the Code to maintain the tax exempt status (as to taxpayers generally) of interest payable on the Notes, including reporting and payment of rebate amounts under Section 148 of the Code if and to the extent required. The City hereby designates the Notes as its "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B)(i)(III) of the Code and covenants and warrants that it does not reasonably expect to issue tax-exempt bonds or other tax-exempt interest-bearing obligations aggregating in principal amount more than

\$10,000,000 during calendar 2022 (taking into consideration the exception for current refunding issues).

Section 14. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 15. Each of the Authorized Officers is hereby authorized to approve, on behalf of the City, an official statement (which may include preliminary and final) relating to the Notes. Such official statement shall be delivered in accordance with applicable securities laws.

Section 16. In order to promote compliance with certain federal tax and securities laws relating to the Notes herein authorized (as well as other outstanding bonds) the policy and procedures attached hereto as Exhibit "A" (the "Tax-Exempt Financing Compliance Procedure") are hereby adopted and approved in all respects. To the extent that there is any inconsistency between the attached Tax-Exempt Financing Compliance Procedure and any similar policy or procedures previously adopted and approved, the Tax-Exempt Financing Compliance Procedure shall control.

Section 17. The City hereby (a) authorizes and directs that an Authorized Officer execute and deliver, on the date of issue of the Notes, a continuing disclosure undertaking in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule") in such form as determined necessary and appropriate by such Authorized Officer (the "Continuing Disclosure Undertaking") and (b) covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking. Notwithstanding any other provision of this Ordinance, failure of the City to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Undertaking) or any Beneficial Owner or any Registered Owner of a Note (as such terms are defined in the Continuing Disclosure Undertaking) may take such actions as may be necessary and appropriate, including seeking mandamus or



specific performance by court order, to cause the City to comply with its obligations under this Section, and under the Continuing Disclosure Undertaking.

Section 18. This Ordinance shall be published in pamphlet form as provided by law. This Ordinance shall take effect immediately upon its publication in pamphlet form.

PASSED AND APPROVED this 25<sup>th</sup> day of May, 2022

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City Clerk

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Mayor

[SEAL]

There being no further business to come before the City Council, the meeting was by action of the Council and the declaration of the Mayor, adjourned.

I, the undersigned City Clerk for the City of David City , Nebraska, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Mayor and Council on May 25, 2022; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; kept continually current, was available for public inspection at the office of that such subjects were contained in said agenda for at least 24 hours prior to said meeting; that a current copy of the Nebraska Open Meetings Act was available and accessible to members of the public, posted during such meeting in the room in which such meeting was held; that at least one copy of all ordinances or other reproducible materials discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes from which the foregoing proceedings have been extracted 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 advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

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City Clerk

[SEAL]

NOTICE OF PUBLICATION  
OF ORDINANCE NO. 1394  
IN PAMPHLET FORM

Public Notice is hereby given that at a meeting of the Mayor and City Council of the City of David City, Nebraska, held at 7:00 o'clock p.m. on May 25, 2022, there was passed and adopted Ordinance No. 1394 entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES, SERIES 2022, OF THE CITY OF DAVID CITY, NEBRASKA, OF THE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE COSTS OF CONSTRUCTING IMPROVEMENTS IN STREET IMPROVEMENT DISTRICT NO. 2022-1, PENDING THE ISSUANCE OF PERMANENT GENERAL OBLIGATION BONDS AND PAYING COSTS OF ISSUANCE; PRESCRIBING THE FORM OF SAID NOTES; AGREEING TO ISSUE GENERAL OBLIGATION BONDS TO PAY THE NOTES AT MATURITY OR TO PAY THE NOTES FROM OTHER AVAILABLE FUNDS; AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE NOTES AND TO DESIGNATE THE FINAL TERMS, RATES AND MATURITY SCHEDULE FOR SAID NOTES WITHIN STATED PARAMETERS; AUTHORIZING OFFICERS OF THE CITY TO MAKE ARRANGEMENTS FOR THE SALE OF THE NOTES; AND PROVIDING FOR PUBLICATION OF THIS ORDINANCE IN PAMPHLET FORM.

Said Ordinance was published in pamphlet form. Copies of said Ordinance as published in pamphlet form are available for inspection and distribution at the Office of the City Clerk, in the City of David City, Nebraska.

