

CITY OF NORFOLK, NEBRASKA

The Mayor and City Council of the City of Norfolk, Nebraska met in regular session in the Council Chambers, 309 North 5th Street, Norfolk, Nebraska on the 4th day of March, 2024, beginning at 5:30 p.m.

Following a moment of silence and the Pledge of Allegiance to the flag of the United States of America, Mayor Josh Moenning called the meeting to order. Roll call found the following Councilmembers present: Corey Granquist, Frank Arens, Justin Webb, Thad Murren, Justin Snorton, Shane Clausen and Kory Hildebrand. Absent: Andrew McCarthy.

Staff members present were: City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, City Clerk Brianna Duerst, Administrative Secretary Bethene Hoff, Public Works Director Steve Rames, Assistant City Engineer Anna Allen, Operations Manager Lyle Lutt, City Planner Val Grimes, Information Systems Manager Brad Andersen, Programmer/Analyst Leon Gentrup, Streets Manager Will Elwell, Street Maintenance Supervisor Matt Ernesti, Communications Manager Nick Stevenson, Parks and Recreation Director Nathan Powell, Parks and Recreation Assistant Director PJ Evans, Economic Development Director Candice Alder, Economic Development Coordinator Mikah Wheeler, Fire Chief Tim Wragge, and Police Chief Don Miller.

The Mayor presided and the City Clerk recorded the proceedings.

The Mayor informed the public about the location of the current copy of the Open Meetings Act posted in the City Council Chambers and accessible to members of the public.

Notice of the meeting was given in advance thereof by publication in the Norfolk Daily News, Norfolk, Nebraska, the designated method of giving notice, as shown by affidavit of publication.

Notice was given to the Mayor and all members of the Council and a copy of their acknowledgement of receipt of notice and agenda is attached to the 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 public.

Agenda Motions

Councilmember Granquist moved, seconded by Councilmember Snorton to approve the consent agenda as printed. Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy.

Councilmember Granquist moved, seconded by Councilmember Arens to adopt the full agenda as printed. Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy.

Consent Agenda Items Approved

Minutes of the February 20, 2024, City Council meeting

February sales tax report (December sales)

Brittany Melby to hold a fireworks display on Sunday, April 28, 2024, at Midtown Event Center, 1102 Riverside Boulevard, for a special event

Our Savior Lutheran Church, a Nebraska Nonprofit Corporation, agreement allowing the use of a portion of South 25th Street for the purpose of holding a "Rise N Run" 5K run on Saturday, March 30, 2024

Luis Cortez, doing business as Norfolk Adult Soccer League, agreement allowing the use of multi-purpose fields located on North Pine Park and a soccer field in Veterans Memorial Park for the League's practices, games, and tournaments during their 2024 summer/fall season from April 21, 2024 through December 31, 2024

Norfolk Lions Club, Inc., a Nebraska Nonprofit Corporation, agreement allowing the use of Norfolk Pedal Park for a Big Wheel race on Saturday, May 18, 2024

Parks and Recreation Board report from February 22, 2024

Special Designated Liquor License for District Event Center, to serve beer, wine and distilled spirits outside of District Event Center, 218 W Norfolk Avenue, on May 5, 2024, from 9:00 a.m. to 10:00 p.m. for a Cinco De Mayo Celebration

Resolution No. 2024-10 approving RAR Enterprises, LLC, dba Founders, 501 Norfolk Ave, Suite #110, as a satellite location of Endgame Lottery Services, dba Big Red Keno, for the Norfolk Keno Lottery

Bills in the amount of \$1,478,247.22

Public Hearings and Related Items

Public Hearing

(RAR Enterprises, LLC, dba Founders, Class C liquor license application)

A public hearing was held to consider a Class C (beer, wine, distilled spirits, on and off sale) liquor license application for RAR Enterprises, LLC, dba Founders, 501 West Norfolk Avenue Suite 110, and the manager application of Miranda L. Bright. City Clerk Brianna Duerst provided information to the Mayor and City Council. This location is currently licensed but the business was recently sold, requiring a new license under the new ownership.

No one appeared either in favor of or in opposition to the liquor license application and manager application and the Mayor declared the hearing closed.

