

December 4, 2018

The Seward City Council met at 7:00 p.m. on Tuesday, December 4, 2018, with Mayor Joshua Eickmeier presiding and Assistant Administrator /Clerk-Treasurer /Budget & Human Resources Director Bonnie Otte recording the proceedings. Upon roll call, the following Councilmembers were present: Jonathon Wilken, Ellen Beck, Sid Kamprath, Dean Fritz, Karl Miller, John Singleton, Chris Schmit. Other officials present: City Administrator Greg Butcher and City Attorney Kelly Hoffschneider. Absent: None.

Notice of the meeting was given in advance thereof by the method of communicating advance notice of the regular and special meetings of the City Council of the City of Seward, Nebraska, as stated in Ordinance No. 2015-08, which was adopted on the 5th day of May, 2015; said method stating that the notice of such meeting, with the agenda thereon, be posted in the following places: City Hall, Seward County Courthouse, Municipal Building, and Seward Memorial Library. The certificate of posting notice is attached to these minutes. Notice of this meeting was simultaneously given to the Mayor and all members of the City Council and a copy of their acknowledgment of receipt of notice and the agenda are attached to these minutes. Availability of the agenda was communicated in the advance notice and in the notice to the Mayor and Council of this meeting. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

THE PLEDGE OF ALLEGIANCE

Mayor Eickmeier announced that a copy of the Agenda for this meeting is posted on the north wall of the Municipal Building and copies are available on the north wall where a copy of the Open Meetings Act is also posted for public inspection. He also noted that any citizen wishing to address the Council should come to the podium, state their name and address and limit their comments to five minutes. All remarks should be directed to the Mayor/Chairperson, who will then determine who will make any appropriate response. The City of Seward reserves the right to adjust the order of items on this agenda if necessary and may elect to take action on any of the items listed.

1. APPROVAL OF MINUTES OF NOVEMBER 20, 2018 COUNCIL MEETING

Councilmember Schmit moved, seconded by Councilmember Kamprath, that the minutes of the November 20, 2018 City Council meeting be approved.

Aye: Wilken, Beck, Kamprath, Fritz, Miller, Schmit, Singleton
Nay: None
Absent: None. Motion carried.

RECOGNITION OF SERVICE OF COUNCIL MEMBER RICHARD HANS

Mayor Eickmeier recognized Council Member Dick Hans 8 years of service on the City Council and also his many years of service on other boards and committees and offered his condolences to the family with Dick's recent passing. Mayor Eickmeier presented Dick's brother-in-law, Dick Miers, with a certificate noting said years of service and appreciation for Dick's personal friendship and community service.

MOTION TO ADJOURN

Councilmember Singleton moved, seconded by Councilmember Wilken, that the December 4, 2018 City Council Meeting be adjourned.

Aye: Wilken, Beck, Fritz, Miller, Schmit, Singleton, Kamprath
Nay: None
Absent: None. Motion carried.

REORGANIZATION/SEATING OF NEW COUNCIL MEMBER/CALL TO ORDER

December 4, 2018

Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte qualified each Councilmember for their elected offices, and all took their seats in the Council Chambers:

Mayor Joshua Eickmeier
Councilmember Ellen Beck, Councilmember Dean Fritz - Ward 1
Councilmember Sid Kamprath, Councilmember Chris Schmit - Ward 2
Councilmember Alyssa Hendrix, Councilmember John Singleton - Ward 3
Councilmember Karl Miller, Councilmember Jonathon Wilken - Ward 4

ROLL CALL

The newly elected Seward City Council meeting was called to order by Mayor Joshua Eickmeier presiding and Assistant Administrator/Clerk-Treasurer/Budget & HR Director recording the proceedings. Upon roll call, the following Councilmembers were present: Jonathon Wilken, Ellen Beck, Sid Kamprath, Dean Fritz, Karl Miller, John Singleton, Chris Schmit, Alyssa Hendrix. Other officials present: City Administrator Greg Butcher and City Attorney Kelly Hoffschneider. Absent: None.

1. OATH OF OFFICE FOR NEWLY ELECTED OFFICIALS

Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte administered the Oath of Office to the following elected officials:

Mayor Joshua Eickmeier
Councilmember Ellen Beck - Ward 1
Councilmember Sid Kamprath - Ward 2
Councilmember Alyssa Hendrix - Ward 3
Councilmember Karl Miller - Ward 4

2. CONFIRMATION OF MAYOR'S APPOINTMENTS OF CITY OFFICIALS AND COUNCIL MEMBERS TO BOARDS AND COMMITTEES

Mayor Eickmeier presented the following names for confirmation of appointment/reappointment to their official positions:

- A. Bonnie Otte - City Clerk/Administrative Assistant, titled Assistant Administrator/ Clerk-Treasurer/ Budget & HR Director
- B. Greg Butcher - City Administrator
- C. Larry Ruether - Light Commissioner, titled Electric and Power Resource Director
- D. Tim Richtig - Water/Wastewater Superintendent, titled Water/Wastewater Director
- E. Alan Baldwin - Chief of Police
- F. Brian Peters - Assistant Chief of Police
- G. Marilyn Varner - Deputy City Clerk/Deputy Treasurer, titled Deputy Clerk/Finance Director/Assistant Treasurer
- H. Melvin Aldrich - Public Works Superintendent, titled Street/Transportation and Recycling Superintendent
- I. Becky Baker - Library Director
- J. Ed Gonzalez - Building Inspector/Purchasing Agent/Mechanical Inspector, titled Building/Zoning & Code Enforcement Director
- K. Nicholas Wolf - City Treasurer, titled Finance Director/Treasurer
- L. Jake Vasa - City Engineer
- M. Bob Core - Recreation Director, titled Parks/Recreation/Cemetery/Golf Director
- N. Kelly Hoffschneider - City Attorney
- O. James Kimsey - Fire Chief