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City Clerk

[SEAL]

Publish One Time: June 16, 2022

**Policy and Procedures  
Federal Tax Law and Disclosure Requirements for  
Tax-exempt Bonds and/or Tax Advantaged Bonds**

**ISSUER NAME:** The City of David City, in the State of Nebraska

**COMPLIANCE OFFICER (BY TITLE):** City Treasurer

**POLICY**

It is the policy of the Issuer identified above (the “Issuer”) to comply with all Federal tax requirements and securities law continuing disclosure obligations for its obligations issued as tax-exempt bonds (or as tax credit, direct pay subsidy or other tax-advantaged bonds, as applicable) to ensure, as applicable (a) that interest on its tax-exempt bonds remains exempt from Federal income tax, (b) that the direct payments or tax credits associated with its bonds issued as tax advantaged bonds are received in a timely manner and (c) compliance with any continuing disclosure obligations of the Issuer with respect to its outstanding bonds.

**PROCEDURES**

Compliance Officer. Review of compliance with Federal tax requirements and securities law continuing disclosure obligations as generally outlined below shall be conducted by the Compliance Officer identified above (the “Compliance Officer”). To the extent more than one person has been delegated specific responsibilities, the Compliance Officer shall be responsible for ensuring coordination of all compliance review efforts.

Training. The Compliance Officer shall evaluate and review educational resources regarding post-issuance compliance with Federal tax and securities laws, including periodic review of resources published for issuers of tax-exempt obligations by the Internal Revenue Service (either on its website at <http://www.irs.gov/taxexemptbond>, or elsewhere) and the Municipal Securities Rulemaking Board (either on its Electronic Municipal Market Access website [“EMMA”] at <http://www.emma.msrb.org>, or elsewhere).

Compliance Review. A compliance review shall be conducted at least annually by or at the direction of the Compliance Officer. The review shall occur at the time the Issuer’s annual audit takes place, unless the Compliance Officer otherwise specifically determines a different time period or frequency of review would be more appropriate.

Scope of Review.

*Document Review.* At the compliance review, the following documents (the “Bond Documents”) shall be reviewed for general compliance with covenants and agreements and applicable regulations with respect to each outstanding bond issue:

- (a) the resolution(s) and/or ordinance(s), as applicable, adopted by the governing body of the Issuer authorizing the issuance of its outstanding bonds, together with any documents setting the final rates and terms of such bonds (the “Authorizing Proceedings”),
- (b) the tax documentation associated with each bond issue, which may include some or all of the following (the “Tax Documents”):

- (i) covenants, certifications and expectations regarding Federal tax requirements which are described in the Authorizing Proceedings;
  - (ii) Form 8038 series filed with the Internal Revenue Service;
  - (iii) tax certificates, tax compliance agreements, tax regulatory agreement or similar documents;
  - (iv) covenants, agreements, instructions or memoranda with respect to rebate or private use;
  - (v) any reports from rebate analysts received as a result of prior compliance review or evaluation efforts; and
  - (vi) any and all other agreements, certificates and documents contained in the transcript associated with the Authorizing Proceedings relating to federal tax matters.
- (c) the Issuer's continuing disclosure obligations, if any, contained in the Authorizing Proceedings or in a separate agreement (the "Continuing Disclosure Obligations"), and
- (d) any communications or other materials received by the Issuer or its counsel, from bond counsel, the underwriter or placement agent or its counsel, the IRS, or any other material correspondence relating to the tax-exempt status of the Issuer's bonds or relating to the Issuer's Continuing Disclosure Obligations.

*Use and Timely Expenditure of Bond Proceeds.* Expenditure of bond proceeds shall be reviewed by the Compliance Officer to ensure (a) such proceeds are spent for the purpose stated in the Authorizing Proceedings and as described in the Tax Documents and (b) that the proceeds, together with investment earnings on such proceeds, are spent within the timeframes described in the Tax Documents, and (c) that any mandatory redemptions from excess bond proceeds are timely made if required under the Authorizing Proceedings and Tax Documents.

*Arbitrage Yield Restrictions and Rebate Matters.* The Tax Documents shall be reviewed by the Compliance Officer to ensure compliance with any applicable yield restriction requirements under Section 148(a) of the Internal Revenue Code (the "Code") and timely calculation and payment of any rebate and the filing of any associated returns pursuant to Section 148(f) of the Code. A qualified rebate analyst shall be engaged as appropriate or as may be required under the Tax Documents.