Resolution No. 2024-11

(RAR Enterprises, LLC, dba Founders, Class C liquor license application)

Councilmember Arens moved, seconded by Councilmember Murren, for adoption of Resolution No. 2024-11 approving the Class C (beer, wine, distilled spirits, on and off sale) liquor license application for RAR Enterprises, LLC, dba Founders, 501 West Norfolk Avenue, Suite 110, and the manager application of Miranda L. Bright.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Resolution No. 2024-11 was adopted.

Public Hearing

(Par.Lor & Libations LLC, zone change, 714 West Norfolk Avenue)

A public hearing was held to consider a zone change from I-1 (Light Industrial District) to C-2 (Central Business District) on property addressed as 714 West Norfolk Avenue at the request of Par.Lor & Libations LLC. City Planner Valerie Grimes provided information to the Mayor and City Council. The applicant wants to tear down an old building and put up a new building that has retail on the first floor and residential above, which is outright permitted in the C-2 zoning district.

On February 21, 2024, the Norfolk Planning Commission held a public hearing regarding the zone change request. The City Clerk read the Planning Commission's recommendation for approval into the record.

No one else appeared either in favor of or in opposition to the zone change and the Mayor declared the hearing closed.

Ordinance No. 5869

(Par.Lor & Libations LLC, zone change, 714 West Norfolk Avenue)

Councilmember Arens introduced, seconded by Councilmember Clausen, Ordinance No. 5869 entitled: and moved that the ordinance be passed on first reading. Said ordinance was then read into the record by title by the City Clerk.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Ordinance No. 5869 passed on first reading.

Councilmember Granquist moved, seconded by Councilmember Snorton, that the statutory rule requiring reading on three different days be suspended.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. The motion to suspend the rules was adopted by three-fourths of the Council and the statutory rule requiring reading on three different days was suspended for consideration of said ordinance.

Thereafter Councilmember Granquist moved, seconded by Councilmember Snorton, that the statutory rules requiring reading on three different days be suspended and for final passage of the ordinance. The Mayor then stated the question "Shall Ordinance No. 5869 be passed and adopted?"

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. The passage and adoption of said ordinance having been concurred in by a majority of all members of the Council, the Mayor signed and approved the ordinance and the City Clerk attested the passage and adoption of the same and affixed her signature thereto. The Mayor then instructed the City Clerk to publish said Ordinance No. 5869 as required by law.

Public Hearing

(BAS Holding, LLC, zone change, 2200 South Victory Road)

A public hearing was held to consider a zone change from A (Agricultural District) to I-1 (Light Industrial District) on property addressed as 2200 South Victory Road at the request of BAS Holding, LLC. City Planner Valerie Grimes provided information to the Mayor and City Council.

On February 21, 2024, the Norfolk Planning Commission held a public hearing regarding the zone change request. The City Clerk read the Planning Commission's recommendation for approval into the record.

No one else appeared either in favor of or in opposition to the zone change and the Mayor declared the hearing closed.

Ordinance No. 5870

(BAS Holding, LLC, zone change, 2200 South Victory Road)

Councilmember Arens introduced, seconded by Councilmember Granquist, Ordinance No. 5870 entitled: and moved that the ordinance be passed on first reading. Said ordinance was then read into the record by title by the City Clerk.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Ordinance No. 5870 passed on first reading.

Councilmember Granquist moved, seconded by Councilmember Hildebrand, that the statutory rule requiring reading on three different days be suspended.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. The motion to suspend the rules was adopted by three-fourths of the Council and the statutory rule requiring reading on three different days was suspended for consideration of said ordinance.

Thereafter Councilmember Granquist moved, seconded by Councilmember Hildebrand, that the statutory rules requiring reading on three different days be suspended and for final passage of the

ordinance. The Mayor then stated the question "Shall Ordinance No. 5870 be passed and adopted?"

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. The passage and adoption of said ordinance having been concurred in by a majority of all members of the Council, the Mayor signed and approved the ordinance and the City Clerk attested the passage and adoption of the same and affixed her signature thereto. The Mayor then instructed the City Clerk to publish said Ordinance No. 5870 as required by law.

