



LOWER PLATTE SOUTH natural resources district

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Memorandum

Date: June 28, 2019
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Finance and Planning Subcommittee Meeting

The Finance and Planning Subcommittee met on Wednesday, June 26, 2019 at 5:30 pm in the NRD Large Conference Room. Subcommittee members present were Dan Steinkruger, Sarah Wilson, Karen Amen, Gary Hellerich, Luke Peterson, Bob Andersen, Greg Osborn, and Ray Stevens. Others present included Larry Ruth, David Potter and myself.

Chair Steinkruger called the meeting to order. The first item was to consider an agreement to purchase Fire Station #10, adjacent to the NRD Office. The Subcommittee discussed that funds have been budgeted for the past several years to purchase the fire station once it is designated surplus property by the City and the operation moves to their new location near 24th & Superior. I reported that the NRD obtained an appraisal of the property in May 2018, a copy of the site map and summary sheet was handed out (attached). The City of Lincoln has “surplused” the property and is proposing to sell the property to the NRD for the appraised value of \$275,000. The Subcommittee then toured the fire station.

Upon returning from the tour I reported that the City has prepared a Real Estate Sales Agreement for the property including a provision that LES will need an easement along the north and south end of the property. NRD legal counsel has reviewed the proposed Real Estate Sales Agreement (attached) and had a couple of suggested changes concerning assurances of the title and the Subcommittee requested we also include provisions for an environmental assessment of the property. The Subcommittee directed staff and legal counsel to complete their review of the agreement and update accordingly. It was moved by Stevens, seconded by Wilson, and unanimously approved by the Subcommittee to **recommend the Board of Directors approve the Real Estate Sales Agreement for Lincoln City Fire Station #10, pending legal counsel review.**

The next item on the agenda was to discuss the proposed FY'20 Budget. I reviewed the timeline for the start of FY'20 (July). As soon as staff receives the end of year financials in early July they will prepare Draft #1.1 of the Budget, this will be sent out to the Subcommittee July 10-12. The Subcommittee will then review Draft #1.1 at their July 15th Subcommittee Meeting and make their

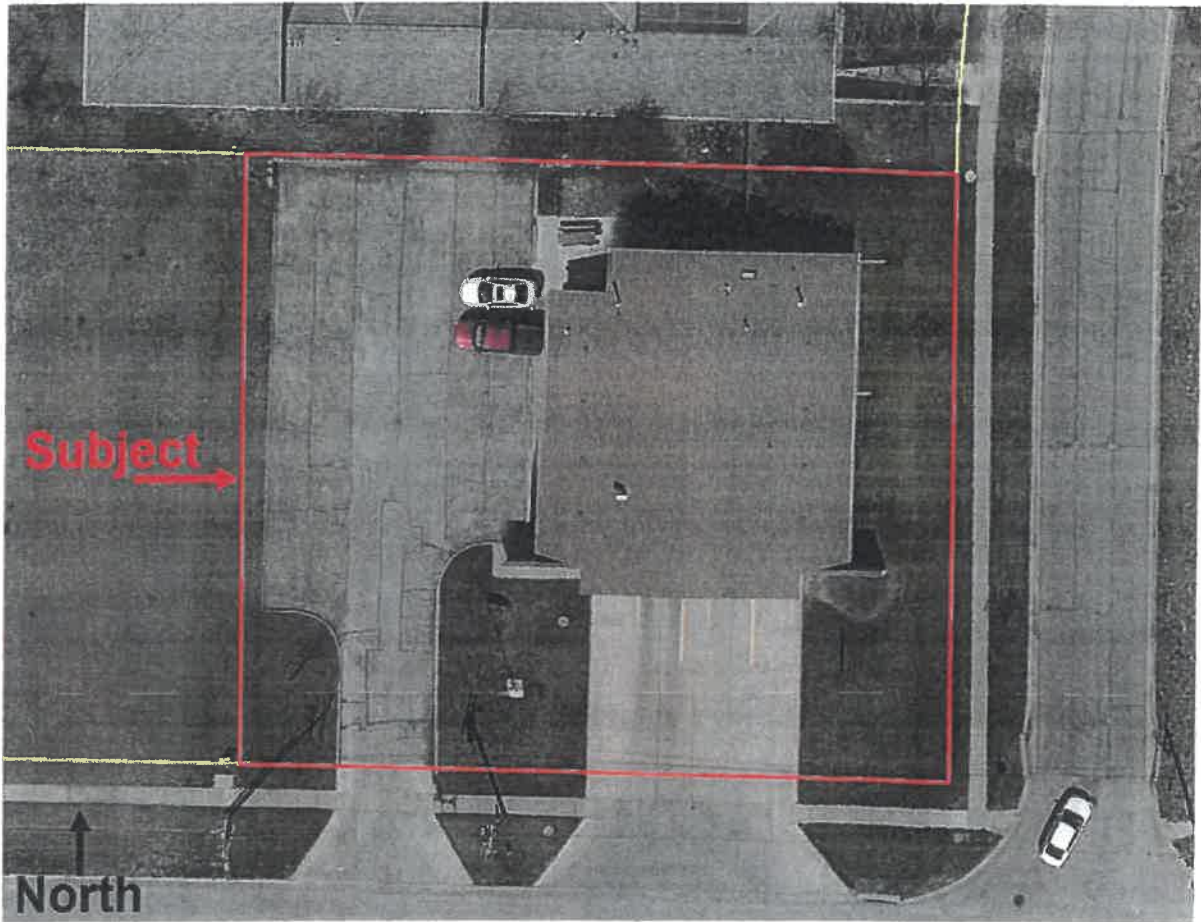
recommended revisions. Draft #2 of the Budget will then be provided to the Board and public on July 17th, prior to our July 24th Board Meeting.