*Use of Bond Financed Property.* Expectations and covenants contained in the Bond Documents regarding private use shall be reviewed by the Compliance Officer to ensure compliance. Bond-financed properties shall be clearly identified (by mapping or other reasonable means). Prior to execution, the Compliance Officer (and bond counsel, if deemed appropriate by the Compliance Officer) shall review (a) all proposed leases, contracts related to operation or management of bond-financed property, sponsored research agreements, take-or-pay contracts or other agreements or arrangements or proposed uses which have the potential to give any entity any special legal entitlement to the bond-financed property, (b) all proposed agreements which would result in disposal of any bond-financed property, and (c) all proposed uses of bond-financed property which were not anticipated at the time the bonds were issued. Such actions could be prohibited by the Authorizing Proceedings, the Tax Documents or Federal tax law.

Continuing Disclosure. Compliance with the Continuing Disclosure Obligations with respect to each bond issue shall be evaluated (a) to ensure timely compliance with any annual disclosure requirement, and (b) to ensure that any material events have been properly disclosed as required by the Continuing Disclosure Obligation.

Record Keeping. If not otherwise specified in the Bond Documents, all records related to each bond issue shall be kept for the life of the indebtedness associated with such bond issue (including all tax-exempt refundings) plus six (6) years.

Incorporation of Tax Documents. The requirements, agreements and procedures set forth in the Tax Documents, now or hereafter in existence, are hereby incorporated into these procedures by this reference and are adopted as procedures of the Issuer with respect to the series of bonds to which such Tax Documents relate.

Consultation Regarding Questions or Concerns. Any questions or concerns which arise as a result of any review by the Compliance Officer shall be raised by the Compliance Officer with the Issuer's counsel or with bond counsel to determine whether non-compliance exists and what measures should be taken with respect to any non-compliance.

VCAP and Remedial Actions. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the Internal Revenue Service which allows issuers under certain circumstances to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available to issuers of certain bonds under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the bonds were issued.

Council member Tom Kobus introduced Ordinance No. 1395 authorizing the Creation of Street Improvement District No. 2022-2. Mayor Zavodny read Ordinance No. 1395 by title.

Council member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Bruce Meysenburg made a motion to pass and adopt Ordinance No. 1395 authorizing the creation of Street Improvement District No. 2022-2. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

CITY OF DAVID CITY, NEBRASKA

**ORDINANCE NO. 1395**

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA, CREATING A STREET IMPROVEMENT DISTRICT WITHIN THE CITY OF DAVID CITY TO BE KNOWN AS STREET IMPROVEMENT DISTRICT NO. 2022-2; DEFINING THE BOUNDARIES OF SAID DISTRICT AND THE PROPERTY CONTAINED THEREIN; AND, PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS THEREIN.

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

Section 1. The Mayor and City Council of the City of David City (the "City"), Butler County, Nebraska, hereby find and determine that it is in the best interests of the City to create a Street Improvement District for the construction of said improvements.

Section 2. There is hereby created within the City, a Street Improvement District to be known and designated as Street Improvement District No. 2022-2 (the "District"), the outer boundaries of which shall contain the following property within the City:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 15 NORTH, RANGE 3 EAST OF THE SIXTH P.M., BUTLER COUNTY, NEBRASKA, BEING DESCRIBED AS FOLLOWS: REFERRING TO THE NORTHEAST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, THENCE S89°31'31"W (ASSUMED BEARING) ON THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER, A DISTANCE OF 767.73 FEET TO THE POINT OF BEGINNING; THENCE S00°07'06"W, A DISTANCE OF 937.64 FEET TO THE NORTHWEST CORNER OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INSTRUMENT NUMBER 2022-00370, THENCE S00°07'15"W ON THE WEST LINE OF SAID PREVIOUSLY DESCRIBED PARCEL, A DISTANCE OF 899.96 FEET TO THE NORTH LINE OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INSTRUMENT NUMBER 2021-01215; THENCE N89°59'15"W ON SAID NORTH LINE, A DISTANCE OF 149.96 FEET; THENCE N00°07'06"E, A DISTANCE OF 1836.36 FEET TO THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER; THENCE N89°31'31"E ON SAID NORTH LINE, A DISTANCE OF 150.01 FEET TO THE POINT OF BEGINNING, CONTAINING 6.32 ACRES, MORE OR LESS.

All or a portion of the Streets within the District shall be improved by removing existing surfaces, paving, grading, resurfacing or relaying existing pavement, constructing or reconstructing curbs, gutters, sidewalks, lighting systems, signage, and any necessary improvements incidental thereto as authorized by Section 17-509, Reissue Revised Statutes of Nebraska, 2012, as amended.

