

**ASHLAND CITY COUNCIL**  
**REGULAR MEETING**  
June 1, 2017

A regular meeting of the Ashland City Council was held at the Ashland City Hall Council Chambers on the 1st day of June, 2017 at 7:00 p.m.

Present: Mayor Richard Grauerholz  
City Council President Russell DeVries  
City Council Member James Anderson  
City Council Member Paul Gossin  
City Council Member Janece Mollhoff  
City Administrator Jessica Quady  
City Clerk Kathleen Sliva  
Assistant City Attorney Tim Moll

Others: Thomas Judds, Bob Luebbe, Brian Whitehead, Ron Styskal, Ron Blincow, Kaye Blincow, Allen Campbell, Mark Palmer, Mike Bacon, Tom Huston, Don Kracl, Brian Chaffin, Chris DeVillier, Jason Libal, Dave Lutton, Suzanne Sapp, Del Starns, Shirley Niemeyer, Allen Wiles, Chris Jacobs, Suzi Nelson, Lenora Isom and others

Notice of meeting was advertised in the Ashland Gazette on May 25, 2017. The Mayor and all Council Members received advance notice of the meeting and a copy of the agenda as shown by the Acknowledgment of Receipt of Notice. All proceedings hereafter shown were taken while the convened meeting was open to the public.

Mayor Grauerholz called the meeting to order at 7:00 p.m. The Pledge of Allegiance was recited. Roll call was taken and a quorum was declared. Mayor Grauerholz noted the Open Meetings Act that is posted on the south wall of the Council Chambers.

Motion by Mollhoff, seconded by Anderson to adopt the regular agenda.

Roll Call: Ayes: All Motion Carried

Ron Styskal gave public comment stating his concern about annexation is for the infrastructure. He said that Sandy Point, new homes, Saber Heights and many others are on this sewer system and by adding 150 homes the plant is not going to be big enough. He asked if raw sewage runs into Salt Creek, is the developer going to cover the cost for the sewer plant, making it bigger and putting more scrubbers in.

Mayor Grauerholz opened a Public Hearing on Annexation of Whitetail Estates First Addition at 7:04 p.m.

Mark Palmer of Ashland Investment Company spoke to the Council about the proposed annexation. He said Whitetail Estates is planned to have 139 lots. He said Phase 1 will have 50 residential lots and they are planning to do a Residential TIF on these lots. He said they have estimated lot value at \$45,000, home value at \$250,000 and 10 lot sales per year. He said Phase 2 of the project will be 4.3 acres of commercial property and is anticipated to proceed as soon as the Phase 1 infrastructure is complete. He said they have had a number of folks express interest in this corner but they want to see the infrastructure there and pad site ready. He said Phase 3 is 34 lots, Phase 4 is 48, and Phase 5 is seven and they do not anticipate using any other Residential TIF for these phases. He said the last Phase includes annexation of the acreages. He listed eligible TIF expenses. He said the project includes an over sized 10" sanitary main and a 10" water main along Highway 66 making a loop system and highway improvements including a turn lane on Highway 66 and Dennis Dean road. He added site grading is also planned for the county road and the Phase 1 residential lots. He listed the benefits of annexation are that the infrastructure is debt free when annex; the debt is financed by the developers; the residents living in the development will be in the city and can serve on boards; and the City's one-mile jurisdiction will be extended out.