Councilmember Schmit moved, seconded by Councilmember Beck, that the

December 4, 2018

Mayor's reappointments of: Bonnie Otte - City Clerk/Administrative Assistant, titled Assistant Administrator/ Clerk-Treasurer/ Budget & HR Director; Greg Butcher - City Administrator; Larry Ruether - Light Commissioner, titled Electric and Power Resource Director; Tim Richtig - Water/Wastewater Superintendent, titled Water/Wastewater Director; Alan Baldwin - Chief of Police; Brian Peters - Assistant Chief of Police; Marilyn Varner - Deputy City Clerk/Deputy Treasurer, titled Deputy Clerk/Finance Director/Assistant Treasurer; Melvin Aldrich - Public Works Superintendent, titled Street/Transportation and Recycling Superintendent; Becky Baker - Library Director; Ed Gonzalez - Building Inspector/Purchasing Agent/Mechanical Inspector, titled Building/Zoning & Code Enforcement Director; Nicholas Wolf - City Treasurer, titled Finance Director/Treasurer; Jake Vasa - City Engineer; Bob Core - Recreation Director, titled Parks/Recreation/Cemetery/Golf Director; Kelly Hoffschneider - City Attorney; James Kimsey - Fire Chief, be confirmed.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton
Nay: None
Absent: None. Motion carried.

Mayor Eickmeier administered the Oath of Office to Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte.

Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte administered the Oath of Office to the remaining confirmed City Officials/Personnel

3. CONFIRMATION OF APPOINTMENT OF CITY COUNCIL MEMBERS TO CITY BOARDS AND COMMITTEES

LIAISON APPOINTMENT OF COUNCIL MEMBERS TO BOARDS AND COMMITTEES:

Councilmember Kamprath moved, seconded by Councilmember Fritz, that Mayor Eickmeier's appointment of the following Council Members to various Boards and Committees as liaison be confirmed: John Singleton - Fire Department, Civic Center Commission; Sid Kamprath - Cemetery Board, Civic Center Commission, Planning Commission; Dean Fritz - Tree Board; Ellen Beck - Park & Recreation Board; Chris Schmit - Park & Recreation Board, Planning Commission; Jonathon Wilken - Library Board; Alyssa Hendrix - Library Board

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton
Nay: None
Absent: None. Motion carried.

APPOINTMENT OF COUNCIL MEMBERS TO BOARDS AND COMMITTEES

Councilmember Beck moved, seconded by Councilmember Miller, that Mayor Eickmeier's appointment of the following Council Members to Boards and Committees be confirmed: Personnel, Finance, Audit Committee - Ellen Beck, Karl Miller, Chris Schmit, Jonathon Wilken; E911 Board - Dean Fritz, John Singleton; CDBG Application Review Board for Economic Development (Program Loan Reuse) - Jonathon Wilken, Alyssa Hendrix; Seward/Saline County Solid Waste Agency - John Singleton; Seward Foundation - Dean Fritz, Karl Miller; Seward Aging Services Commission - Alyssa Hendrix; LB840 Sales Tax Application Review Board for Economic Development - Ellen Beck, Karl Miller; Rail Campus Development Review Committee - Chris Schmit, Karl Miller.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton
Nay: None
Absent: None. Motion carried.

4. CONFIRMATION OF MAYOR'S APPOINTMENTS TO VARIOUS BOARDS AND COMMITTEES

December 4, 2018

Councilmember Schmit moved, seconded by Councilmember Wilken, that Justin Hartman be reappointed to the Park & Recreation Board for a 3-Yr term; that Justin Hartman be reappointed to the Citizen Advisory Review Committee (Economic Development Plan) for a 3-Yr term; that Jeremy Tonniges and Jessica Kolterman be reappointed to the LB840 Sales Tax Application Review Board for Economic Development for a 3-Yr term; and, that Jonathan Jank be reappointed to the Rail Campus Development Review Committee for a 2-Yr term.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton
Nay: None
Absent: None. Motion carried.

ELECTION OF COUNCIL PRESIDENT

Mayor Eickmeier opened up the nominations for Council President. Councilmember Schmit was nominated as Council President. No other nominations were made. Mayor Eickmeier closed the nominations.

Councilmember Beck moved, seconded by Councilmember Wilken, that Councilmember Schmit be elected as Council President.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton
Nay: None
Absent: None. Motion carried.

5-7. CONSENT AGENDA CONSIDERATION ITEMS

The following Consent Agenda items were approved in one single motion made by Councilmember Singleton, seconded by Councilmember Kamprath:

- 5. Claims & Payables Reports
- 6. Seward County Chamber & Development Partnership Report
- 7. Infrastructure Cost Items Reimbursable Back to City

CLAIMS LIST
12-4-18
COUNCIL MEETING

Abbreviations: Bu, Building Upkeep; Eq, Equipment; Ex, Expense; Ma, Maintenance; Mi, Mileage; Misc, Miscellaneous; Re, Repairs; Sa, Salaries, Se, Services; Su, Supplies; Ut, Utilities, CI, Capital Improvements; GU, Grounds Upkeep.