Section 3. All of said improvements shall be constructed to the established grades as fixed by ordinances of the City of David City, and shall be constructed in accordance with plans and specifications to be prepared by Olsson Associates, Consulting Engineers for the City, which plans shall be approved by the Mayor and City Council.

Section 4. The Mayor and City Council hereby determine that the construction of improvements in said Street Improvement District No 2022-2 consist of general public improvements and shall be funded at public cost as provided in Section 17-509, Reissue Revised Statutes of Nebraska, 2012. No notice of creation shall be required.

Section 5. If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Ordinance.

PASSED AND APPROVED 25<sup>th</sup> day of May, 2022.

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Mayor Alan Zavodny

ATTEST:

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City Clerk Tami Comte

(SEAL)

Council member Tom Kobus introduced Ordinance No. 1396 authorizing the Creation of Street Improvement District No. 2022-3. Mayor Zavodny read Ordinance No. 1396 by title.

Council member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Jessica Miller seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Bruce Meysenburg made a motion to pass and adopt Ordinance No. 1396 authorizing the creation of Street Improvement District No. 2022-3. Council Member Jessica Miller seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1



CITY OF DAVID CITY, NEBRASKA

**ORDINANCE NO. 1396**

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA, CREATING A STREET IMPROVEMENT DISTRICT WITHIN THE CITY OF DAVID CITY TO BE KNOWN AS STREET IMPROVEMENT DISTRICT NO. 2022-3; DEFINING THE BOUNDARIES OF SAID DISTRICT AND THE PROPERTY CONTAINED THEREIN; AND, PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS THEREIN.

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

Section 1. The Mayor and City Council of the City of David City (the "City"), Butler County, Nebraska, hereby find and determine that it is in the best interests of the City to create a Street Improvement District for the construction of said improvements.

Section 2. There is hereby created within the City, a Street Improvement District to be known and designated as Street Improvement District No. 2022-3 (the "District"), the outer boundaries of which shall contain the following property within the City:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 15 NORTH, RANGE 3 EAST OF THE SIXTH P.M ., BUTLER COUNTY, NEBRASKA, BEING THE SOUTH 66.00 FEET OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INSTRUMENT NUMBER 2022- 00370, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: REFERRING TO THE NORTHEAST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, THENCE S89°31'31"W (ASSUMED BEARING) ON THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER, A DISTANCE OF 767.73 FEET; THENCE S00°07'06"W, A DISTANCE OF 937.64 FEET TO THE NORTHWEST CORNER OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INST.RUM ENT NUMBER 2022-00370, THENCE S00°17'15"W ON THE WEST LINE OF SAID PREVIOUSLY DESCRIBED PARCEL, A DISTANCE OF 833.96 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING S00°07'15"W ON SAID WEST LINE, A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL, THENCE S89°59'15"E ON THE SOUTH LINE OF SAID PARCEL, A DISTANCE OF 726.05 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL, THENCE N00°07'06"E ON THE EAST LINE OF SAID PARCEL, A DISTANCE OF 66.01 FEET; THENCE N89°59'15"W PARALLEL WITH AND 66.00 FEET DISTANT FROM SAID SOUTH LINE, A DISTANCE OF 726.05 FEET TO THE POINT OF BEGINNING, CONTAINING 1.10 ACRES, MORE OR LESS.

All or a portion of the Streets within the District shall be improved by removing existing surfaces, paving, grading, resurfacing or relaying existing pavement, constructing or reconstructing curbs, gutters, sidewalks, lighting systems, signage, and any necessary improvements incidental thereto as authorized by Section 17-509, Reissue Revised Statutes of Nebraska, 2012, as amended.

Section 3. All of said improvements shall be constructed to the established grades as fixed by ordinances of the City of David City, and shall be constructed in accordance with plans and specifications to be prepared by Olsson Associates, Consulting Engineers for the City, which plans shall be approved by the Mayor and City Council.

Section 4. The Mayor and City Council hereby determine that the construction of improvements in said Street Improvement District No 2022-3 consist of general public improvements and shall be funded at public cost as provided in Section 17-509, Reissue Revised Statutes of Nebraska, 2012. No notice of creation shall be required.

Section 5. If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Ordinance.

PASSED AND APPROVED 25<sup>th</sup> day of May, 2022.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

(SEAL)

Council member Pat Meysenburg made a motion to approve the application by Scott Samek dba Samek Fireworks to sell permissible fireworks at 375 Nebraska Street (Amigo's). Council Member Tom Kobus seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

Council member Pat Meysenburg introduced Ordinance No. 1397 naming a new street located in David City as "Industrial Parkway". Mayor Zavodny read Ordinance No. 1397 by title.

