

Minutes  
City Council  
January 2, 2018

The City Council of the City of Tecumseh, Nebraska, met in regular session in the Utilities Conference Room at the Utility Shop on the 2nd day of January, 2018, at 7:00 p.m., in a publicly convened session, the same being open to the public and having been preceded by advance publicized notice, a copy of the same being annexed to the minutes of the meeting as Attachment #1, said attachment showing how the availability of an agenda of then known subjects was communicated and the time and specific place of the holding of this notice, the same having been transmitted to each Council Member simultaneously. The Mayor presided and the City Clerk recorded the proceedings.

**Routine Business**

The following Council Members were present: Travis Goracke, Jesse Grof, Kim Jansen, Tim Kluck, and Jim Reed. Absent: Jim Philippi. Others present: 1 Staff, City Attorney, 1 member of the media, and 1 guest.

Meeting called to order at 7:01 P.M.

Mayor Montz read a statement of availability of current copy of Open Meeting Act.

Additions or Corrections to Agenda – Agenda revised 12/29/17 and re-posted.

**Regular Agenda**

Johnson County Sheriff Report – Report received.

**Public Hearing of the Community Development Agency and City Council**

Public Hearing on a) Declaration of an area of the City as blighted and substandard and in need of redevelopment pursuant to the Nebraska Community Development Law (Redevelopment Area), b) Adoption of a redevelopment plan for the Redevelopment Area (the Redevelopment Plan for Redevelopment Area #5), c) Adoption of an amendment to the Redevelopment Plan for Redevelopment Area #5 to incorporate the Shawnee Ridge Redevelopment Project.

Hearing opened at 7:03 p.m.

City Attorney, Bruce Dalluge reviewed the purpose of the hearing, reviewed the Blight & Substandard Study results and the factors reviewed. He explained that this is a good thing for the City to do to open up opportunity for future development. He reviewed the proposed General Redevelopment Plan and recommendations included in the plan. He reviewed the Amendment for the Shawnee Ridge Redevelopment Project and the possible 36 housing units proposed. Indicated the City would work on the terms of an agreement with a developer in the coming months if the plans were approved. Tom Huston (TIF Attorney) described how TIF can help towns deal with housing shortages. He reviewed the criteria for Blight & Substandard conditions and the recommendations of the study – one statistic from the study is the 60% of structures in the proposed area are over 40 years old. He indicated that the new area consists of about 203 acres, when added to the other Blight & Substandard Areas of Tecumseh would total 360 acres – which is only 38% of the City (we are allowed up to 50%).

Council Comments – Discussion whether there would be restrictions on the developer on the type of house built. Bruce & Tom indicated that the land lots already have some covenants/restrictions on them – the City would only have building codes to fall back – otherwise the City does not dictate how or what kind of house someone builds. Homes of about \$175,000 are planned. The homeowner is always responsible for maintenance, upkeep and condition of their homes, not the City. Discussed why some of the older residential areas are included in the Blight & Substandard area proposed. Bruce indicated that this area includes several vacant lots and homes over 40 years old that could benefit from the designation and make the are eligible for rehab or improved infrastructure. Bruce further explained how the TIF funding works and Tom discussed what TIF funds can be used for (land acquisition, infrastructure, etc.). Discussed what happens if the developer goes broke – the City is not out anything because we are only obligated to pay the developer the “actual” amount of taxes paid on each property – not the projected amounts. So if a house does not sell it is the developer who is out the money, not the City. Discussed if TIF ends after each house sold – No. We repay the incremental taxes for the term of the TIF agreement (up to 15 years) – this repays the developer for the upfront costs they paid out to get things started. We repay the incremental taxes for the entire term of the agreement.

Public Comments – Would like to see additional house built there, but do not want to see a bunch of new, vacant houses. Tom explained that the developer will only build the first phase and then sell those before starting a new phase. The developer needs to sell the houses – they are losing money as long as they are vacant – they will be pushing to get them sold as fast as possible. Question about how current properties would be affected by a TIF project – if they wanted to make an improvement (like a garage or shed), would that additional tax be part of the TIF. No, it will not – the specific development plan outlines the specific lot numbers that would be included in the TIF – no currently developed lots would be included, only vacant lots.