Brian Chaffin, partner in Whitetail Run, reviewed potential revenue and costs to the City. He said sales tax will apply to anything delivered to houses built in the development, approximately \$90,000; property tax from base lot valuation after year one, approximately \$13,500 per year for the City and \$19,080 per year for the school; sewer and water will be paid for by the rates; there will be future property tax revenue anticipated in five years from next residential addition; and new roadways will require snow removal. He said there has been some concern about the number of kids that will get dropped into the development; he shared census data from Gretna which calculated 0.90 persons under the age of 18 per home. He said they used this 0.990 figure to calculate persons under the age of 18 in Whitetail Run - 50 house times 0.90 equals 45 persons under the age of 18. He said that residential developments attract a variety of demographics. He shared data from the Nebraska Department of Education showing the growth of the Ashland Greenwood School District. He noted that the Ashland Greenwood School valuation is \$708 million with the estimated value of Phase 1 at \$12.5 million. He noted the valuation of Sandy Pointe Development which will have a very light student load and a very high valuation. He said that TIF can be paid off faster if construction costs are less, houses are assessed higher and constructed faster than estimated. He said there are distinct markets for Iron Horse and Sabre Heights and they will likely not be interested in Whitetail Run and vice versa. He said they have been here twelve years, this will be a beautiful project that it will be good for Ashland and at a rate that the school district can absorb.

Bob Luebbe spoke stating that he personally welcomes the development to the community and he welcomes more housing. He said he is concerned about is the TIF Financing for Residential Development. He said the developers are requesting \$2 million for the development; he estimated \$853,000 tax revenues withheld from the school for future home values, \$682,000 from the city and \$223,000 from the county. He said growth is going to happen in the community without having to give concessions to developers. He said he has questions that he thinks should be answered before TIF is approved and that voting for annexation, is voting for TIF. He provided the Council with a list of 10 questions that he then read.

Kay Blincow spoke stating they bought property to the east of the development and they are building a home there. She said there is a dry creek on the property and some of the runoff from the development will go onto their property. She asked if there is a retention pond in the development and said she would like a copy of the hydrology study to show her engineer. City Administrator Quady said Blincow could pick one up at City Hall.

Chris DeVillier spoke stating she lives on the east side. She expressed her concern about the definition of blight and if there had been ample consideration given to other ways money can be applied to other areas in the blighted area. She said the east side lacks many sidewalks, has blind intersections, is in need of a pedestrian crossing over Highway 6, has several gravel streets, empty lots, homes that could use improvement and homes that stand vacant. She said that in the recent housing survey it showed that starter homes are needed and that consideration should be given to our economic development goals. She reminded the Council of the ECAP process and stated that we are fortunate to be in state park country, between Omaha and Lincoln and that we don't want to lose sight of those discussions including how important is was to maintain our sense of place, improved community wellness, ease and access for pedestrians, to remain a destination town, a tourist destination, and be unique in character. She said the goal was to develop in ways that were thoughtful and esthetically matched what we want to maintain downtown and ecologically sensitive and meaningful to our neighboring parklands.

Jason Libal, Superintendent of Ashland-Greenwood Public Schools, spoke saying he and the school board have spent a lot of time studying and learning about TIF and how it impacts schools. He stated they support development and growth and that is already occurring here. He said they spent sometime last night as a school board, and they shifted their position to one of opposition, not for the development, but for the TIF funding. He said that information came that they are going to be about a half a million short on state aid. He said they talked about being an equalized district and how the financial impact will be lessened to an extent but the state aid formula is going to change. He asked the Council to take their stance into consideration. Libal answered questions of the Council.

Lenora Isom, Zoning Administrator, reported that total state aid in 2016-2017 was \$2,035,000 and 2017-2018 will be \$1,512,000 a difference of \$523,372.85. She said total formula needs subtracts out yield from local effort rate as an increase for 17-18 of \$483,000 with the difference being a decrease of \$10,160.

Mike Bacon, TIF lawyer for the developers, spoke stating that it is always a tragedy when a school system losses \$500,000 in state aid. He said that he had his superintendent analyze the last two years state aid formulas for the Ashland-Greenwood School District and he said there was a deduct of \$401,730 out of state aid on a line item called student growth adjustment correction. He continued asking the Council to move forward with the annexation and the ordinance.

Dave Lutton spoke raising his concern about annexing before the developers agreement is in place and potential risks. He also said that he is concerned that the Council would proceed without any community support and he doesn't want to see the community alienated from supporting future projects. He also expressed concern that the school isn't going to get any dollars except \$19,000 which is two students. He added he is concerned this will set back the annexation of Iron Horse and that he would like to be a part of the City. He listed the items that will be covered by TIF and he said that isn't fair to the citizens of Ashland. He said that he is concerned that the Council doesn't have all the answers before going ahead. He also suggested that people other than Council members be brought in to be on the Community Development Agency.