Council member Bruce Meysenburg made a motion to suspend the statutory rule requiring that an Ordinance be read on three separate days. Council Member Pat Meysenburg seconded the motion. The motion carried.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

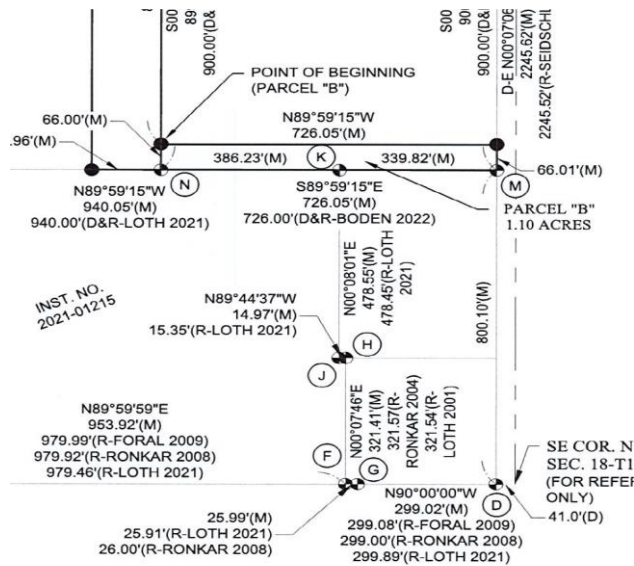
Council member Bruce Meysenburg made a motion to pass and adopt Ordinance No. 1397 on third and final reading naming a new street in David City as "Industrial Parkway". Council Member Pat Meysenburg seconded the motion. The motion carried. Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

**ORDINANCE NO. 1397**

AN ORDINANCE TO NAME A STREET TO BE NAMED "INDUSTRIAL PARKWAY". REPEALING ANY ORDINANCE OR RESOLUTION IN CONFLICT THEREWITH; PROVIDING AN EFFECTIVE DATE THEREOF; AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

WHEREAS, the Mayor and City Council of the City of David City, Nebraska, have authority by virtue of Section 6-202 of the Municipal Code of the City of David City, Nebraska, to rename or provide a name for any new street, and,

WHEREAS, it is the desire of the Mayor and City Council of the City of David City, Nebraska, to name the street legally described as: A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 15 NORTH, RANGE 3 EAST OF THE SIXTH P.M., BUTLER COUNTY, NEBRASKA, BEING THE SOUTH 66.00 FEET OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INSTRUMENT NUMBER 2022-00370, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: REFERRING TO THE NORTHEAST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, THENCE S89°31'31"W (ASSUMED BEARING) ON THE NORTH LINE OF SAID EAST HALF OF THE NORTHWEST QUARTER, A DISTANCE OF 767.73 FEET; THENCE S00°07'06"W, A DISTANCE OF 937.64 FEET TO THE NORTHWEST CORNER OF A PARCEL OF LAND PREVIOUSLY DESCRIBED IN INSTRUMENT NUMBER 2022-00370, THENCE S00°17'15"W ON THE WEST LINE OF SAID PREVIOUSLY DESCRIBED PARCEL, A DISTANCE OF 833.96 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING S00°07'15"W ON SAID WEST LINE, A DISTANCE OF 66.00 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL, THENCE S89°59'15"E ON THE SOUTH LINE OF SAID PARCEL, A DISTANCE OF 726.05 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL, THENCE N00°07'06"E ON THE EAST LINE OF SAID PARCEL, A DISTANCE OF 66.01 FEET; THENCE N89°59'15"W PARALLEL WITH AND 66.00 FEET DISTANT FROM SAID SOUTH LINE, A DISTANCE OF 726.05 FEET TO THE POINT OF BEGINNING, CONTAINING 1.10 ACRES, MORE OR LESS.



NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA that the street legally described above shall hereinafter be known as "Industrial Parkway".

BE IT FURTHER ORDAINED that any other 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.

This Ordinance shall be in full force and effect from and after passage, approval and publication or posting as required by law.

PASSED AND APPROVED THIS 25<sup>th</sup> day of May, 2022.

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

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 City Clerk Tami L. Comte

Mayor Zavodny stated that the next item on the agenda was consideration of a cost-of-living increase for city employees.