Baldwin Alan	Dues	150.00
Bizco Technologies	Equip	3,404.50
Blue Cross Blue Shield Ne	Ins	53,249.27
Border States Industries	Re, Un, Su, Inv	3,706.80
Campbell Cleaning	Se	975.00
Cattle Bank & Trust	Ins	850.00
Chase Card Service		4,565.91
	Redemption Credit	-236.30
Runza	Meals	231.95
SamsClub	Su	475.68
Walmart	Su	519.33
Lou & Mary Annes Bar	Meals	172.70
Amazon	Equip, Su, Bu	701.18
Durham Ellis	Su	244.76
Talech	Misc	67.00
Microsoft	Software licensing	71.78
Humanities Nebraska	Ex	100.00
WPSG, Inc	Un	317.85
Intl Code Council Inc	Su	73.50

December 4, 2018

Bluebeam Inc	Software licensing	349.00	
Officeworld.com	Su	300.68	
Home Depot	Ma	763.98	
AQ Lighting Online	Bu	-429.98	
Lights4Fun	Bu	81.72	
In Merchant Job Training	Trng	550.00	
BestBuy.com	Ma	186.16	
Seward Lumber	Bu	5.66	
Dollar General	Su	19.26	
City Seward Buildings/Gr	Ma		3,000.00
City Seward Electric Fund	Ut		31,972.97
City Seward Library Petty	Su		154.95
City Seward Payroll Account	Payroll		151,476.19
City Seward Petty Cash Fu	Su, Fees, Misc		245.48
Consolidated Management	Meals		153.24
Continental Fire/Alarm/De	Se		190.00
Core Robert	Misc, Su		46.90
Durre Plumbing	Bu		299.52
Fastenal Company	Su, Tools		48.76
G P M - Justin Meader	Ma		106.00
Galls LLC	Un		405.17
General Fire & Safety Equ	Bu		117.00
Gerhold Concrete Co Inc	Ma		816.63
Great Plains Communication	Se		586.00
Hach Company	Su		252.03
Hireright LLC	Se		250.00
Hoffschneider Law PC LLO	Se		4,500.00
Husker Electric Supply Co	Inv, Re		12,320.66
Hydraulic Equipment Service	Re		139.55
J R Welding Inc	Re		2,254.95
Jacobsen Rock & Gravel	Su		6,681.41
Jones National Bank & Trust	Ins		950.00
Last Mile Network Consult	Se		75.30
Lee's Refrigeration	Ma		19.26
Lincoln Patio & Awning	Gu		270.00
Meyer Automotive	Re		8,990.80
Mid-American Benefits Inc	Ins		1,460.25
Midwest Service & Sales	Su		3,608.84
Municipal Supply Omaha	Ma, Inv		3,396.95
Nebraska Environmental Qu	Trng		250.00
Nebraska Health Environment	Se		653.00
Nebraska Law Enforcement	Se		50.00
Norris Public Power Distr	Ut		1,272.39
Odeys Inc	Eq		802.80
O'Reilly Automotive Inc	Re		95.06
	Gu, Su, Re, Ma, Bu,		
Orscheln Farm & Home	Tools		657.95
Pitney Bowes Reserve Account	Su		4,500.00
Police Chiefs Assoc Of Ne	Dues		100.00
Principal Financial Group	Ins		2,205.17
Quill Corp	Su		234.99
Rose Equipment Inc	Su		917.78
Schulz Ed LLC	Ma		3,062.40
Seward County Chamber & D	Ex, Se		302.53
Supplyworks	Su		119.86
Time Warner Cable	Se		510.39
Todd Valley Farms Inc	Gu		280.00
U S Cellular	Se		221.71
U S Postal Service	Su		4,500.00
Ultramax	Trng, Su		1,063.00
Union Bank & Trust	Ins		600.00
Verizon Wireless	Se		230.07

December 4, 2018

Wake Thomas H III & James	COURSE LEASE	1,950.00
Waldron Christopher	Mi	353.16
Wesco Distribution Inc	Inv, Ci	90,001.98
	CLAIMS TOTAL	<u>\$416,624.53</u>

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Kamprath, Singleton

Nay: None

Absent: None. Motion carried.

8. PUBLIC HEARING - 7:00 PM - CONSIDERATION OF A RESOLUTION AMENDING THE REDEVELOPMENT PLAN DECLARING AN AREA (NW CORNER OF LINCOLN STREET AND N. COLUMBIA AVENUE, DESCRIBED AS: LOTS 1, 2, 3, & 4, DUERR SUBDIVISION, CITY OF SEWARD) AS SUBSTANDARD AND BLIGHTED AND IN NEED OF REDEVELOPMENT

Building/Zoning & Code Enforcement Director Gonzalez stated that RDG Planning and Design completed and presented the Blight and Substandard Study, dated November 8, 2018. The purpose of the study was to determine whether the designated area within the City of Seward meets the criteria outlined in Section 18-2103 of the Nebraska Revised Statutes as blighted and substandard. For the purpose of the study, the following legal description was considered: Lots 1, 2, 3, and 4, Duerr Subdivision, City of Seward, Seward County, Nebraska. Mr. Gonzalez stated, based on the study, the designated area in the study is eligible to be declared as blighted and substandard. Mr. Gonzalez stated the Planning Commission voted unanimously (8-0) to declare the area blighted and substandard and to add the area to the City's redevelopment area map.

Mayor Eickmeier indicated that the consideration before the Council is whether or not to designate the area as blighted and substandard and to add it to the redevelopment map, which would make the area eligible for application of Tax Increment Financing (TIF). He went on to say that while there is a proposed project for this area, the discussion should not be about a specific project or what the property could be used for, but rather whether or not it should be included in the designated redevelopment area for the City and added to the redevelopment map. Mayor Eickmeier stated this started with a request to consider the properties for TIF, but the TIF application for funding will happen later. A vote in favor of designating an area as blighted and substandard does not mean this proposed or any future project will be approved.

Attorney Andrew Willis, Cline Williams Wright Johnson & Oldfather, LLP, 233 S. 13th Street, Lincoln, NE, addressed the City Council stating he represents the City's Community Redevelopment Authority (CRA) and City Council. He stated the City of Seward Planning Commission recommended to the City Council that a specific area be declared blighted and substandard and be added to the redevelopment area map of the City. He stated only after the area is designated as blighted and substandard can a development project be eligible for TIF and the application would come before the Planning Commission, CRA and City Council.