Suzanne Sapp, President of the School Board, spoke saying that the school has grown to have a good reputation and she feels this is why we have a lot of families moving into the community. She said she is fearful that if we get into a bind and we can't pass a bond and give the kids what they have now our reputation is going to go down. She read a letter signed by all School Board members to the Council stating the Boards opposition of the proposed method of financing for the planned Whitetail Run housing development.

Tom Huston, a TIF lawyer, spoke explaining the timing in the Community Development Law requires annexation occur before the community can adopt a redevelopment plan for the area. He said that other communities have dealt with this timing law by a de-annexation process or by annexation conditional upon a redevelopment agreement.

Del Starns spoke stating that he is bothered that an advantage would be given to the developer when other developers in town haven't been given any help. He said anything the Council does that reduces the relationship between the valuation and the pupil count, it is detrimental to the school district. He said as a member of the Ashland school district he is interested in maintaining the financial health of the school and that the free market system should take care of this.

Shirley Niemeyer asked for clarification of comments made at the Question and Answer session regarding TIF financing and SID's. She suggested the Council look for grants for putting in the water and sewer. She said she is concerned about what happens if the City annexes the developments and what the responsibility will be for putting in water and sewer, snow removal and street lighting if the development doesn't go. She encouraged the Council to include a park in the second phase of the development along with a walkway across Highway 66 and Highway 6. She encouraged the Council to include other people in the Community Development Agency.

Zoning Administrator Isom read a letter from Mike and Susan Cerny.

Council Member Anderson said that there is an area in east Ashland that are on septic tanks and this would help by making water and sewer available to these properties.

Tim Moll, Assistant City Attorney, gave an explanation of the proposed phased TIF.

With no further comment, Mayor Grauerholz closed the Public Hearing at 8:16 p.m.

Motion by Gossin, second by Mollhoff to approve second reading of Ordinance 1137 – Annexation of Whitetail Estates First Addition.

Council Member Mollhoff made a statement regarding her position on the annexation. She said aside from annexation the City of Ashland has no way to stabilize or increase the tax basis and the school district gets valuation from everything in the district whether the City annexes or not. She said she will be firm in negotiations that infrastructure is to the front door of the development so it does not give these developers any advantage over others. She said this is a tool that the legislature has given the City for economic development and the City has been planning for a decade now for residential and commercial growth across Highway 6 and 66 from our current city limits. She said that bringing infrastructure to the front door of the development opens up the possibility of four and half acres of commercial development and a residential development that will address the housing needs for medium income families. She said the City has the responsibility to protect, stabilize and increase the City's footprint and tax base. She said the risk goes on the developer, it opens up the Highway 66 corridor and will help all the residents of Ashland.

Council Member DeVries mentioned the ECAP survey and noted that #3 Most Important to the Community was to develop land, build out space for retail development. He read the community vision statement developed in the ECAP meetings.

Council Member DeVries, Gossin and Anderson all expressed their appreciation to the audience for being present and for their input.

Assistant City Attorney Moll read the Title of Ordinance 1137.

Roll Call:                   Ayes: All                   Motion Carried

Allen Campbell spoke to the Council regarding variances for garages. He requested that the Council consider increasing the size of detached accessory structures to more than the current 750 square feet. He said he would like the structure size to be changed to ten percent of the lot size. Zoning Administrator Isom discussed the options for increasing the structure size including requesting a variance to the Board of Adjustment or applying for a zoning change to go to the Planning Commission. The Council requested Campbell to make application for future consideration of the Council.