Steinkruger then reported that no public comments were received on the Budget at our June Board Meeting. I reported that a number of additional expenditures will be added to the next draft of the budget, these expenditures are for items that have come up since the subcommittees met in April/May. I reported that we can assume a 5% increase in valuation, considering a projected increase of 6.5% for Lincoln, this would increase the valuation from \$30.9B to \$32.5B. The Subcommittee reviewed past levy rates and property taxes. The Subcommittee also reviewed the current sinking funds and additional funding for the sinking funds, including the Deadmans Run Flood Reduction Project. We also reviewed the Cash Reserve accounts for ENWRA and the Lower Platte River Corridor Alliance and discussed the importance of the NRD maintaining an adequate Cash Reserve.

There being no further business, the meeting adjourned at 6:55 pm.

pc: Steve Seglin
Corey Wasserburger

Aerial Map



The Aerial Map was taken from the Lincoln/Lancaster County GIS Mapping Application. Labeling and outline were added by analyst for illustration purposes only and are not considered to be at scale. The site area of the subject property is outlined in red.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location:	1440 Adams Street, Lincoln, Nebraska
Property Type:	Service/Retail Facility
Property Rights:	Fee Simple Estate
Current Zoning:	H-3 Highway Commercial District
Highest and Best Use:	Service/Retail Facility
Gross Site Area:	19,287 square feet, or 0.44 acres
Gross Building Area:	3,834 square feet
Net Rentable Area:	3,834 square feet

Value Estimates:

• By Cost Approach:	\$295,000
• By Sales Comparison Approach:	\$276,000
• By Income Capitalization Approach:	\$272,000
Final Value Estimate:	\$275,000
Effective Date of Appraisal:	May 21, 2018

This appraisal is subject to Extraordinary Assumptions, Hypothetical Conditions and General Limiting Conditions herein cited. Any user of this appraisal report should be thoroughly familiar with both sections of the report.

CITY OF LINCOLN, NEBRASKA
REAL ESTATE SALES AGREEMENT

This Agreement, made and entered into by and between the **CITY OF LINCOLN, NEBRASKA, a municipal corporation**, hereinafter called "*Seller*", whether one or more, and the **LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT**, a political subdivision of the State of Nebraska, hereinafter called "*Buyer*".

WITNESSETH:

1. *Seller*, in consideration of **TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS, (\$275,000.00)**, to be paid upon the date of closing and completion of this sale, hereby agrees to sell and convey, and *Buyer* agrees to purchase the following described real estate including all fixtures and equipment permanently attached, to-wit:

The East 150 feet of Lot 4, Block 36, Washington Heights, Lincoln, Lancaster County, Nebraska, more commonly known as 1440 Adams Street, (the Property).