Mr. Willis stated that the maximum area the City could designate as blighted is 35% of the total area within the City limits. Currently, the City has designated 19.56% of the total area as blighted and the proposed area would increase that amount to 19.62%.

Mr. Willis stated that at the Planning Commission meeting, there was a question about the size of this proposed area (small) versus prior areas that were designated as blighted. He stated, typically, a City starts with a redevelopment plan and an area where the City may feel redevelopment is most likely to happen and then add to that area as needed or appropriate. He said the area may shift away from an original area and can even have parts de-designated as blighted and moved to other areas, especially, if bumping up against the 35% cap. The City of Seward started with a redevelopment area (mainly downtown central business area), then added the south corridor and under consideration is the second addition. He said there is no requirement

December 4, 2018

or limitation to the size of an area to be added (must have some uniformity) and it is not uncommon to see the area added driven by a potential project. He added that while the City of Seward has not had a predominantly residential area blighted for purposes of redevelopment, he is seeing this more across the state and LB496 was adopted as a tool within the Community Development Act to enhance development of additional housing across the rural State of Nebraska. He stated he did not see any legal impediments to the area under consideration.

A question was raised as whether any property owner could allow their property to fall to disrepair and then make a request that it be deemed blighted and substandard to get TIF. Mr. Willis stated any property owner could go through the declaration process. The Council would need to choose whether to add it to the redevelopment area. The 35% cap may become a limiting factor to the number of properties that were allowed to be declared in this manner. He continued that it is unlikely that a property owner would meet the eligible uses for TIF just for making repairs to a personal residence.

Mr. Willis summarized the definition for blight and substandard designation regarding objective and subjective criteria (Nebraska State Statute §18-2103). He stated RDG's study determined the properties under review met the objective and subjective criteria and supported being designated as blighted and substandard. Mr. Willis stated that the next step would be to consider adding the area to the existing redevelopment area.

Mayor Eickmeier opened the public hearing.

LaDean Wolf, 422 N 1st St, stated she is uncomfortable with being in an area designated as blighted. She said she would be in favor of condemning any house if it is beyond repair, but is concerned with the precedent set by declaring an entire block for a couple of properties needing repairs. She said there are many areas in town that need something done, but feel the City should step back and look at the process for blighting this neighborhood. She inquired if the process were different if a historic property were involved, but noted she did not know if any of these properties were on the historic register.

Mr. Willis stated the blighted and substandard designation does not affect the property or its use; it is an overlaid designation. If there were a historic property within a blighted area, it would have no effect on the redevelopment area. Mr. Willis went on to say that on any project, TIF is using the increase in valuation to pay for the eligible public improvements (Ex: streets, utilities, etc.). He stated some examples of improvements that are above what is required by property maintenance code and outlined in statute as eligible expenses such as improving energy efficiency, façade improvements, and demolition. He said in order for a project to get TIF, there has to be an increase in valuation and TIF eligible improvements. TIF could be used to renovate a historic building; however, it would have to increase the value to generate enough tax dollars to pay back the improvement bond/loan. Regardless, there would be no effect if it were on the historic registry.

Mayor Eickmeier stated there has always been a stigma with the terms blighted and substandard. The legislators have even discussed changing the terminology. But to date, the definitions remain. He stated the City designated the downtown/commercial business area as blighted, but he does not think of this area as being in poor condition. The blighted designation allows for redevelopment.

Mr. Willis went on to say that outside of the City hearing process, the blighted and substandard designation has no effect on property values unless redevelopment occurs. It doesn't do anything else to the properties involved. Mr. Willis said it is very common for towns to blight the downtown commercial areas. There can be beautiful old buildings with small footprints. There can

December 4, 2018

be thriving business within those areas and still be designated as blighted in order to make improvements for larger lot layout and to improve alleys, streets and to combine buildings for current business needs. He added that he represents 35 communities with their redevelopment processes and there are a lot of residential areas going through redevelopment processes.

Mr. Willis commented that TIF is never considered a main funding source, but is used as gap funding for a project. Due to the limited eligible expenses that TIF can cover, it would never be enough to finance an entire project.

Mayor Eickmeier added that the projects must also meet the statute language that says, "but for TIF financing, the project would not occur".

Mr. Willis responded to a question as to whether a project could end up "upside down" using Tif financing. He stated that the developer estimates the ending valuation of a project (with assistance from the county assessor). If there are changes to the project or there are not enough eligible expenses to get the valuation to the estimated numbers, then there could be a shortage in tax dollars to make the bond/loan payment. In these cases, the developer agrees to pay any shortfall.

Gary Rolf, 404 Lincoln St., spoke in opposition of declaring the area as blighted and substandard. He also spoke in opposition of using TIF dollars for residential housing and did not feel apartments at this location were good for the neighborhood. He questioned the use of the blight study as a means to take action on the properties. He stated the properties do need to be repaired or replaced, but encouraged action toward keeping these as single-family residences. He encouraged the enforcement of housing code compliance by forcing the owner(s) to repair, demolish or sell the properties.

Mark Kolterman, 2577 Waverly Rd., stated he has had the opportunity to serve four years as a Nebraska Senator and they have spent many hours each year looking at TIF legislation. He stated there have been many communities benefitting from using TIF for residential development. He said these properties under consideration need to be repaired. He does not see how someone would not view these properties as blighted and substandard. He added that there are opponents to TIF in general, but the state needs to grow and one way is to find ways to create affordable housing. He said these four properties are in disrepair and it is wonderful that someone has a plan to invest capital in the City to improve these properties. He added that it improves the view from Concordia University and feels it would be a positive change for guests and visitors to the campus. He said the community will have to wait 15 years to get the full tax advantage of the improvements (if TIF is used). If Concordia University purchased the property and built apartments or dorms for students, the property would be removed from the tax base. He encouraged the Council to consider the opportunities here by declaring the properties blighted and substandard.