Public Hearing
(Workforce Housing Incentive Plan)

A public hearing was held to consider the adoption of a Workforce Housing Incentive Plan to allow for the use of Tax Increment Financing (TIF) for new construction activities for workforce housing as defined by thresholds set forth by the Nebraska Department of Economic Development and the Nebraska Community Development Law. Economic Development Director Candice Alder provided information to the Mayor and City Council. This resolution would allow Tax Increment Financing (TIF) to be used for new construction as long as the per unit price for the housing units falls within the thresholds defined by the Nebraska Department of Economic Development. The most recent guidelines indicate a maximum construction cost of \$300,000 for owner -occupied units and no more than \$235,000 per unit for rental housing units.

The city's process will not change as it relates to redevelopment plans; this just widens the potential uses for TIF to include new construction as long as it stays within those thresholds. As with all TIF projects, developers seeking to use TIF must present a redevelopment plan or submit a micro-TIF application as well as disclose a detailed project budget and provide the CDA with actual costs for the completed project.

Mark Otto, 1652 Woodsvew, Lincoln, developer on 1st Street and Norfolk Avenue project, said they requested this option be considered by Council to utilize it for their project. Otto said this Workforce Housing option for TIF is designed to bring in housing that's affordable. Otto discussed the proposed project at 1st Street and Norfolk Avenue, which will contain 130 dwelling units and retail space, and enhance the living experience for people in Norfolk. Otto said he has utilized the Workforce Housing TIF option in both Sydney and Holdredge. Otto did note that land is not included in the DED threshold.

No one else appeared either in favor of or in opposition to the Workforce Housing Incentive Plan and the Mayor declared the hearing closed.

Resolution No. 2024-12
(Workforce Housing Incentive Plan)

Councilmember Granquist moved, seconded by Councilmember Murren, for adoption of Resolution No. 2024-12 approving the adoption of a Workforce Housing Incentive Plan to allow for the use of Tax Increment Financing (TIF) for new construction activities for workforce housing as defined by thresholds set forth by the Nebraska Department of Economic Development and the Nebraska Community Development Law

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Resolution No. 2024-12 was adopted.

Regular Agenda Items

Advertise for bids, Fire and Police Roof Replacement projects

Councilmember Hildebrand moved, seconded by Councilmember Snorton, for approval to advertise for bids for the Fire Station and Police Station Roof Replacement projects. Fire Chief Tim Wragge provided information to the Mayor and City Council. The Police Station and Fire Station 1 roofs completed in 2008 are reaching end of life, and there have been notable issues especially at the Police Station. The Police Station roof will be the priority, with the Fire Station roof to follow.

Councilmember Murren declared a conflict of interest and abstained from discussion and action.

Roll call: Ayes: Granquist, Arens, Webb, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Abstaining: Murren. Motion approved.

Advertise for bids

(Paving District No. 521, Norfolk 140 Subdivision, project)

Councilmember Arens moved, seconded by Councilmember Webb, for approval to advertise for bids for the Paving District No. 521 (Norfolk 140 Subdivision) project.

Assistant City Engineer Anna Allen provided information to the Mayor and City Council. This paving district includes paving South 43rd Street from existing approach on West Norfolk Avenue (Highway 275) south approximately 750 feet, Madison Avenue from South 43rd Street east 1400 feet to South 40th Street, 40th Street from Madison Avenue in Fountain Point Addition south 225 feet to the easterly extension of Madison Avenue in Norfolk 140 Subdivision, right turn lane to 43rd Street on the east bound lanes of Highway 275, and the realignment of 320 feet of a private drive to meet Nebraska Department of Transportation access restriction requirements. A bid letting is tentatively scheduled for this spring with Council approval of the lowest responsive and responsible bidder following.

Jim McKenzie, 1412 Longhorn Drive, asked about the dollar amount anticipated from CHAF that will not be assessed. Public Works Director Steven Rames said the city will pay for the cost of the intersection and a cost share on the box culvert. Everything else will be assessed to the adjacent property owners.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Motion approved.

Advertise for bids
(Sewer District No. 255, Norfolk 140 Subdivision, project)

Councilmember Granquist moved, seconded by Councilmember Snorton, for approval to advertise for bids for the Sanitary Sewer Extension District No. 255 (Norfolk 140 Subdivision) project. Assistant City Engineer Allen provided information to the Mayor and City Council. This sanitary sewer district includes construction of a 12-inch PVC sanitary sewer main along with necessary appurtenances extending south along 40th Street approximately 255 feet, west at the intersection of 40th Street and Madison Avenue approximately 1400 feet to 43rd Street, and north on 43rd Street approximately 375 feet.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Motion approved.