2. Title. If requested by *Buyer*, *Seller* shall order a title insurance commitment from the company of *Buyer's* choice. *Seller* and *Buyer* shall split the cost of the title insurance policy.

a. *Buyer* shall approve or disapprove title to the Property within ten (10) days after receipt of the title insurance commitment obtained by *Buyer*. If any objection or defect in title is discovered during the examination of the title commitment by *Buyer*, *Buyer* shall furnish *Seller* with written notice of such objections and defects. *Seller* shall have a reasonable time to cure such objections and defects and *Seller* shall bear the expense of curing the same, provided that all objections and defects shall be cured prior to the closing date. If efforts to cure any such defects fail, in *Buyer's* sole discretion, *Buyer* shall have the option to rescind this Agreement.

3. Closing. It is understood and agreed that *Seller* shall in no manner be bound by the terms and conditions of this Agreement until the sale has been properly executed as provided by the Charter of the City of Lincoln, Nebraska. *Buyer* and *Seller* agree to close and complete this sale in accordance herewith on or before the 30th day of September, 2019, or within 60 days of approval of the sale by the Lincoln City Council. An extension of this date may be agreed to upon mutual written consent of both *Buyer* and *Seller*. Title to said real estate shall be taken in the name of the Lower Platte South Natural Resources District, a political subdivision of the State of Nebraska.

a. Closing charges, if handled by a closing agent, shall be split equally between *Buyer* and *Seller*. *Seller* is exempt from documentary stamp tax for this transaction and appraisal fee will be split equally between *Buyer* and *Seller*.

4. Real Estate Taxes. If any, *Seller* agrees to pay at or prior to closing all taxes for all prior years and any special assessments or other taxes assessed against the above-described property prior to or at closing.

a. Real estate taxes for the calendar year 2019 or current year, if any, shall be paid by *Buyer*.

5. Utilities. *Seller* shall be responsible for all current and any unpaid utility bills up to the date of closing or the date *Seller* vacates said property, including but not limited to water, sewer, electricity, gas and garbage. *Seller* is not responsible for any real estate commission due or owing to any cooperating agents or builder for procurement of the Agreement.

6. Maintenance. *Seller* agrees to maintain the Property, including, but not limited to, the heating, air conditioning, water heater, sewer, plumbing, electrical system, and the parking lot in their present condition until date of closing, or at the time *Seller* vacates the property. *Seller* agrees to maintain smoke and carbon monoxide detectors as required by law.

7. Condition of Property. This Agreement is based upon *Buyer's* personal inspection or investigation of Property and not upon any representations or warranties of condition by any other party involved in this transaction. *Buyer* agrees to accept Property in its present condition, except as provided in this Agreement.

8. Responsibility of Insurance & Risk of Loss. *Seller* shall insure the property for fire, wind, hail, explosion, water or any other cause at no less than the purchase price until closing. Risk of loss or damage to the Property, prior to closing, shall be the responsibility of the *Seller*. If prior to closing the structure on the Property is materially damaged, *Seller* shall immediately notify the *Buyer* in writing of the damage. *Buyer* at *Buyer's* choice, may: (1) Revise the Agreement; (2) Take the property subject to the damage with the *Seller* paying to the *Buyer* the insurance proceeds and deductible for the restoration of the property or at a price discounted by the cost of restoration of the premises; or (3) Terminate the Agreement.

9. Possession. *Seller* agrees to give *Buyer* possession of the said real estate on closing or on any other agreed upon date between *Seller* and *Buyer*. *Seller* shall deliver possession of the Property to *Buyer* on the Closing Date free and clear of any other leases or agreements. No tenants of *Seller* or other third parties shall have any right to possess the Property or any part thereof as of the Closing Date. *Seller* further agrees not to alter or remove any portion of said real estate, except as otherwise provided below: _____

10. Conveyance. It is understood and agreed that this Agreement is conditioned upon *Seller* having a good, valid and merchantable title in fee simple to said real estate. *Seller* agrees to convey said real estate to *Buyer* by good and sufficient warranty deed, free and clear of all encumbrances, except as herein stated otherwise: _____

_____ It is understood and agreed that there may also be additional easement or control of access requirements that will be retained by *Seller* or that *Buyer* may be required to execute and convey to *Seller* on the date of close.