Thomas Kayton, Plex Homes, LLC, stated he is currently under contract for the four properties reviewed in the blight study, which was paid for by his company. He stated RDG has confirmed the four properties do qualify to be designated as blighted and substandard and he requested the City Council consider moving forward concurring with the study and making the designation.

Mr. Kayton stated he is building six townhomes on Augusta Drive in Seward and understands a need for different types of housing. He said he was interested in R-4 zoned property, which is the only opportunity for a developer to build multi-family housing. He said he searched for in-fill lots, but it is difficult to find large enough lots to do such a project. These four properties are on a main road and across from Concordia University, and the two property owners were interested in selling the lots. Combined, he will have 1.6 acres to work with, which would potentially provide enough space for three apartment

December 4, 2018

buildings.

Mr. Kayton stated TIF is a tool that the State and City provides for developers to utilize and in this case, to provide for needed housing. The proposed plan is to take down the current buildings and the demolition is an eligible TIF expense. Mr. Kayton advised that he understood when he signed the purchase contract that TIF was contingent upon the area being designated as blighted and substandard.

Scott Seevers, 222 Wildwood Rd, stated he is Vice President of Concordia University and stated that it is the desire of the University to not take a position on the item; however, would like to comment on the condition of these properties. He said it is important to provide a good first impression to Concordia as they have between 600-800 visitors each year, plus those attending events. While Columbia Avenue generally makes a good impression, these properties do not. It is important that the area is attractive.

When asked if the University is aware that Mr. Thomas intends to build apartments designed toward student housing, Mr. Seevers stated that they currently have 1,250 undergraduate students enrolled. Students are required to live on-campus the first three years. Currently there are approximately 20% living off-campus. He said they could house an additional 75 students before being at capacity. While they have a goal to grow another 150 students, the current 15-20 year master facility plan does not include anything more than maintaining the current housing. He added that the total college experience includes events and activities outside of the academic realm. Having housing closer to campus may provide the opportunity for greater participation and attendance to these activities and may provide for a safer commute (not walking or driving as far to attend).

Patty Beck, 1631 N. Columbia Avenue, spoke in opposition to designating the area as blighted and substandard and was not in favor of a proposed project of building apartments in the area. She said there is a plan for a parking lot, but rarely is there enough spaces and so the spill-over is to the street and will cause greater congestion on Columbia Avenue. She said she understands these properties to be in bad condition for a long time, but now appears there is some hurry to get the blighted designation. She wants this to remain a residential neighborhood and would not want the designation that would just benefit the developer. She said the City needs to make sure current housing is maintained before approving additional housing. She said there is an interest to preserve the older homes in Seward and the City should look for other funding opportunities to help owners do repairs or help with demolition and to rebuild single-family homes. She said growth is good, but must be done right without jumping at the first developer that shows up with a plan.

Erin Weides, 756 N. 4th Street, stated she is a small business owner in Seward and is passionate about growing Seward. She said she understands the request for designating the area blighted and substandard, but the City needs to consider the ramifications for the entire area. She questioned the timeline of the request to designate the area as blighted and substandard and due process and ability of the homeowners to address the City's formal nuisance order (court action) before considering the designation. She said she is not saying the properties should not be designated as blighted, but feels the process should work itself out. Her final comment was that the apartment rent will have to be pretty cheap to fill with Concordia students.

Rachel Beck, 1631 N. Columbia Avenue, spoke in opposition of designating the properties as blighted and substandard. She said these properties have been in this condition for a long time. She expressed a concern that any developer could come to town, make a complaint about a property, and pay for a blight study just to take over the property. She said it seems anyone could get caught up in a developer's plan to take over a neighborhood with a blighted designation,

December 4, 2018

regardless of the condition of their property.

Building/Zoning & Code Enforcement Director Ed Gonzalez stated the City has received multiple complaints on 645 N. Columbia Avenue. He added that the U.S. Postal Service complained about the safety of the mail carriers; a neighbor complained about rodents and snakes at 34 Lincoln Street, and another complaint came in that there was an RV parked on the property of 645 N Columbia Avenue dumping liquid onto the yard. Mr. Gonzalez added that the gas utility was shut off on 645 N. Columbia Avenue due to the furnace being red-tagged. He said he followed up on each of the complaints and notices for code violations were issued. He stated citations were issued on these properties (and several others), based on Council directive to be proactive in cleaning up chronic problem/nuisance properties, and the County Attorney's office was handling the court process.

Mr. Gonzalez stated there was a demolition permit pulled and paid for on 8 Lincoln Street to remove the porch. He has since been contacted by the contractor that the homeowner (Mrs. Nuttleman) changed her mind and was not going to do the demolition.

Mr. Willis stated that while complaints were made about the properties, and complaints were mentioned in the blight study, the complaints are not the definitive factors in the recommended determination. He said it was the facts that led to the recommendation; furnace condemned, cracked foundation, and overall condition of properties. Nothing precludes the owner from fixing the items mentioned in the study. He said the complaints made are irrelevant to the conclusion and condition of the study and designation. Blight and substandard designation and code enforcement are two different things.

Mayor Eickmeier stated this is not a case of eminent domain on these properties. No one is forcing the owners to sell these properties. If the Council decides to not move forward with the designation, the City will still move forward with getting the properties to meet compliance.

Councilmember Singleton questioned whether this was the first residential property filed in the court system for non-compliance and why these properties were being singled-out.

City Attorney Hoffschneider cautioned the City Council regarding discussing items of potential litigation (nuisance turned over to County Court).

Sandra Nuttleman, 587 Northern Heights Drive, property owner of 34 Lincoln Street, and 8 Lincoln Street, addressed the City Council stating that she pulled the demolition permit prior to entering into negotiations for the sale of the properties and she did not see any sense in making repairs if the properties were to be demolished. She stated she had the fire on the downtown property and all of her other property repairs got put on hold. She spoke in opposition of the proposed apartment buildings on these properties and stated concern that if approved, other properties in the area will decrease in value. She concluded stating she regrets signing the contract to sell the property.