Advertise for bids
(Water District No. 128, Norfolk 140 Subdivision, project)

Councilmember Snorton moved, seconded by Councilmember Murren, for approval to advertise for bids for the Water Main Extension District No. 128 (Norfolk 140 Subdivision) project.

Assistant City Engineer Anna Allen provided information to the Mayor and City Council. This water district includes construction of a 10-inch DIP water main together with necessary appurtenances extending west along Madison Avenue approximately 1400 feet from 40th Street to 43rd Street, and north along 43rd Street approximately 840 feet to Highway 275.

A bid letting is tentatively scheduled for this spring with Council approval of the lowest responsive and responsible bidder following.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Motion approved.

Submit grant application LENRD Recreation Area Development Program
(Liberty Bell Park picnic shelter and restroom)

Councilmember Snorton moved, seconded by Councilmember Granquist, for approval to submit a grant application to the Recreation Area Development Program of the Lower Elkhorn Natural Resources District (LENRD) in the amount of \$30,000 to go towards a picnic shelter and restroom at Liberty Bell Park and for the Mayor to sign all contracts and documents related to the grant.

Parks and Recreation Director Nathan Powell provided information to the Mayor and Council. This grant requires a 50% match. Matching funds will come from existing project funds to install a restroom at Liberty Bell Park. The current budget is \$200,000, the \$30,000 in grant funds would be added to the existing budget to install a restroom and a shelter.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Motion approved.

Huff Construction Contract
(Ta-Ha-Zouka team lockers)

Councilmember Arens moved, seconded by Councilmember Hildebrand, for approval of a Standard AIA Design Build Contract with Huff Construction for the Team Lockers at Ta-Ha-Zouka

Parks and Recreation Director Nathan Powell provided information to the Mayor and Council. This is funded through partnerships with Norfolk Public Schools, Northeast Community College (\$400,000 each) and the Mahlon B. Kohler estate donation (\$550,000). The expected team locker design will include lockers for the home and away teams and one set of restrooms and ADA sidewalks. The locker rooms will have retractable walls to allow us to open the room into a two-lane batting cage in the winter and use for youth programs, as requested by the Kohler Estate. The entire facility will be available year-round. This process allows us to conduct a preliminary design before returning to council with an amendment to complete the full project of \$1.35 million. The preliminary design phase is not to exceed \$30,000.

Councilmember Murren declared a conflict of interest and abstained from discussion and action.

Roll call: Ayes: Granquist, Arens, Webb, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Abstaining: Murren. Motion approved.

Façade Improvement Program guidelines

Councilmember Snorton moved, seconded by Councilmember Hildebrand, for approval of the Façade Improvement Program guidelines for the City of Norfolk, Nebraska Downtown Revitalization grant.

Economic Development Director Candice Alder provided information to the Mayor and City Council. In November 2023, the City was awarded \$435,000 in CDBG Downtown Revitalization (DTR) funds from the Nebraska Department of Economic Development. Of the \$435,000 in funds, \$310,000 are allocated to the downtown façade improvement program.

The proposed Façade Improvement Program will operate very similar to the 2017 grant where applicants can apply for funds to improve façade features such as awnings, windows, doors, signage, or restoration activities such as tuck pointing. The program requires a 1:1 match from the property owner or business that is applying. Applications will be reviewed by a Design Advisory Board appointed by the Vehicle Parking District. The program is designed to forgive loans over a five-year period. The maximum request is \$25,000 per application. If there are any unused funds, staff would look at presenting an alternative project to the Nebraska Department of Economic Development, but it would ultimately be up to them how those remaining funds would potentially be used.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy. Motion approved.

Rutjens Construction, Inc. contract
(Water District No. 129, North Highway 81, project)

Councilmember Granquist moved, seconded by Councilmember Murren, to approve to award a contract to Rutjens Construction, Inc. of Tilden, Nebraska, for the Water Extension District No. 129, North Highway 81 project for an amount of \$320,035.00.

Water and Sewer Director Chad Roberts provided information to the Mayor and Council. This project consists of approximately 1700' of 8" water main and approximately 250' of 6" water main with all needed appurtenances. On February 26, 2024 two bids were received. The other bidder was Penro Construction Co., Inc. of Pender, NE for \$437,672.60. The low bid is within the engineer's estimate. The project is expected to take 6-8 weeks, weather dependent. A majority of the project will be assessed to adjacent property owners as there will be very little oversize costs.

