

WORK SESSION

The Mayor, City Council and City staff of the City of Norfolk, Nebraska met on Monday, July 18, 2022, beginning at 4:00 p.m. in the City Council Chambers, 309 N 5th Street, Norfolk, Nebraska.

The following elected officials were present: Mayor Josh Moenning, Councilmembers Frank Arens, Shane Clausen, Corey Granquist, Kory Hildebrand, Gary L. Jackson, Andrew McCarthy and Rob Merrill. Absent: Thad Murren.

Staff members present were City Administrator Andy Colvin, City Attorney Danielle Myers-Noelle, City Clerk Brianna Duerst, City Planner Val Grimes, Finance Officer Randy Gates, Economic Developer Candice Alder, City Engineer Steven Rames, Assistant City Engineer Anna Allen, Communications Manager Nick Stevenson, Director of Administrative Services Lyle Lutt. Also present were Dan Geary, Randy Neuharth, Terri Wachter, Judy Grasshorn and Amy Sisson with Norfolk Airport Authority, Ryan Hansen with HDR, Reverend Wilke and Grant Schmidt with Orphan Grain Train, Jerry Guenther with Norfolk Daily News, Mike Anderson via phone and Nicolette Geiger.

Notice of the meeting was given in advance by publication in the Norfolk Daily News, and notice of the meeting was given to the Mayor and all members of the Council prior to the meeting.

The Mayor presided and the City Clerk recorded the proceedings.

The Council President informed the public about the location of the current copy of the Open Meetings Act accessible to members of the public.

Airport Strategic Plan

Dan Geary, Norfolk Airport Authority Chairman, said they are looking to expand and said at last year's budget review session there was a request to do a strategic plan.

Ryan Hansen, Airport Engineer with HDR, said HDR was contracted to complete a strategic plan and advance concepts of an improved terminal building. Hansen discussed an economic impact study that was done to show the direct, indirect and induced economic impacts that aviation has on the state of Nebraska. Used to measure the benefits provided by the state's airport system. Norfolk Regional Airport – \$13.6 million per year, 5th highest in Nebraska. Norfolk's airport is used for agriculture, medical transport, local industry, cross country fuel stop and air cargo. A 5% increase in economic impact equates to an additional \$678,000 of annual impact to the Norfolk area.

Hansen discussed the Airport Strategic Plan – mission, vision and values. Worked with committee to complete SWAT analysis to determine mission, vision and value statements for the airport. Goals – secure new commercial aeronautical operators; establish partnership with local organizations and educational institutions; leverage local, state and federal funding mechanisms; and develop a comprehensive marketing and community outreach program.

Hansen discussed an overview of existing facilities at the airport and an alternative of where a new terminal could go. Existing facility has no observed structural defects, roof is in good condition, windows need replaced and building systems due to age, code compliance issues, additions that are in poor condition and would need to be removed. Full interior renovation would be recommended. Viable option to restore the building. While everything could fit, looked at option to add addition. Space needs may not be met with just the renovation option.

Hansen discussed a new site alternative. This option involves a fair amount of site work but would meet the vision and objectives of project.

Third alternative combines new site and renovation – hybrid alternative – construct new facility with less square footage and light renovation of existing facility. Presented and discussed renderings of hybrid alternative – 2-story space.

Community impact – attractive “front door” to Norfolk community. Increase airport revenues, visitors and economic impact.

Cost estimate:

• Construct Terminal Building	\$3,122,300
• Renovate Existing Terminal Building	\$808,200
• Construct 12,000 sq. ft. hanger	\$2,639,300
• FAA Bipartisan Infrastructure Law Funding for Hanger	(\$1,475,000)
• Extend utilities to site	\$466,600
• Architect/Engineering	<u>\$627,600</u>
• Total Investment (local share)	\$6,189,000

Councilmembers sought clarification on increased economic impact in relation to additional tax revenues. Hansen said having a positive impression of Norfolk by highlighting the assets of the airport is a reason for people to come to Norfolk’s airport. Hansen also noted Norfolk’s two long runways stands out as a good economic driver, as they are large enough to accommodate larger aircrafts than other airports in the area.

Moening asked if the proposed hanger would meet or exceed existing demand. Geary said all current hangers have been filled.

Moening asked if the potential FAA funding was restricted to just hanger space. Hansen said money can be used for several things, hangers being one of them. Have encouraged using these funds for the hangers because that type of opportunity for federal funding does not come along very often.

Moening asked if there was a model considered when designing hybrid facility. Hansen said HDR has recently worked on other facilities across the state and looked at completed buildings to drive concept.

Hildebrand asked if Norfolk's hanger and fuel fees are adequate to other airports of this size. Geary said rates here are purposefully set at a competitive rate to draw people to Norfolk. Hansen said a lot of airports have large sections of unused land. That land becomes attractive for various industrial uses, which can be lucrative. As the airport is funded by the FAA, when the land is sold, proceeds need to be reinvested back into the airport. While not directly related to this project, this is an optional way to add funds.