Council member Bruce Meysenburg said, "I asked for this to be put on the agenda. I think we're going to lose some employees if we don't do something pretty soon. I really don't want to lose any good city employees and it just seems like we're kicking this can down the road. I understand that you guys are working on it, but we need to do something. These guys are frustrated. We turn around and give the lifeguards what they want right away, and we've given other people what they need. In thinking about it, my proposal would probably be trying to give them close to a ten percent cost of living increase and limit it to persons that haven't been hired within the last six months to a year. I think they probably have gotten that. When they were hired, they have probably gotten more than the other guys have gotten. Unless you want to go across the board."

Council member Tom Kobus said, "I think ten percent across the board. I'm for that. Otherwise, you're going to have fighting. I think that would be a big plus to start. You hear all the time that people are hiring, and they are starting them at twenty to twenty-one bucks an hour. We have guys that are worth more than that."

Mayor Alan Zavodny said, "I agree that there is catch up that needs to occur. We're going to have to bring this in an Ordinance. That catches up your cost of living. What I will say is what we initially started talking about and I'm really happy with the group and they've talked about warts and all in our system, but we've got to look at the overall benefits package which includes our insurance and the percentage that we pay, our personnel leave – I've suggested some changes to that which I think is a benefit to the employee. I think we need to look at our total package. We've got some issues that need to be addressed."

Council member Bruce Meysenburg said, "What you guys are doing is great, just keep on doing it. I just feel that we need to get something done sooner rather than later. When I was working, they always told me that we had to look at the benefits. Well, you know what, everybody looks at take home pay."

Mayor Alan Zavodny said, "That's true but benefit packages are about a thirty percent factor of your cost and it's a little bit higher now. The HSA made it worse because you have to pay a bigger percentage of it. I think we need to look at everything."

Council member Jessica Miller said, "We can continue looking at everything. I just think that it's retention. Keeping our employees. It costs us more in the long run when you have to hire and retrain somebody and you're hiring at a higher rate anyway."

Mayor Alan Zavodny said, "Our advertising costs are ridiculous and the results that we get from it are less than enthusiastic."

Council member Jessica Miller said, "I get that. I think that the frustration is that they don't feel valued and like they are worth something. To catch them up it is eleven-point six percent for the cost-of-living increases that they haven't received."

Mayor Alan Zavodny said, "I don't feel very valued from them once in a while so that street goes both ways. I think that ten percent is reasonable. I will only agree with it if it is across the board. I think that's the only way that you do it. Now, we've added a lot of expense and we're going into budget season so we're going to have to factor that in as we do this. It will have to come back in an Ordinance. The consensus is a ten percent increase? This affects

FICA and it affects workers comp. Everything goes up when you do this kind of thing. I'm not saying that to dissuade you, I'm just reminding you that those things are affected when we do this."

Bruce Meysenburg said, "Well, they were supposed to get eleven-point six."

Mayor Alan Zavodny said, "I saw that, so I think that ten is a reasonable thing, so it gives us a good starting place of where we're going to go. In looking at the salary studies and those are getting older every day, but we were just a little over midpoint of where we were compared to other cities. The problem is that you can't really compare other cities. Our job descriptions are different. We have different people doing different things and one of the things that I'm going to propose to the committee is cross training. I've met some resistance on that. That's how you justify paying a higher rate to someone in a department that hasn't been paid as much because when a water main breaks they can jump in and help on that. They've been trained and then they are worth that at that point when they are doing that. It probably doesn't go to exactly what that is, but it certainly justifies the increase from where they are."

Council member Bruce Meysenburg said, "My biggest point here was retention. We've been down this road with losing people that should still be here yet. Every time we do that you just add more grief into the mix."

Mayor Alan Zavodny said, "What we don't consider is that it's hard to connect the dots – you get in trouble with the EPA and what that could cost you and if you have employees that can handle those kinds of things before, they become problems, that saves us a ton of money. We will move forward with an Ordinance and bring it back before you."

Council member Kevin Woita made a motion to adjourn. Council Member Jessica Miller seconded the motion. The motion carried and Mayor Zavodny declared the meeting adjourned at 8:40 p.m.

Tom Kobus: Yea, Bruce Meysenburg: Yea, Pat Meysenburg: Yea, Jessica Miller: Yea, John Vandenberg: Absent, Kevin Woita: Yea  
Yea: 5, Nay: 0, Absent: 1

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CERTIFICATION OF MINUTES

May 25, 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 May 25, 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