Zoning Administrator and Flood Plain Administrator Isom spoke to the Council regarding Special Use Permit SP06-03 and the unpermitted floodwall installed on Riverside RV Camp and Storage grounds. She reminded the Council that at the last meeting there was a request from Blessie's engineer, Thompson, Dreessen & Dorner, for an extension of two weeks to refer it to FYRA Engineering. She provided a letter she received on Tuesday from FYRA stating 'the wall is definitely in the effective flow area, so the easy answer is not an option'. She said the current wall as it is now is not permissible. She provided a letter from Mitch Paine, State NFIP Coordinator, regarding the City of Ashland's enforcement of the local floodplain management ordinance. She said one of the areas this wall is pushing water to during a flood event is the City of Lincoln water wells. Isom said the current wall is not permissible so it therefore needs to be removed. She said she discussed two options with Paine for the Council to consider. She said that Blessie could be given a month to physically remove the wall or he could be required to remove the wall the day after the current campers are moved out. Isom recommended that Blessie be given the one month to remove the wall. Allen Wiles spoke stating that he owns the property directly across the river from the wall. He said he did have water on the night of May 20 and provided a picture of water up against the wall. He said that he now has a mess and he will be replanting a portion of the field. He said he feels that he should not have to take the brunt of Blessie protecting his property. He added his property has eroded and he may own some of the property that Blessie is allowing fishing on.

Motion by Mollhoff, seconded by DeVries to postpone the revocation of Special Use Permit SP06-03 Riverside RV Camp and Storage until July 6, 2017 Council meeting and in the meantime require the current barriers to be removed and put into storage outside of the floodplain.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Gossin, second by Anderson to approve Pay Request from JEO Consulting Group Inc. for New Well 2015 in the amount of \$2,540.25.

Roll Call:                   Ayes: All                   Motion Carried

Motion by DeVries, second by Mollhoff to approve Pay Request from JEO Consulting Group Inc. for Splashpad in the amount of \$1,404.00.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Anderson, seconded by Gossin to approve Pay Request from JEO Consulting Group Inc. for Water Transmission Main 2016 in the amount of \$1,815.00.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Gossin, second by Mollhoff to approve Pay Request from JEO Consulting Group Inc. for Water 2017 Silver Street in the amount of \$1,216.50.

Roll Call:                   Ayes: All                   Motion Carried

Motion by Mollhoff, second by Anderson to approve the consent agenda which included approval of the May 18, 2017 City Council meeting minutes.

Roll Call:                   Ayes: All                   Motion Carried

Motion by DeVries, second by Gossin to approve the second half of May 2017 Claims.

Roll Call:                   Ayes: All                   Motion Carried

Mayor Grauerholz reported that the handrail project downtown is scheduled to begin on Monday morning and will take about two weeks.

City Administrator Quady reported that the house on the east side was brought down two weeks ago and that a lien will be put against the property.

Mayor Grauerholz mentioned an upcoming workshop on the Open Meetings Law.

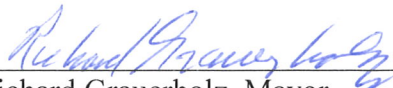
Motion by Mollhoff, seconded by Gossin to adjourn at 9:14 p.m.


Roll Call:                   Ayes: All                   Motion Carried

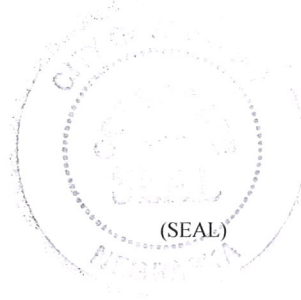
Mayor Grauerholz called for the convening of the Community Development Agency. He stated that the proposed Redevelopment Plan and Redevelopment Contract are under review and that the agency will convene at a future time.

Motion by DeVries, second by Anderson to adjourn.

Roll Call:                   Ayes: All                   Motion Carried

  
Richard Grauerholz, Mayor

  
Kathleen Sliva, City Clerk



I, the above signed City Clerk of Ashland, Saunders County, Nebraska hereby certify that the foregoing is a true and accurate copy of the proceedings had and done by the Council on June 1, 2017 that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty four hours prior to said meeting; that said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten business days or prior to the next convened meeting of said body.