Kristy Dickey, (no address given), stated she recently met with Mr. Kayton regarding his proposed redevelopment plan and reason for blighting the area. She said if the reason to blight the area is just to get the developer money, it is the wrong reason. She said she is ok with the project if he wants to invest his own capital and build the apartments, but does not agree that the area should be blighted just for an advantage to use TIF.

Jessica Kolterman, 1059 Plainview Avenue, stated that the comments seem to have gotten off-track. Regardless of the development that may or may not happen on these properties, the properties meet the designation of blighted and substandard. She supported Mr. Kayton in his interest to invest in the

December 4, 2018

community.

Dale Anderson, 706 N. 1st Street, stated he has not seen the concerns mentioned. The City handles complaints as best they can. He has driven the neighborhood and hasn't seen anything as bad as what was mentioned.

Linda Gierke, 1126 Eastridge Drive, commented on concerns with the process and asked the Council to take their time and think through the request. She understands the Council is being asked to concentrate on the blight issue, but knows the proposed end result if the area is designated as blighted.

Mayor Eickmeier closed the public hearing.

Councilmember Kamprath commented that he appreciated everyone taking time to come and offer their input. He stated his main concern is setting precedent. He said he did not have an issue with apartments; the area is already zoned for this type of housing. He did have concern with the process. In the past, the blighted designation was driven by the City and after being designated, the developer came in with a plan. He said in this case, the developer is driving the plan for the area to be blighted. He said it could lead to all of the properties in need of repair to potentially be determined as blighted. He said he would prefer if the City initiated the process. He said the current property owner appears to be under duress about the project and does not feel comfortable being a part of it.

Mr. Willis commented that there has been mention several times about the "process". He said the City is following the process. There was a notice issued for the public hearing, the hearing is being conducted, and now the City Council is being asked to make the decision. He said the City can choose where to blight and could designate all of the properties in the City that are in disrepair as blighted, but it would not make sense. There is also the issue of the capped designation.

Mayor Eickmeier stated the Council is being asked whether or not to designate the area as blighted and substandard and whether or not to add it to the TIF map. As for any project for the property, that is a whole different process. Additional public hearings would be held by the City Council.

Councilmember Fritz stated he is on the fence about the designation. A concern is not knowing what will happen down the road.

Councilmember Beck stated she believes the property meets the designation as blighted and substandard. She said the City should seriously consider how to move forward with properties that have deficiencies. Maybe a nonprofit could spearhead a preservation project.

Councilmember Miller stated he agrees that it doesn't make sense to pick 35% of the City to blight randomly. Blighting this small area provides an opportunity that may not have been considered. Whether the City leads or not doesn't matter. If there is a developer now, it would make sense to designate the area as blighted. He said it was the City Council's recommendation to have the Building and Zoning Department pick up the process of cleaning up noncompliant properties.

Councilmember Beck introduced the following resolution:

**CITY COUNCIL
OF THE CITY OF SEWARD, NEBRASKA**

RESOLUTION NO. 2018-25

December 4, 2018

****On December 7, 2018, the Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte received a letter from Mayor Eickmeier vetoing the approval of Resolution 2018-25. (Letter to follow)****

A RESOLUTION OF THE CITY COUNCIL OF SEWARD, NEBRASKA DECLARING A PORTION OF THE CITY OF SEWARD, NEBRASKA AS BLIGHTED.

Recitals

A. Pursuant to the Nebraska Community Development Law, Neb. Rev. Stat. §§18-2101 through 18-2154 (the "Act"), the City Council of the City of Seward, Nebraska declared certain portions of the City of Seward to be blighted and substandard and in need of redevelopment pursuant to the Act.

B. RDG Planning & Design prepared an updated 2018 Blight and Substandard Study, which is incorporated hereto as Exhibit "A" (the "Blight and Substandard Study"), focused on certain real estate within the city limits of Seward, Nebraska and legally described as: Lots 1, 2, 3 and 4, Duerr Subdivision, City of Seward, Seward County, Nebraska (the "Subject Property").

C. The Planning Commission recommended that the City Council adopt the Blight and Substandard Study and declare the Subject Property blighted and substandard and in need of redevelopment, as defined in and pursuant to the Act.

D. The City Council held a public hearing on December 4, 2018 relating to the question of whether the Subject Property is substandard and blighted and in need of redevelopment.

E. A notice of public hearing was published in accordance with the Act.

F. The City Council has reviewed the Blight and Substandard Study, the blight and substandard requirements set forth in the Act and the Planning Commission's recommendation.

G. The City Council has duly considered all statements made and material submitted related to the submitted questions.

NOW THEREFORE, it is found and recommended by the City Council of the City of Seward as follows:

A. Substandard Recommendations:

The City Council finds and recommends that:

1. The conditions set forth in the Blight and Substandard Study demonstrate sufficient evidence of substandard conditions in the Subject Property.
2. The Subject Property contains a strong presence of dilapidation, deterioration and aging.
3. The Subject Property contains a predominance of buildings and improvements that are in excess of forty (40) years old and therefore constitute aged or obsolescent buildings and structures within the meaning of Neb. Rev. Stat. § 18-2103(10).
4. If the Subject Property is declared blighted and substandard, a total of 19.62% of the property within the City's corporate limits will be declared blighted and substandard.

December 4, 2018

BE IT RESOLVED, that based on the findings listed in paragraph 1 through 4 above, the City Council declares the Subject Property to be a substandard area within the meaning of the Act and further adopts the Blight and Substandard Study with respect to the Subject Area.