Hearing closed at 8:16 p.m.

### **Regular Agenda (continued)**

#### City Clerk Report

- a. Committee Meeting Report - A summary of committee meeting actions was provided in the council packets.

Street Department Report – No staff report.

Economic Development Report – No staff report.

Utility Department Report – Lisa Beethe reported on proceedings of the Board of Public Works meeting. She reported that the fluoride samples were improved and that they are working to repair some leaks in some chlorine pump joints. They did some tree trimming, snow removal, and are working on an engine monitoring plan with Olsson Associates. They ran the engines for an OPPD test for a week and ran two 12-hour shifts during this test. The power outage was caused by a bad switch at the power plant. They were able to install a spare switch to restore power and will be discussing purchasing a couple of new switches – will get price quotes and build time estimates for this. They approved combining the Tecumseh Poultry dedicate feed project as part of the base bid for the 12.5 KV Electrical Upgrade project. They approved rebuilding the substation breaker, a booster pump replacement for \$5,125, and an agreement with Olsson Associates for \$8,000 for RICE NESHAP Catalyst Recertification (5-year engine testing). They also approved the staff recommended health insurance plan with United Healthcare – Plan AU-QB – about 3.1% overall increase. And a claim due to the power outage was withdrawn. Staff also reviewed some bank CD maturity options and plans to shift funds.

Parks Department Report – Lisa indicated that the bridge planks should be arriving shortly – we received an invoice and will pay it upon receipt of planks.

Resolution # 2018-1 of the Community Development Agency of the City of Tecumseh, Nebraska making a recommendation to the City Council of the City of Tecumseh, Nebraska with respect to the declaration of a portion of the City of Tecumseh, Nebraska, as blighted and substandard and with respect to the approval of a Redevelopment Plan for the City of Tecumseh, Nebraska. Motion by Grof, second by Goracke to approve the resolution of the Community Development Agency as presented. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Resolution #2018-1 of the City Council of the City of Tecumseh, Nebraska, declaring a portion of the City of Tecumseh, Nebraska to be blighted and substandard and approving a Redevelopment Plan for the City of Tecumseh, Nebraska. Motion by Reed, second by Grof to approve the resolution of the City Council as presented. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Resolution #2018-2 of the Community Development Agency of the City of Tecumseh, Nebraska, approving an Amendment of the Redevelopment Plan of the City of Tecumseh and a cost-benefit analysis for the Shawnee Ridge Development Project. Motion by Grof, second by Kluck to approve the resolution of the Community Development Agency as presented. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Resolution #2018-2 of the City Council of the City of Tecumseh, Nebraska, approving an amendment to the Redevelopment Plan of the City of Tecumseh, Nebraska, and a cost-benefit analysis for the Shawnee Ridge Redevelopment Project. Motion by Grof, second by Goracke to approve the resolution of the City Council as presented. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Health Insurance Renewal – Staff held a meeting with Brad Swiggart from Northwestern Mutual (insurance broker) to review renewal options. Staff agreed to United Healthcare option AU-QB – which will be a 3.1% increase overall. Motion by Grof, second by Goracke to renew with United Healthcare Plan AU-QB as recommended by staff. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Resignation of Jim Philippi as Council Member in Ward #1(effective 1/1/18) and declare a vacancy – Motion by Grof, second by Reed to accept the resignation and declare a vacancy. Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

### **Consent Agenda**

Motion by Reed, second by Grof to approve the Consent Agenda as follows:

1. Approve minutes of the December 4, 2017 meeting.
2. Pay bills for City Funds

Voting Aye: Goracke, Grof, Jansen, Kluck, Reed. Voting Nay: None. Not Present: Philippi. Motion Carried.

Meeting adjourned at 8:32 P.M.

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Lisa Beethe, City Clerk

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William J. Montz, Sr., Mayor