Temporary Emergency Housing

City Administrator Andy Colvin said this is a follow up discussion to subcommittee meeting where there was conversation and presentation from Mike Anderson, who is working with Ukrainian refugees. Anderson is trying to find opportunities for refugee families to get to Norfolk. The conversation came down to the acquisition of the Behavioral Health facility and the option to convert property for temporary housing for refugee families with the ultimate goal of getting them integrated into the community. Conversation centered on city's role and if there is an opportunity for city to acquire property once no longer being used for this purpose. Subcommittee members did not wish to continue with that option. Since then, there has been other discussion. Colvin said the purpose of this discussion to gather information and ask questions, no formal action can be taken. If there is a desire for council to take action in the future, now is the time to instruct staff to do so to bring forward to regular meeting as an action item.

Moenning said elected officials who have been involved in the discussion of this topic are supportive of helping to make this a possibility in our community. One of the factors involved here is housing, of which there are a couple different solutions. Time is somewhat of the essence. Moenning invited representatives from Orphan Grain Train present at the work session to discuss their roles and help fully develop the discussion.

Reverend Wilke, Orphan Grain Train, said Orphan Grain Train has been involved in providing aid to Ukrainians overseas. Wilke said Mike Anderson has traveled overseas and came back with a passion to try to bring refugees back here. There are about 65 people interested in coming to Norfolk. Since the Behavioral Health Specialists building is vacant, there is a willingness to purchase the property on part of Mike Anderson to do that, but he is looking for assurance that the city would be willing to purchase the property once it is no longer being used to house refugees. Orphan Grain Train has been purchasing man-camps to assist in the effort of temporarily housing refugees. Currently have six structures that will sit side by side and accommodate thirty-five people. The interest is not in long-term housing, but to accommodate refugees and provide a soft landing and, as soon as possible, integrate people into the community. Hoping the issue of housing is not a stumbling block.

Mike Anderson, via phone, said the Behavioral Health building has 13 bedrooms, five bathrooms, and can accommodate 30 people. Sisters of the Immaculata Monastery have purchased a house in Woodland Park that can house seven people. With the additional 30 that can be housed in the man camps. All in, can house a total of 67 people, which includes 15 to 16 families. Current cost is \$60 per person, so the rent for a family of five would be \$300 per month. What Anderson is offering – will buy the property in Global Orphans Name and take out

loan to do so. When people are out and man camps come off, asking city to purchase property. Current contact is for \$590,000. Asking the city to cover 3% per year, so a buyback of \$643,000 in three years. Cannot make it go if the city does not buy the property because Anderson does not think the property carries any value and doesn't think there is a buyer for it.

Hildebrand asked, as people are able to start filtering into workforce, what types of jobs they would have. Anderson said there is a good cross-section of people across a wide variety of professions. Have vetted every person.

Jackson asked how day-to-day lives of the refugees will be funded. Money that Orphan Grain Train has raised will have to cover them until they can become self-sufficient. Want them to be self-sufficient in 90 days. They will get government assistance, food stamps and Medicare from day one.

Moenning said elected officials have been asked to consider how immediately we can help accommodate housing. On this particular plan for new housing, on the property in question, have negotiated a price of \$590,000 and would be asking the city for \$643,000 in three years. Moenning asked if there is no value in the property in three years, how the value is determined now.

Anderson said, when initially looking at the property, did not realize there was an issue with the 408 Permit with the Corp of Engineers. With that issue out there, the property will be extremely hard to sell. Anderson said he has committed to a \$350,000 donation and is willing to co-sign loans on homes and use that money to assist with down payments. Feel that component is needed to keep people in Norfolk.

Merrill asked, regarding the Corp of Engineers issue, if that is the case in three years, why is the property worth what they are asking now? Anderson said it is not anymore, but have already given current property owners a contract.

Hildebrand asked if the asking price is too much, if there is a possibility the property could be rented for the duration of the temporary housing need. Anderson said Behavioral Health needs the money to finish their current facility. If they were to rent the property out, would then have to sit on the property for another three or more years. They need the money and need the money now. Their goal is not to rent the property, have been trying to sell on and off for two years.

Clausen noted the city owns the property to the north and west of the property discussed and sees a long-term value to the city for future projects.

Arens asked about expected build out costs to the property in addition to the purchase price. Anderson said the original idea was to build 12, two-story duplexes, and to try to get the refugees out of the man camps as soon as possible and into regular housing. If the duplexes cannot be constructed, the property is not sellable.

Clausen asked how soon Anderson needs an answer. Anderson said he got an extension of due diligence to make decision to July 29.

Adjourned at 5:15 p.m.

Josh Moenning
Mayor

ATTEST:

Brianna Duerst
City Clerk
(S E A L)