B. Blight Recommendations:

The City Council further finds and recommends that:

1. The conditions set forth in the Blight and Substandard Study demonstrate sufficient evidence of blighted conditions in the Subject Property.
2. The Subject Property contains a strong presence of deteriorated or dilapidated structures, insanitary or unsafe conditions, and deterioration of site or other improvements.
3. The average age of residential or commercial structures in the Redevelopment Area is in excess of forty (40) years.
4. If the Subject Property is declared blighted and substandard, a total of 19.62% of the property within the City's corporate limits will be declared blighted and substandard.

BE IT RESOLVED, that based on the findings in paragraphs 1 through 4 above, the City Council declares the Subject Property to be blighted and substandard with the meaning of the Act and further adopts the Blight and Substandard Study with respect to the Subject Property.

Councilmember Miller moved, seconded by Councilmember Beck that the resolution be adopted.

Aye: Wilken, Schmit, Beck, Miller

Nay: Kamprath, Singleton, Hendrix, Fritz

Absent: None. Mayor Eickmeier voted "Aye". Motion carried.

DATED this 4th day of December, 2018.

CITY COUNCIL OF THE CITY OF
SEWARD, NEBRASKA

Mayor

ATTEST:

Assistant City Administrator/
Clerk-Treasurer/
Budget & HR Director

Exhibit "A"
Blight and Substandard Study

[Blight and Substandard Study]

Councilmember Beck introduced the following resolution:

CITY COUNCIL
OF THE CITY OF SEWARD, NEBRASKA

December 4, 2018

RESOLUTION NO. 2018-

A RESOLUTION OF THE CITY COUNCIL OF SEWARD, NEBRASKA AMENDING THE CITY'S REDEVELOPMENT PLAN TO ADD CERTAIN REAL ESTATE TO THE CITY'S REDEVELOPMENT AREA.

Recitals

A. Pursuant to the Nebraska Community Development Law, Neb. Rev. Stat. §§18-2101 through 18-2154 (the "Act"), the City Council of the City of Seward, adopted a general redevelopment plan for the City of Seward Nebraska (the "Redevelopment Plan"), which is hereby incorporated into this Resolution.

B. The Redevelopment Plan identifies specific real estate in the City of Seward, Nebraska that is blighted and substandard, as defined in and pursuant to the Act, and defines such real estate as the "Redevelopment Area."

C. RDG Planning & Design prepared an updated 2018 Blight and Substandard Study (the "Blight and Substandard Study"), focused on certain real estate within the city limits of Seward, Nebraska and legally described as:

Lots 1, 2, 3 and 4, Duerr Subdivision, City of Seward, Seward County, Nebraska (the "Subject Property")

D. The City Council declared the Subject Property to be designated as blighted and substandard as defined in the Act pursuant to a separate resolution.

E. The Planning Commission recommended that the City Council amend the Redevelopment Plan to include the Subject Property within the legal description of the Redevelopment Area.

F. The City Council held a public hearing on December 4, 2018 relating to the question of whether the Redevelopment Plan should be amended to include the Subject Property within the legal description of the Redevelopment Area.

G. A notice of public hearing was published in accordance with the Act.

H. The City Council has duly considered all statements made and material submitted related to the submitted questions.

NOW THEREFORE, the City Council of the City of Seward finds and recommends as follows:

1. The Subject Property is, or will be, in need of redevelopment to remove blight and substandard conditions identified in the Blight and Substandard Study.
2. If amended to include the Subject Property within the Redevelopment Area, the Redevelopment Plan will, in accordance with the present and future needs of the City of Seward, promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community in conformance with the legislative declarations and determinations set forth in the Act.
3. If amended to include the Subject Property within the Redevelopment Area, the Redevelopment Plan will be in conformance with the general plan for development of the City as a whole, as set forth in the City of Seward Comprehensive Plan.

December 4, 2018

BE IT RESOLVED, that pursuant to the provisions of the Act and in light of the findings in paragraphs 1 through 3 above, the City Council hereby amends the Redevelopment Plan to include the Subject Property within the legal description of the Redevelopment Area.

BE IT FURTHER RESOLVED, the Community Redevelopment Authority and/or the City Clerk are hereby authorized to document the addition of the Subject Property to the Redevelopment Area in any manner that is necessary or convenient.

Councilmember Miller moved, seconded by Councilmember Beck, that the resolution be adopted.

Aye: Wilken, Beck, Miller
Nay: Kamprath, Singleton, Hendrix, Fritz, Schmit
Absent: None. Motion failed.

DATED this _____ day of December, 2018.

CITY COUNCIL OF THE CITY OF
SEWARD, NEBRASKA

Mayor

ATTEST:

Assistant City Administrator/
Clerk-Treasurer/
Budget & HR Director

(Inserted here is an exact copy of said letter on file)

December 7, 2018

RE: Veto of Resolution No. 2018-25

Dear City Clerk Bonnie Otte,

Pursuant to the powers vested in the Mayor of the City of Seward, as defined in Seward Municipal Code Section 85-2.2, I hereby veto City Council Resolution No. 2018-25. The Nebraska State Legislature established the Community Development Law and its ability to provide for Tax Increment Financing (TIF) as a tool for developers and communities to revitalize "blighted" and "substandard" areas. The City of Seward's TIF attorney Andrew Willis did an excellent job explaining the task set before both the Seward Planning Commission and the City Council earlier this week. City Administration, the Council and our Community came together and undertook the process to determine if four (4) parcels of land on the northwest corner of North Columbia and Lincoln Streets met the statutory definition of "blighted" and "substandard", and if so, add them to the City's redevelopment map.

Ultimately, the Council determined that the area was "blighted" and "substandard" but declined to include the area on the redevelopment map, thus excluding it from being eligible for TIF. This decision left the property in redevelopment limbo. To declare an area of our City "blighted" and "substandard" but to deny property owners or potential redevelopers the ability to utilize the economic development tools given to us by the Legislature is inconsistent and creates confusion. Further, it requires City Administration, through

December 4, 2018

institutional memory, to keep track of these properties indefinitely as a "blighted" and "substandard" area because they won't show up on the City's official redevelopment map.