11. Further Assurances. Each undersigned party will, except as otherwise provided herein, whenever it shall be necessary to do so by the other party, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, documents as may be necessary or proper to effectuate the covenants and agreements herein provided. Each of the undersigned parties shall cooperate in good faith with the other party. It is further understood and agreed that *Buyer* shall in no manner be bound by the terms and conditions of this Agreement until the sale has been properly executed as provided by the Laws of the State of Nebraska.

12. Interpretation and Construction. Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally.

13. Non-Merger and Survival. This Agreement and all of its terms and conditions made herein are intended to survive Closing and shall not be merged in the deeds unless otherwise stated in this Agreement. This Agreement shall not be canceled at Closing.

14. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are merged herein. This Agreement cannot be modified or altered unless an instrument in writing is executed by all the parties hereto.

15. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and assigns. The undersigned does hereby warrant, agree and represent that he or she is legally capable to sign this Agreement and has the requisite authority to enter into and lawfully bind the party he or she represents to the terms and performance of this Agreement.

EASEMENT FOR UTILITY LINES AND/OR UNDERGROUND UTILITY FACILITIES

KNOW ALL MEN BY THESE PRESENTS:

That **LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT**, a political subdivision of the State of Nebraska ("**Grantor**"), of Lancaster County, Nebraska, in consideration of \$**1.00**, receipt of which is hereby acknowledged, and the further payment of a sum to make total payment of \$**1.00** for all poles and all anchors and other necessary equipment when set on the following described property, do hereby grant and convey unto the **LINCOLN ELECTRIC SYSTEM, Time Warner Cable Midwest, LLC, and Windstream Nebraska, Inc.** (hereinafter referred to as Grantee, whether one or more) its (their) lessees, successors and assigns, the permanent right, privilege and easement of a right-of-way to construct, reconstruct, operate and remove all necessary poles with wires, guys, underground electric facilities, communications lines and other necessary at grade equipment in connection therewith, on and across the following property situated in Lancaster County, Nebraska, more particularly described as follows:

The East 150 feet of Lot 4, Block 36, Washington Heights, Lincoln, Lancaster County, Nebraska, more commonly known as 1440 Adams Street

The utility line, underground utility facilities, and/or at grade equipment herein contemplated shall be located on the property approximately as follows:

The South 10 feet and the North 5 feet of the East 150 feet of Lot 4, Block 36, Washington Heights.

The Grantee shall also have the non-exclusive privilege and easement of ingress and egress across that portion of the property to its (their) officers and employees for any purpose necessary in connection with the construction, reconstruction operation, maintenance, inspection and removal of said line, underground utility facilities, and/or at grade equipment.

The Grantee shall also have the right at any time to trim or remove such trees and underbrush as may in any way endanger or interfere with the safe operation of the lines, underground electric facilities, and/or at grade equipment used in connection therewith.

The Grantee shall also at all times exercise reasonable effort to avoid injury or damage to the landscaping, and improvements of the Grantor, and the Grantee shall repair any such damage and loss arising or occurring to such property solely by reason of the construction, operation, maintenance and removal of any utility lines, however, in the event that all or part of the underground utility facilities and/or at grade equipment which may be installed on said easement right-of-way becomes defective or unserviceable in the sole judgment of the Grantee, the Grantee shall have the right, to maintain, repair or replace such underground facilities and/or at grade equipment; provided, if improvements to the property make the installation of such replacements impractical at the location of the original easement granted hereby, the Grantor or their successors in title shall grant and convey to the Grantee, for the same consideration as given herein, an easement for such further installation at a location on said property which is mutually satisfactory to the parties. If the parties fail to agree upon any such new location for the underground electric facilities and/or at grade equipment, the Grantee shall have no obligation to replace or provide underground electric facilities and/or at grade equipment across or to any such property and Grantee shall not be liable nor bear any responsibility to Grantor, its successors and assigns for failure to provide electric service to the property.

In determining the locations for further installation the Grantee shall at all times exercise reasonable effort to avoid injury or damage to the landscaping and improvements of the Grantor or their successors. Grantee shall perform any work in connection with this Easement in a good and workmanlike manner with reasonable effort to minimize interference with the use of Grantor's herein described property except as may be reasonably necessary for Grantee to carry out the terms and conditions of this Easement.

Grantor, on behalf of itself and its tenants reserves the right to use the surface of the easement area for landscaping, curbing, paving, signs, and otherwise provided such uses do not interfere with the rights of