Roll call: Ayes: Granquist, Arens, Webb, Murren, Snorton, Clausen and Hildebrand. Nays: None. Absent: McCarthy.

Resolution No. 2024-13
(submit Extremely Blighted Determination Study)

Councilmember Snorton moved, seconded by Councilmember Murren, for adoption of Resolution No. 2024-13 approving to authorize submittal of an Extremely Blighted Determination Study for a site located at approximately 105 East Norfolk or the northeast corner of North 1st Street & East Norfolk Avenue.

Kurt Elder, 5501 T St, Lincoln, presented the study he completed to determine if the area already declared Blighted and Substandard located at approximately 105 East Norfolk (NE corner of N 1st & East Norfolk Ave) meets the Legislative requirements to be declared Extremely Blighted. Elder explained that poverty and unemployment data are used to determine extreme blight. The area must have an average 20% poverty rate and be double the state's average unemployment rate.

Extreme blight has three main incentives. 1) It allows the applicant to access an additional five years of TIF to cashflow a project; 2) it allows a homeowner to apply for a \$5,000 earned income tax credit; and 3) extreme blight does not count toward the city's max blight capacity.

Scott Williams, 1111 Nebraska Avenue, spoke in support of the extreme blight declaration and said the "but-for" clause applies as the project will not move forward without the use of TIF.

Mark Otto, 1652 Woodsvew, Lincoln, developer, reviewed the proposed project and explained why he chose Norfolk to do this type of development, and the need for the extreme blight designation to make the project happen.

Jim McKenzie, 1412 Longhorn Drive, expressed concern with the use of TIF and said he would like to see the project happen without a significant TIF incentive. McKenzie said allowing TIF to be used for the project will bind future City Councils to not collect property taxes on this area for 20 years. McKenzie said Norfolk is continuously TIFing all significant developments and those tax revenues are not coming in for 15 or 20 years and questioned how the shortfalls in property tax will be addressed. McKenzie urged elected officials to use caution on this decision.

Mayor Moenning noted that the current base value of the property tax will still be paid to taxing entities, it is just the incremental taxes that go back to the developer.

Councilmember Clausen noted that nothing has happened on this property for nearly 14 years. The chances of it getting developed without the use of TIF is pretty slim. The bulk of the investment is coming out of the developer's pocket and will be a benefit to the city and its citizens.

McKenzie questioned when we continue to TIF everything, where we are going to get the revenues to run the city.

Economic Development Director Candice Alder reviewed business and industry investment in the city (over \$50,000). Since 2017, we have seen \$395,729,000 of new construction investment. Of that, \$19.5 million was TIF. Remodel investment totaled \$97 million. Of that, about \$6.5 million was TIF.

City Administrator Andy Colvin said, when developers are looking at TIF, state law requires them to go through an analysis and provide that without the TIF incentive, the project isn't possible. Without incentives like TIF, that investment is not going to happen.

Otto said the project will not happen with a 15-year standardized TIF. It needs to be extreme blighted to make the project happen. Otto said the sales tax on the project will outweigh the current property tax. Construction is slated to begin June 19, 2024, with a goal to be finished by November 1, 2025.

Steve Sunderman, 438 1/2 W Norfolk Avenue, Greater Norfolk Economic Development Foundation member, spoke in favor of the extreme blight determination. Sunderman noted there were other developers that looked at this property that couldn't make it viable.

Paul Medelman spoke in support of the developer and said the TIF is just affording the developer the opportunity to do the project, and they are investing significant capital. Medelman noted he would not have started the Medelman's Lake development without TIF.

Roll call: Ayes: Granquist, Arens, Murren, Snorton, Clausen and Hildebrand. Nays: Webb. Absent: McCarthy. Resolution No. 2024-13 was adopted.

There being no further business, the Mayor declared the meeting adjourned at 7:38 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk

(S E A L)

I, the undersigned Clerk, hereby certify that the foregoing is the full, true and correct original document of proceedings of Monday, March 4, 2024, had and done by the Mayor and City Council; that all of the subjects included in the proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to the meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the said minutes 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.

Brianna Duerst
City Clerk

(S E A L)