We owe it to the property owners, neighboring residents, governing bodies and boards, and our community as a whole to provide a specific and actionable outcome for troubled properties or areas in need of redevelopment. The discrepancies between the actions taken by the Council on December 4, 2018 do not provide a clearly defined path to these stakeholders.

Therefore, as stated above, I hereby veto Seward City Council Resolution No. 2018-25, thus removing the designation of "blighted" and "substandard" from the properties in question.

I look forward to continued discussions regarding redevelopment within the City of Seward. Seward is a growing community with tremendous potential and therefore, we must continue to work together to meet the needs of our citizens and future residents.

Please pass along this veto to the City Council of Seward as required by our Municipal Code.

Sincerely,



Joshua Eickmeier
Mayor

Email: Councilmember Jonathon Wilken
Councilmember Ellen Beck
Councilmember Sid Kamprath
Councilmember Dean Fritz
Councilmember Karl Miller
Councilmember John Singleton
Councilmember Chris Schmit
Councilmember Alyssa Hendrix
City Attorney Kelly Hoffschneider
City Administrator Greg Butcher

****End of inserted letter****

9. CONSIDERATION OF BID SPECIFICATIONS FOR BUCKET TRUCK FOR ELECTRIC DEPARTMENT

Councilmember Singleton moved, seconded by Councilmember Kamprath, that the bid specifications for an Articulating Telescopic Aerial Device (Bucket Truck) for the Electric Department be approved.

Aye: Wilken, Beck, Fritz, Hendrix, Schmit, Kamprath, Miller, Singleton

Nay: None

Absent: None. Motion carried.

10. CONSIDERATION FOR REPLACING THE EXISTING FLASHING LIGHT BEACON WITH A NEW RECTANGULAR RAPID FLASHING BEACON (RRFB) AT THE SCHOOL CROSSING OF HIGHWAY 15 ON HILLCREST DRIVE

City Engineer Jake Vasa presented a proposal to replace the flashing light beacon at Highway 15 and Hillcrest Drive with a new rectangular rapid flashing beacon. He stated the signage and this type of beacon are outdated and there appears to be better equipment and signage available to make this

December 4, 2018

a safer intersection for pedestrian crossing. He stated the Nebraska Department of Transportation is willing to replace the signage; however, it will be at the City's expense (\$9,746.00). If approved, there is a permitting process required before the beacon could be installed. Mr. Vasa stated there may be other locations in the City where such beacons would be advantageous, but due to cost, he is proposing to start with this intersection.

Doug Gremel, 939 Hillcrest Drive stated this is a very dangerous intersection and suggested moving the crossing light to the north side of the intersection, as opposed to the current location.

Councilmember Singleton inquired whether the proposed beacon could have a color change at different times of day (morning and afternoon for school purposes). Mr. Vasa stated he has not seen one with different lights, but would check into it.

Councilmember Kamprath moved, seconded by Councilmember Schmit, that the existing flashing light beacon at the crossing of Highway 15 on Hillcrest Drive be approved for replacement with a rectangular rapid flashing beacon.

Aye: Wilken, Beck, Fritz, Hendrix, Schmit, Kamprath, Miller, Singleton

Nay: None

Absent: None. Motion carried.

Mayor Eickmeier rearranged the order of the agenda

12. CITY ADMINISTRATOR'S REPORT

Councilmember Wilken moved, seconded by Councilmember Kamprath, that the City Administrator's Report dated December 4, 2018 be accepted.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Singleton, Kamprath

Nay: None

Absent: None. Motion carried.

FUTURE REQUESTS FOR COUNCIL AGENDA ITEMS OR ADMINISTRATIVE ACTION

None

ANNOUNCEMENT OF UPCOMING EVENTS

11. STRATEGY SESSION WITH CITY ATTORNEY TO PROVIDE NEGOTIATION GUIDANCE CONCERNING REAL ESTATE INTERESTS AT THE COMMERCIAL RAIL CAMPUS DEVELOPMENT AREA

At 10:15 p.m., Councilmember Beck moved, seconded by Councilmember Kamprath, that the Council enter into closed session with the Mayor, City Administrator, SCCDP Director Jonathan Jank, City Engineer Jake Vasa, and City Attorney for the protection of the public interest and to discuss the City of Seward Rail Site real estate leasehold interests and to provide the City Attorney with negotiating guidance, for a period not to exceed thirty minutes.

Aye: Wilken, Beck, Fritz, Singleton, Schmit, Hendrix, Kamprath, Miller

Nay: None

Absent: None. Motion carried.

Mayor Eickmeier stated the Council has voted to go into closed session for the protection of the public interest and to discuss the City of Seward

December 4, 2018

Rail Site real estate leasehold interests and to provide the City Attorney with negotiating guidance.

Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte left the meeting. City Administrator Butcher recorded the remainder of the meeting.

At 10:37 p.m., the closed session ended and the following Councilmembers reconvened to regular session: Wilken, Beck, Fritz, Singleton, Schmit, Hendrix, Kamprath, Miller. Absent: None.

Mayor Eickmeier announced that no formal action was taken during the executive session.

MOTION TO ADJOURN

Councilmember Singleton moved, seconded by Councilmember Schmit, that the December 4, 2018 City Council Meeting be adjourned.

Aye: Wilken, Beck, Fritz, Miller, Hendrix, Schmit, Singleton, Kamprath
Nay: None
Absent: None. Motion carried.

THE CITY OF SEWARD, NEBRASKA

Joshua Eickmeier, Mayor

Bonnie Otte
Assistant Administrator
Clerk-Treasurer
Budget & Human Resources Director